

Gift-giving is a valuable practice when working with Chinese business partners. When the author couldn't find face masks in his local store in the U.S. at the beginning of the coronavirus pandemic, a sales agent friend shipped him these from China. Photo: James Chan.



Working with China

In pandemic times and beyond, doing business with the world's most populous country presents challenges for Westerners. Here are 15 practical tips.

BY JAMES CHAN, PH.D.



What is WeChat?

Imagine a place with no Facebook, Instagram, Dropbox or Twitter. That place would be ... mainland China. Many of the apps and social media platforms that are integral to businesses around the world are blocked in China. WeChat, on the other hand, is a part of everyday life. Despite its moniker, WeChat is much more than a messaging app. It's often referred to as a "super app" because it contains apps or "mini-programs" within the app. WeChat is a one-stop shop for e-commerce, banking, hailing a ride, making a doctor's appointment, ordering food, playing games, livestreaming, and, yes, chatting.

With upheavals caused by tariff wars and the coronavirus pandemic, one thing is certain: U.S. businesses still need China as a customer and as a supplier. The world's most populous country will remain, as it has been, both an adversary and an indispensable but often difficult business partner.

There may well be major changes in the U.S.-China relationship. But whatever happens, good communication practices mean a lot. They help cut down cross-cultural friction, promote amity and beef up sales. Here are some tips you can apply right away.

1. Install the WeChat app on your devices and learn to use it. WeChat is the default social media platform in China. Some 1.15 billion users use WeChat to talk, text and tackle countless tasks. You can't do business in China without it.

2. Since traveling to China is impractical for the time being, use Skype, WeChat and smartphones to hold conference calls. WhatsApp does not work in mainland China, but it does work in Hong Kong. Fish Wang, an American sales representative based in Dongguan, China, uses Zoom to hold conference calls with medical professionals within China. But when I tried to reach him on Zoom, we ran into technical difficulties.

3. Answer customer emails promptly. Chinese customers complain that American managers and technical staff tend not to respond to their emails promptly. This is a real problem. "It may take several days to as long as two weeks to hear from my American colleagues," Wang says. "My customers in China feel ignored."

4. Give a reason for any delay. Don't ignore nagging customers, who see silence as evidence of disrespect or hostility. If you cannot reply to an email on the same day, give a reason and notify your agent or customer when you will be able to supply an answer. Jeff Xu, a veteran China sales representative in Shanghai, shares this tip: "Come up with a 'reasonable' excuse even if the real reason cannot be told. People in China do the same thing to their own customers. This is not a big deal."

5. Hire someone who is China-friendly to manage the market. You don't need an expert, but my 40 years of doing business in China have taught me not to assign someone who loathes China to run your China business. Someone with that attitude will repel good agents and botch new opportunities. "Hire someone who is genuinely interested in learning about the Chinese," says my agent friend Jack Ma.

6. Slow down when you speak on the phone. Chinese people are more reserved and less assertive than Americans, and they won't ask you to repeat yourself. They think it is impolite or that it reflects badly on them. This "face saving" behavior is common. "Chinese customers often misunderstand or miss key points when Western engineers speak too rapidly," says Wang, the Dongguan agent. "I have to do remedial explanation after they leave China."

7. Don't rely solely on email exchange. Follow up with phone calls as often as you can to your agents, distributors and suppliers. Emails get lost in cyberspace more often than you think. "Americans like to write long, pointed and detailed emails," says Louis Chui, a Hong Kong employee of a U.S. software firm. "They believe that telling you everything in one long email is efficient.... What they don't know is that Chinese prefer talking and negotiating." If you rely solely on emails, sooner or later you'll run into missing links and misunderstanding. I make a habit of talking with our contacts in China, sometimes daily. These conversations last 30 to 75 minutes per call.

8. Choose an extrovert. Besides being China-friendly, your China liaison should be a people person who is not phone shy. And never assign China to someone who gets easily frazzled.

9. Allow time to build comfort and trust. Understanding and trust can be built steadily but only slowly over time in China and Asia, according to Bernard Miu, Asia regional manager for a multinational corporation. "Rushing in trying to tell your Chinese counterpart what is on your mind and expecting him or her to give you an immediate response is counterproductive," he says. During normal times, I call contacts in China even when there are no issues. I want to cultivate a trusting relationship over time so that they welcome my phone calls. People dread hearing from you if every phone call from you is about a problem. Wang adds another practical tip: "Don't talk to your agent and Chinese customer as if they were children. Rather, allow them to speak their minds. They'll give you important market information if you're just quiet long enough."

CHINESE CUSTOMERS COMPLAIN THAT AMERICAN MANAGERS AND TECHNICAL STAFF TEND NOT TO RESPOND TO THEIR EMAILS PROMPTLY. THIS IS A REAL PROBLEM.

10. Respect and value their time. If your business is located on the East Coast, your China contacts are often 12 or 13 hours "ahead" of you. Don't call them when it is too late in their evenings. I call people between 8:00 p.m. and 10:30 p.m. their time. If you must call them close to midnight, make sure ahead of time that they don't mind. If you make your China partners feel that you're treating them as professional equals, they'll be more motivated to be honest with you.

11. Practice gift-giving, especially during pandemic times. Gift-giving is a common practice when doing business in China. When you can't travel there easily, you can send presents that bond a relationship. I sensed recently that our agent would love to have a one-of-a-kind mechanical device our company makes. He sees in it a good teaching tool to impress young college engineers. We made one and shipped it to him as a company gift. At the same time, hearing that I couldn't get any face masks at my local Walgreens store, he sent me a box of 100 Chinese-made face masks via FedEx.

12. Avoid sending green-colored sports caps or hats to Chinese men. Giving a "green hat" to a man in China suggests that his wife is unfaithful. Likewise, the gift of a clock in China is not a good omen. The Chinese phrase for giving a clock suggest that you want people to have a short lifespan.

13. Be alert to Chinese sensitivity to numbers. We recently needed to quote an exceedingly low price to a Chinese customer without revealing our manufacturing cost. We quoted a made-up number like \$13,876.90 per unit. These are good numbers. They rhyme with growth, prosperity and good luck. We avoided using the numeral 4, which in China suggests defeat, failure and death.

Our customer knew it was a "fake" number. They laughed and gave us the order.

14. Behave so that your agents and partners will take you into their confidence. China is far less transparent than other countries with which you do business, and you need to find people who can help you know what information to trust. It is essential to choose the right agent, distributor, employee or partner. In the words of Xu, my entrepreneur friend in Shanghai, "Facts in China are like a bar of wet soap. They shape-shift, slip and slide away fast." For example, imagine a Chinese company with a lot of infighting. It is hard to know what the truth is. The engineering department may be dueling with the manufacturing department, which is at odds with the sales team or the procurement manager. Meanwhile, whatever decisions they make can be vetoed by the corporate boss. "The China market is a labyrinth," says Xu. "We on the ground in China must figure out what is the probable truth in this maze."

15. Don't kill the goose that lays the golden eggs. If you find a good agent, hold on to him or her for as long as you can. Don't become envious or jealous if your good agent makes more money in commissions than you do as a manager or executive. Instead, think strategically. If you can help your agent become a millionaire, how many more millions can your firm make? ☺

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