

EXPORT THROUGH A GENDER LENS: SECTION 1

Understanding cultural differences and gender bias in the export market

As a business advisor, you provide guidance to women entrepreneurs who are considering options to grow their business in other countries. It is important to help them understand the need to research the differences in culture and business practices and to acknowledge that potential gender bias and safety concerns may exist in those markets. Cultural considerations also apply to the branding and marketing of their product or service, and modifications may be needed to appeal to consumers in the target market. Insufficient research and preparation in these areas can be the difference between making and losing a sale or establishing key relationships in a new market.

Without sufficient understanding of how culture affects people's behaviour, cultural mistakes and misinterpretations are inevitable. As a starting point, it is important to determine whether the culture in the target market is more 'relationship' or 'transactional'. In the former, prospective clients will want to take time to get to know the owner and build the relationship. This is common in Latin America, the Middle East, and Asia. Taking an interest in the culture of the prospective customer helps build trust for a long-term relationship. Most of Europe, North America, and Australia are transactional cultures that are more likely to get to the point of discussing the deal.

When moving into a new market, it is essential that your client does not assume they can enter it with their brand and communications as they are. Culture and varying market conditions will affect how the brand and company are perceived.

CULTURAL AND BUSINESS CONSIDERATIONS:

During an overseas visit, your clients may attend meetings with potential customers, government officials, and agents or distributors. The business style in meetings may be very different depending on the country. These are all areas that can make or break a business relationship.

Consider the following:

Business meetings – Key to any business meeting is knowing what to expect from the meetings, including the meeting format, style, and information about the participants. Depending on the country, the meeting may be more structured and formal or friendly. This will impact whether preparation such as research and presentations are expected, or whether the meeting will have a more casual, relaxed format.

Appropriate greetings – Getting to know proper use of names and titles is very important. In many countries, including Denmark, France, and the United Kingdom, it is appropriate to use titles until the use of first names is suggested. When cultural lines are being crossed, something considered as a “wrong” greeting can lead to an awkward encounter.

Business card protocol – Card-giving is a key part of business protocol at the first meeting. In Japan, for example, the Western practice of accepting a business card and pocketing it immediately is considered rude. The proper approach is to carefully look at the card after accepting it, acknowledge with a nod that the information has been digested, and perhaps, make a relevant comment or ask a polite question. It is good practice for your clients to prepare business cards in the language of the country in which they are doing business. It will be worth the cost.

Different concepts of time – In general, meetings in most countries follow the same format as those in Canada, although some cultures have a bit more of a ritual. It is important to find out the attitudes toward punctuality. For example, the Chinese value punctuality, so, arrive on time or even slightly early for meetings. Differences in workweek also exist. For example, in the UAE, the workweek is Sunday to Thursday.

Manage language differences – Encourage your clients to learn a few words and phrases in their client’s language to help build rapport, even if they need an interpreter for more complicated communication. While senior management in many countries often speak fluent English, companies will benefit from having staff, partners, or local translators present.

Translators and interpreters provide a good first impression and ensure that communication is accurate. Interpreters should be carefully briefed in advance and be sensitive to subtle language and cultural differences.

Plan the negotiating strategy – Negotiating business deals is complicated by cultural misunderstanding. It is important to understand the nature of agreements and the significance of gestures and negotiating etiquette.

Understand varied approaches to gift-giving customs – In some cultures such as China, gifts are expected, and failure to present them is considered an insult. In other countries, the presentation of a gift may be perceived as an offense or bribery. Research different protocols for gift giving in a particular country, if permitted at all.

BRANDING CONSIDERATIONS:

Your client should understand how cultural differences impact the branding of their product or service. The elements that make up your client's product and ultimately its identity such as colours, icons, symbols or taglines, and other key visuals will evoke different responses from people in different countries.

Assuming your client's brand will be relevant and appealing in a new market when presented exactly as it is in their home market could lead to an entire market entry failure. This could be equally true for the design of a product, its packaging, and even the product name. The following factors should be taken into consideration when entering a new market:

Unique Value Proposition (UVP) – The UVP summarises why a consumer should buy your client's product or use their service, how it adds more value, better solves a problem, or meets a demand more than similar competitive offerings. It communicates a unique and relevant benefit that may resonate in your client's home country. However, as they enter a new market, the needs, problems, and desires of consumers and the competitive landscape are likely to be different. Your client will need to assess and potentially adapt their proposition to appeal directly to the target market.

Company and brand name translation – It is essential that your client understand whether they can take their company and brand name exactly as it is into the new market. This means understanding whether the sound, spelling, pronunciation, and meaning are appropriate and will work. Translations that are misunderstood by locals in a foreign market can be disastrous. It also requires research into the availability of trademarks in other markets.

Colours, numbers, and labeling – Colour is key to brand recognition and represents up to 80 per cent of the brand. It can also play a vital role in signifying product type or market sector, as well as conveying something of the brand ‘personality’ and ‘position’ the market. In some cultures, specific colours signify things your client probably does not want associated with their product, such as death or funerals. Numbers can also convey different and unsavoury meanings. Product labeling and marking may need to be changed to reflect official languages or different units of measurement.

Regulations and taboos – Different markets have different regulations and standards regarding product claims and advertising. For example, some markets are quite rigid about the ‘claims’ of products and services. In the U.K. and Northern Europe, any claim has to be real, proven, and substantiated. Other markets have cultural taboos. In Thailand, for example, it is a sign of great disrespect to show the soles of feet, no matter the situation.

GENDER BIASES:

Gender bias exists globally and, in some countries, is rooted deep in their culture and religious beliefs. Women entrepreneurs must be cognisant of gender-related barriers as they build their export strategy and should consider selecting markets more open to and respectful of women-owned businesses. Traits displayed towards women in different cultures may include lack of respect by male business owners, bravado, chauvinism, not being taken seriously, men who refuse to do business with a woman, and verification of decisions through male employees.

Some areas to be aware of:

Dress and appearance – Business attire is somewhat universal, but the appropriateness will vary by country and culture. For example, wearing trousers or shorter skirts may not be as acceptable in some countries. Your client should be willing to accept that they may be expected to wear veils to cover their head or even their whole body.

Business protocol – Some cultures may not allow speaking directly to a woman or negotiating agreements with her. This type of situation cannot be overcome easily, therefore, it will be imperative to include a male employee or in-market partner to assume the role of negotiator.

Avoiding unwanted advances – In some countries this may be more likely than in others and may be viewed as culturally acceptable, even in a professional setting. It will be important for your clients to avoid situations where they could be left alone with a male counterpart in a formal or social setting.

Taking the time to understand the intercultural aspects of growing the business internationally will reduce the risks and costs of successful entry into a new market. It is important to understand that foreign counterparts are also sensitive to cultural differences in a global economy. A full appreciation of cultural differences is critical in building strong relationships that will facilitate trade and commerce on every level. While failing to capture every nuance of local customs will generally not be the deal breaker, a better understanding will increase the chances of closing the deal. It's best not to leave important cultural matters to chance!