

BUILDING CULTURAL BRIDGES

HOW TO ATTAIN A CULTURAL EDUCATION

Global business requires a global mindset, which is why understanding culture is a key aspect of successful exporting. Here are some considerations for approaching international markets.

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In *The Art of War*, Sun Tzu says: “Know yourself, know your opponents; one hundred battles, one hundred victories.” His advice is as relevant today as it was centuries ago, and is applicable anywhere in the world of global business. As for how to succeed in engaging with offshore counterparts, there’s more to it than visiting your destination market, attending a trade fair, reading a book or paying an agent or consultant. And there’s more to it than acquiring knowledge about the business and social cultures of your destination markets.

Going global should be considered as a campaign with the understanding that you will develop a new market over a one to two year period rather than pursuing a sale. As overseas markets are different from the Australian market, your return must be worthwhile, so select your new markets after doing homework to know that you have a sustainable competitive advantage in developing it. This homework typically involves a partnership between external experts and in-house talent to analyse your products and how they meet customer needs.

Once you have identified the new market and have begun developing an export roadmap, it is time to become savvy to how your new market operates: how customers think and buy products or services, how distribution works, what marketing messages or colours are important, what the best beach head (market entry) approach is, and the best channels to develop the new market.

Here are a few examples of lessons learnt and ways you can avoid errors. Or as one colleague said: “Exporting is like navigating a mine field: it is much easier if you have the right equipment to avoid the mines rather than trying to run across the field full tilt, screaming ‘look at my new product!’”

ADAPT MARKETING MATERIALS

An Australian company went to a US trade show, and invested in marketing collateral printed on glossy A4 paper. Following the show they followed up via phone and email; when asked ‘what did you think of our brochure and the case studies?’ prospects would respond, ‘oh, sorry we threw out your brochures as they don’t fit in our files’.

Lesson learnt: When in Rome, think and act like a Roman. US businesses use US letter-sized paper and their file cabinets are set up for that size; A4 does not fit, and it is easier to throw the brochure away than to scan it. While this is a basic example, potential customers think that if you can’t adapt your marketing materials to their market, what are the chances you will adapt your product and systems to support their needs? Learn how the market operates by asking someone who lives and/or works there, or has sold into the market.

LEAD WITH RELATIONSHIPS

An Australian wine company went to the Middle East to promote their products as their first foray outside of the UK and USA. When they arrived, they went to the hotels and what they thought were the major providers of wine in the market, only to find that they were given a polite but uninterested response.

Lesson learnt: Market entry in the Middle East is based on relationships more than the product. To enter the alcohol market,

which was a niche market due to the cultural views in the region, they required someone who knew the landscape and knew with whom to build a relationship. Australians love to promote their product, its features and how it compares against competitive products, while in the Middle East, the channel buyer wants to know the person and the company and build a relationship before discussing or purchasing products.

“We find that too many Australian companies are product-centric with little appreciation for why consumers in new markets buy, or don’t buy, their products,” says Scott Gillespie of ExpatriateConnect (EC). “Understand the needs of consumers and redefine your products or services to fill those needs. This is more about marketing and communication than re-engineering products. Little new business gets developed without a campaign approach, which starts months before an overseas trip and continues for months after the market visit.”

FIND THE CHANNELS TO MARKET

After nearly a decade of development, capital raising and proof of concept, an Australian food and beverage company had gained sales in Australia and proven their product worked, but had stumbled at going global. The company wanted to go overseas but couldn’t find a distributor or agent to take their product until they had a larger installed base, and they didn’t have the internal resources to go global themselves. They finally found a global food and beverage player that would further develop the product in Australia and then resell it overseas themselves.

Lesson learnt: Going global with a partner that knows the channels to market, and focusing on developing and servicing products, are often effective approaches to developing global markets. Leverage industry players with global experience or trading houses that buy in one market and sell into another.


Less than six percent of Australian businesses export, according to Austrade; Australia has to work harder to learn about foreign markets than the English and the Chinese, who have had legions of traders for centuries cultivating relationships, and understanding channels to markets.

PLAN TO PRECLUDE POOR PERFORMANCE

Prior to a trade show, a company contacted government agencies and chambers of commerce and said: “We’re leaving in 10 days. Match us up with an in-market resource and make sure they can get us into the C-level people at the following companies...” The short answer was: “I’m sorry we can’t provide you instant access in a country that values relationship building and cultural sensitivity.”

Lesson learnt: The five Ps of marketing, restated, is ‘Proper planning precludes poor performance’. Gaining introductions to build relationships, and ultimately sales, requires a strategy, time and exchange. Some compare exporting with dating, where few get what they are looking for if they rush in without doing their homework or showing interest in the other party.

BE PATIENT

Over the last three years, EC has observed that being patient pays handsomely. This contrasts with the large number of Australian 

- ▶ businesses that have the unreasonable expectation of looking for their investment in new markets to be recovered in six to 12 months, and to establish an ongoing channel to market. EC finds a pattern in Australian firms going global: the first group is DIY when time, funds, interest permits; the second group has tried exporting DIY and is now looking for assistance to gain new markets; and the third group is doing their homework now as they know they will do exporting some day, but not soon.

USE A COACH OR MENTOR

Businesses willing to invest in developing an export roadmap, and to prepare 90-day plans to execute against their roadmap, often see exponential results and long-term momentum into new markets. A common element in the roadmap is a coach or mentor to assist in gaining insights into the new market culture and buyer behaviour. The mentor or coach often shares a half-day to one day per month and over time build the knowledge, confidence and capability of Australian businesses to meet new market needs.

DEVELOP CULTURAL SENSITIVITY

Cultural sensitivity is a function of the extent of your experience and the attention you pay to cultural differences. We employ a wide range of strategies to avoid confronting the implications of such difference, so it is not surprising that busy people often don't take the time to learn about how they differ culturally from their overseas counterparts, investigate what these differences do to our ability to engage across cultures, and how we can bridge our differences and learn to communicate with and trust each other.

Remember etiquette and customs: First of all, it's useful to know about people's customs and habits, for example when and how they greet people. There are many books on this topic, from professional studies to popular travel guides as well as videos and websites that help us know how to behave in everyday encounters with people who are different from us. Knowing what behaviour is expected in particular situations and practising it can help enormously: you can quickly feel comfortable and blend in a bit, and prevent some unintentional insults.

However, the downside are that it is difficult to memorise a long list of dos and don'ts; it's easy to misunderstand which situations call for which behaviour; it can be easy to act stereotypically when the rules will not apply in all situations; and most people don't expect outsiders to behave like insiders. Learning customs and habits is one way of getting to know others but is not the only, nor necessarily the most effective, strategy.

Learn the language of your counterparts: Anything from learning their slang or abbreviations to mastering the language. Language is a key to understanding how people think, how they see the world, and what is important to them, and valuable for communicating across cultures. But learning another language takes time that you may not have before interacting with people from another culture, yet you will certainly benefit from picking up that phrasebook and learning at least a few polite words.

Apply models of culture: We can learn models of culture that help alert us to areas in which our differences are likely to show up and where the differences will make a difference. For example,

some people have a deep respect for authority and hierarchy, the boss is important and is to be treated accordingly, while other groups are egalitarian. Or, some people may proceed on their own as individuals, while others are inclined to act by consensus.

To see the broad range of differences within which people think and act, it helps to use the dozen or so dimensions of difference developed by Western intercultural researchers such as Edward Hall and Geert Hofstede. These models help you recognise, classify, and respond appropriately to differences, but do not necessarily tell us why these differences work the way they do, or how these differences are viewed by your counterparts.

Develop skill as a cultural detective: Finally, there is a powerful way to understand the motives of others and ourselves: by learning about core values. How do we find out how and why people do what they do? What motivates them and shapes the behaviour and expressions we see and hear? A cultural detective's job is to unearth the motives that drive people to do what they do.

Being and behaving differently is not a crime; however, we are likely to treat it as such unless we can find our way into the mindset and values of those different from ourselves. To become a cultural detective, you need to:

- Identify and understand the core values of a culture and the diversity of ways they are carried out by those who hold them.
- Develop an insatiable curiosity that is always ready to ask 'just one more question'.
- Put all the clues together to understand what is really taking place, what it means and what solutions are at hand.

Such cultural sleuthing leads not only to understanding, but opens the door to bridge building and synergy that can benefit both sides. As anyone who's lived among other cultures knows, our Aussie common sense is not necessarily common. And that's the first step in becoming a cultural detective: being culturally self-aware and able to identify the values of one's own culture.

The next step involves bringing that awareness to an examination of an interaction with another culture, viewing it first without judgement, and then through the eyes of both cultures. The final step is then working out ways of building cultural bridges so both sides can communicate better and resolve the problems they have encountered.

Learning from *Cultural Detective* is based on the actions of individuals in unique situations. In this way, participants learn that while there are cultural tendencies or norms, each person is unique and complex, and that stereotyping or over-generalising is counterproductive. The emphasis is on obtaining cultural information as the starting point for dialogue and reflection. **DB**

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