

# CRITICAL VALUES

## APPRECIATE AND UNDERSTAND A MARKET'S CULTURAL FACTORS.

We Americans typically see the world through the eyes of American values, American business policies and practices and the American Media. Living overseas for 30+ years of my life and working there as a marketing educator at The Chinese University of Hong Kong, as a marketing consultant, a management trainer of executives throughout Asia, and as a writer for the Hong Kong South China Morning Post has taught me a few strategic lessons.

The key lesson: Always try to understand things within the framework of the hopes, dreams, values and priorities of the individuals within that specific country. Learn to appreciate, to adapt and, if necessary, adopt some of the most critical values of those individuals. This is the essence in which this article is written. In other words, before you begin to do business in a foreign market, do understand the needs, desires, cultural factors, etc. of that market.

Thus, to be successful in doing business within any country, take some time to first learn about that country, understand the needs of the country and the people. Do find out something about their objectives and how they do business.

The American business strategy, as it relates to exporting, is typically to attend an overseas Trade Show, or to be part of a trade mission or hope that you find someone on the internet with whom to do business. These are channels through which you can begin to understand the various aspects about the country as they may provide you the opportunity to visit a country and meet some of the local business people. I would suggest, however, that if one is going to a foreign trade show, go a week earlier. By setting up some

meetings in advance, you will get to know more about the country, the people and its culture. Keep in mind, however, that in these cases, you are only scratching the surface.

### UNDERSTAND THE COUNTRY

Let's use a foreign country and see if it is possible to learn something in advance about that country. For example, in order to help you understand how you might do business with China, one could understand the issues that China is facing and a few of the country's related hopes and objectives. These are areas in which the central government and various local governments in China are trying to address.

- > The need to shift from an export dominant economy to a domestic demand driven economy.
- > The need to move away from low cost manufacturing to a higher value-added economy.

This opens up a variety of business opportunities. This will call for more of a retail focus. Thus, companies providing these types of finished goods as well as for manufacturers of those products and processes that are suppliers to the OEMs of the finished goods will find new business opportunities.

To do this one must have an understanding of the required structural changes that the country must go through, have an idea of the types of products and services required and, begin to identify the critical players who are now or who could be in this system.

As you can appreciate, issues of product design and development will need to be addressed. In addition, China will need to learn how to apply new technologies to business and industry. Some of this is being developed within their Science Parks. However, extensive innovation will be required. This entails their acquiring knowledge, technology and practical know-how. Thus, companies that traditionally offer these types of advanced technologies can also find a market by disseminating information in the form of educational programs.

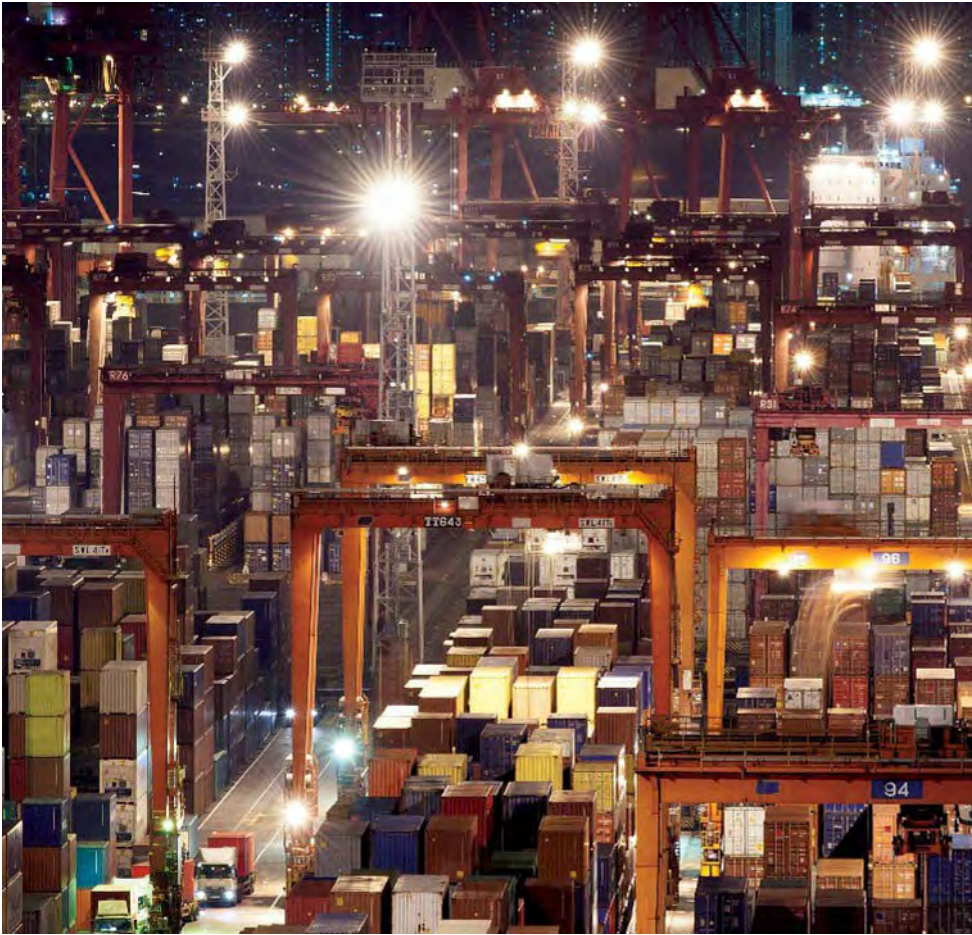
- > The need to improve health care, education, a better distribution of wealth, and an improvement in the environment.

This opens up opportunities for specific types of medical and health care products, health care management and soft ware systems and, the offering of expertise and training in the various health care areas.

In addition, businesses specializing in energy saving, environmental protection, water purification, green building and building design can find opportunities in the market.

- > The need to improve the managerial capabilities of Chinese citizens.

The country needs to develop new customers, new products and new markets both within China as well as its own brands for both the international and the domestic markets. It needs to understand the concept of distribution systems. It must be able to understand the total Marketing Concept. This opens up the opportunity for them to learn how to attract,



develop and train the right type of managers for a variety of positions. This also includes their need to become more entrepreneurial rather than great copiers of other peoples' products as well as to have more professionally trained leaders of business and of the various government units within the country.

- > The need to expand and improve the services sector of the economy. The services sector is projected to be 47 percent of GDP in five years.

There is an opportunity to set up one's own services organization and/or to train individuals in order for them to develop a more professional service economy such as, employment and training services, assisted living, restaurant and entertainment, business research, etc.

As China moves into its next phase of development, workers will begin to receive higher wages. This will not happen overnight. It will, however, lead to new groups of customers that can then afford certain types of products and services from the West.

For your information, one can go on-line and explore the various economic developments plans being posted by numerous Chinese cities and for other countries and cities throughout the world. Contact points can also be identified. Communications can be initiated before one goes to a trade show or on a trade mission. Visitations to a particular area can then be set up. This allows you the opportunity to explore the various business opportunities and options, identify the practices of that particular country and to initially

meet some people that can help get you started.

Yes, in order to be able to be successful in creating and developing a foreign market for one's products and/or services, one needs to undertake a certain amount of planning and preparation.

In summary, seeing the world through the eyes of those who live and work in foreign countries, e.g., their hopes and dreams, will give a potential exporter a great advantage over someone who just goes to a trade show and collects business cards. Business opportunities, be they exporting or investment, exist in China as well as in many other countries throughout the world. Knowing how to tap into those opportunities is the challenge. The best way to do this is by building relationships with those folks in your targeted countries as well as acquiring as much information about the targeted country or countries as possible.

For markets such as China, one can use the services of the U.S. Dept. of Commerce's Commercial Section. Also, by using Hong Kong as your business base for China, the Hong Kong Trade Development Council can be of assistance in helping you identify business opportunities and assist you as you venture into the China market.

The challenge for those of you who have never exported or only export to a neighboring foreign market is to begin to identify the various channels of information that can start you thinking about exporting to a particular market. There is a great deal of information available. Use it. **mt**

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