

THE CULTURAL DIFFERENCES BETWEEN CHINA AND THE WEST IN INTERNATIONAL BUSINESS ACTIVITIES

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Abstract

With the development of economic globalization, more and more enterprises choose to expand their industries abroad, leading that international business activities are becoming more and more frequent. At the same time, the important role of cultural differences in international business activities has become increasingly prominent. Studying the cultural differences between China and the West in international business activities can help multinational corporations understand what cultural differences exist in their business activities between China and Western countries, what challenges they will encounter and how to deal with these challenges, so as to improve their competitiveness, help them carry out international business activities smoothly, and finally promote the prosperity of the global economy.

Keywords

International Business Activities, Cultural Differences Between China and The West, Multinational Corporations

1. Introduction

Under the background of economic globalization, international business activities are becoming more and more frequent. However, the cultures of different countries are distinguishing. As a result, multinational corporations will face the challenges brought by cultural differences when they conduct international business activities. Therefore, understanding the cultures of different countries and making preparations in advance are very beneficial to enhance their competitiveness in international business activities.

At present, many scholars have studied this theme, and the research results are very rich. The earliest scholars who studied cultural differences are Kluckhohn and Strodtbeck (1961: 13). They compare different cultures from six aspects including the nature of human, the relations with nature, duty towards others, mode of activity, privacy of space and temporal orientation. Since the 1970s, scholars have begun to explore the reasons for the failure of enterprises' transnational operation, and thus the research on the culture factors in that has been gradually enriched. Among these researches, Herbig's (1997: 14) *Handbook of Cross-Cultural Marketing* is a famous one. Chinese scholars have also conducted extensive studies on cultural differences and international business activities by learning relevant foreign theories and combining China's practical situation. Chinese scholar Zhou Juanmei (2005) believes that understanding cultural differences is the core link to improve the effectiveness of international business negotiations. Scholars have mainly studied the types of cultural differences and their coping strategies, which provides precious theories for the future study. But there are few studies on the role of cultural differences in international marketing and the specific impacts on international trade activities. This paper will use the methods of literature reading, case study and comparative research to systematically and comprehensively discuss the cultural differences between China and the West in international business activities, but the core research questions of this paper will still be what cultural differences exist in international business activities and their coping strategies. The research will have a comparatively more comprehensive reference significance for multinational corporations engaged in business activities between China and Western countries.

2. Definitions Of Culture

There have been a lot of discussions on the definition of culture in academic community, mainly including three kinds of understandings. In *the dictionary of modern Chinese* published by Commercial Press in 2016, one of the cited explanations of cultural meaning is: the total of material wealth together with spiritual wealth created by people in the process of social historical practices, particularly spiritual wealth, like education, art, literature and so on (CASS, Institute of Language Studies, Dictionary Lexicography Center 2016). Taylor, the father of Anthropology, has made a classic definition of culture in *Primitive Culture* (Taylor 1871: 2), “is that complex whole which includes knowledge, beliefs, art, morals, law, customs, and any other capabilities and habits acquired by [a human] as a member of society”. Encyclopedias of various countries also describe culture with “sum”, “material and spiritual wealth” and “system” such vocabularies in the end of the definitions (Tao Hong 2011). It can be seen that culture is indeed a complex, with its subject being human and its content being very rich. Finally, we can get the definition of culture as: culture is the complex of spiritual wealth and its products, which can be produced, developed and inherited by humans through their long-term practical activities.

3. Classifications of Culture

The existing research on the classification of culture is relatively rich, and here five classifications will be mentioned. According to the structure of culture, it is very common to classify culture into material culture and non-material culture. As for the second classification, David Riesman first mentioned the concept of subculture. Subculture exists relative to the mainstream culture. It refers to the culture shared by segments in a society. Based on the constituent elements of culture, cultures can also be divided into material culture, spiritual culture, behavioral culture, social culture and conceptual culture. The forth kind of classification being created by Hall (1959: 48), the founder of cross-cultural communication, he divided culture into open culture and hidden culture according to whether the culture could be seen by the naked eye. The fifth classification is based on the nature of substances reflected by culture where culture is divided into art culture, sports culture, science and technology culture, management culture, ethics culture and ideological and philosophical culture (Liu Xue 2006). Considering the fifth cultural classification is lowly correlated to the paper’s theme, we can first negate this classification. In addition, the first, second and fourth classifications are too general, so the authors prefer the third classification for its more detailed information.

4. Definitions of National Culture

So far, there has been no clear definition of national culture given by scholars, so we should first learn the concept of “nation”. To put it simply, a nation is a form of human community sharing with the same languages, territories, government, culture and history (Hearn 2008). Thus, based on the concepts of “culture” and “nation”, we can conclude that national culture is the complex of spiritual wealth and its products, which can be produced, developed and inherited by a human community sharing with the same languages, territories, government and history through long-term practical activities.

5. Classifications of National Culture

There is no authoritative classification for national culture. The most common and specific classification of national culture is dividing it into food culture, religious culture, language culture, etiquette culture, customs, values, way of thinking and so on, according to the living elements of people in a country.

6. Roles of National Culture in Business Activities

A country’s culture is one of the most basic backgrounds of its economical running, and thus its culture reacts on the economy. The roles of national culture on business activities can be divided into the following three types: shaping business values, adjusting business behavior and improving business image.

6.1 Shape Business Values

Business values refer to the group consciousness that exerts a leading role in the business activities of a corporation, which condenses the ideas of the whole members of the corporation, and reflects its pursuit and value orientation. National culture, as the crystallization of a national people’s wisdom, polished over a long history by sufferings and struggling, is the most tenacious and the most lasting force, which can help enterprises shape positive and unique business values. Contract perspective in *the Bible* and *Talmud* tell Jews that honesty is the foundation of everything, and thus Jews regard honesty as the first golden rule in business. John Rockefeller, a Jewish oil magnate, and Joseph Pulitzer, a Jewish newspaper magnate, both have always adhered to the business

value of the supremacy of honesty all their business life, which is also one of their magic weapons for success (Qin Lifeng 2011).

6.2 Adjust Business Behavior

As one of the norms to adjust social behavior, culture can also be a means to regulate business behavior. Western culture attaches importance to the spirit of contract, which requires the people who sign the contract to abide by their commitments and emphasizes freedom and equality. The spirit of contract will restrain Western businessmen's business behavior by guiding them to contract without concealment or fraud and consciously perform their rights and obligations. Chinese culture attaches importance to etiquette, so there are many requirements for business activities in China such as how to address others, where to sit at table and so on. People's business behavior always has been unknowingly regulated by nation cultures, because parts of cultures have already integrated with business and become default business customs.

6.3 Improve Business Image

National culture is the root of a nation as well as what the whole people of the nation have a deep affection for. If an enterprise can integrate national culture into its product, service, advertisement and so forth, it will accept the welcome and support from the country's people. In China, many merchants imitate ancient environment to dress up their stores, or let their staff wear ancient clothes, to create an antique beauty, which attracts a lot of customers, especially those who are fond of antiquity, to the store for consumption. In this way, some stores can even become internet-famous sites for customers to take the perfect Wechat Moments snap, thus booming their businesses. This is the very strong power of national culture which can help merchants improve their business image as well as enhance their competitiveness.

7. Influences of Cultural Differences in Business Activities

Culture difference is an inevitable factor encountered by multinational corporations in the process of business activities. It can present opportunities to multinational corporations but may also cause obstacles to their business activities. Therefore, there are positive effects as well as negative effects too that cultural differences bring to trade activities.

7.1 Positive Effects

The cultures in different countries are different, too. While carrying out cultural exchanges, the two countries will also promote the development of business activities between them. During the Western Han Dynasty, Emperor Wu of the Han Dynasty sent Zhang Qian to the Western regions and thus opened up the silk road. The silk road not only promoted the cultural exchanges between ancient Eastern and Western countries, but also became an important channel for trade contacts between Eastern and Western countries. During the Ming Dynasty, Zheng He made seven voyages to the West. Products invented by Chinese people such as silk and porcelain flowed into Western countries and were widely welcomed. Western countries' spices and other commodities also enjoyed great popularity in China. Thus, overseas trade was once boomed at that time. After the reform and opening up, American Hollywood blockbusters and Japanese animation have been very popular in China, stimulating the international film-television market. In addition, traditional cultural festivals with characteristics of different countries have also become prevailing in other countries, such as the Spring Festival and Dragon Boat Festival of China, Christmas and Valentine's Day of Western countries. When such kind of things of some countries become fashionable in other countries, they can often set off people's shopping frenzy, thus promoting the development of business activities (Kou Xiaohui 2016).

7.2 Negative Effects

Just as is mentioned above, cultural differences can bring business opportunities to multinational corporations, but may also become an obstacle to the development of their business activities. Different economy, geography, politics and other environmental factors in different countries can shape different cultures, resulting in cultural differences among countries. If an enterprise violates local customs or other cultures when conducting business activities in other countries, most people in this country will not be willing to consume the goods of this company in spite of the high quality of the goods. D&G's humiliation to China, which was once boisterous, is a good example. On November 21, 2018, Italian luxury brand D&G released several advertising videos on its social media with the subject of the combination of Chinese traditional culture and Italian classic diet. In the advertisement, there are chopsticks being called "small stick shaped tableware", an arrogant tone and many strange postures of the model with chopsticks eating, which were questioned by Chinese that D&G aimed to discriminate against Chinese traditional culture. And their suspicion seemed to be proved when a designer of D&G not only refused to apologize but openly humiliated China. After this incident, Chinese models instantly stopped performing in D&G show, Chinese stars terminated the contracts with it, and Chinese people all boycotted the brand. We can predict that

D&G will never be popular in China again even if its initiators apologized later. Cultural differences exist objectively, but if a multinational company still deliberately insults other countries' cultures after its realization of the cultural differences, it will be tantamount to looking for failure itself. In the following section, what kinds of cultural differences between China and the West in international business activities exist will be mentioned.

8. Cultural Differences between China and the West in International Business Activities

8.1 Differences in Value Orientation and Thinking Mode

Value orientation and thinking mode are one of the core cultures. In life, people usually deal with all kinds of things based on certain values, which is the so-called value orientation. Generally speaking, Chinese people emphasize collective interests over personal interests, which is the ideological consciousness owned by Chinese people since ancient times. When personal interests conflict with collective interests, personal interests are always sacrificed. On the contrary, in Western countries, personal interests are often put in the first place. Westerners pursue freedom and emphasize independence (Wang Lina 2014). This difference can be seen from that most adult children still live with their parents even after their marriage in China but in the West situations are opposite. The thinking mode refers to the way people perceive things and solve problems. Chinese tend to use curve thinking, while Westerners are inclined to adopt abstract thinking. Specifically, when the two kinds of people express their ideas, Chinese people are used to starting from the side, then elaborate step by step, and finally point out the information they really want to convey. Westerners like to first express the main points and hate beating around the bush. In addition, Chinese cultural preference is imaginal thinking, while Western cultural preference is abstract thinking. It can be seen from the unlike Eastern and Western painting styles. Chinese paintings focus on conveying artistic conception, whereas Western oil paintings focus on realism.

8.2 Differences in Time Concept and Space Concept

The concepts of time and space also differ from nation to nation. The differences in time concept are reflected in time orientation and time system. Time orientation refers to people's different attitudes towards past, present and future. Chinese are past time oriented. That means Chinese people have a relatively more respectful attitude towards their history and ancestors. Therefore, when making decisions, Chinese people are more willing to learn from the past so as to make a better guidance to their actions in the present and future. Some Westerners, such as Mexicans, are present time oriented and thus they deem that enjoying the present is the most important thing because they can neither predict the future nor change the past. Some Westerners, such as Americans, are future time oriented. They believe that the future means unlimited possibilities. Therefore, they are more willing to put their energy on the things that are about to happen, like planning for the future, and they also like to break the routine and pursue thrills. In terms of time system, most Western people abide by mono-chronic time. In other words, they are used to just doing one thing for a period of time, and starting the next thing when the previous one is finished. Therefore, they often arrange strict plans in advance, which makes their actions more efficient. Chinese people abide by poly-chronic time. To be specific, they usually do several things at the same time in a period of time, which is more flexible (Lan Qiaoyu 2017).

The space here refers to not only the physical distance, but also the psychological distance. Most people in the West are sensitive to physical distance. In addition to their relatives, lovers and especially close friends, same-sex friends rarely maintain close distance (Chen Hua 2011). However, in China, it is normal for same-sex youths to hold hands and hang up on shoulders, but if this happens in Western countries, these two same-sex friends might easily be misunderstood as homosexuals. What's more, Westerners also pay more attention to personal privacy. In China, people, especially relatives, often inquire about each other's salary, marriage and other private information, which is regarded as a way to express concern. However, Westerners will feel being offended when they encounter such private questions. It can be seen that there are great differences in the concept of time and space between China and Western countries.

8.3 Differences in Verbal and Nonverbal Communication

The biggest cultural barrier for multinational corporations to conduct business activities in foreign countries is the difference of language. The main language used in China is Chinese, and the common language in Western countries is English. Moreover, Chinese expression is euphemistic and implicit, also good at using rhetorical devices such as metaphor, while English expression emphasizes logical rigor and is more direct. For example, when these two kinds of people are praised, Chinese people will modestly say "No, no", while most Western people will happily accept the praise and express their gratitude in response. In addition, the cultural meanings of words such as color and number are also very different. Red symbolizes auspiciousness and festivity in China but danger and terror in the West. Chinese people dislike number "4", in that this number is homonymous with "death". Westerners regard number "13" as a taboo, for this number is considered to bring suffering and misfortune to Jesus.

In addition to language differences, there are also discrepancies in nonverbal communication, including facial expression, gesture expression and so on. Influenced by Confucian culture, many Chinese people

have a reserved character. Therefore, when communicating with Chinese people, people cannot judge their true feelings through their facial expressions. Relatively speaking, Westerners are more unrestrained and forthright. Thus, people can easily grasp their inner feelings through their facial expressions. Furthermore, the same gesture can indicate disparate meanings in different nations. For instance, Chinese people often use the “V” gesture when taking selfies or group photos (Jiao Xue 2017). In America, this gesture means victory or peace. However, in Britain, if you stretch out your index finger and middle finger to form a “V” shape but put your palm towards your face, it means insult and contempt.

8.4 Differences in Religious Beliefs

Religious culture is the most sensitive element in national cultures. It affects many aspects of people’s life, and naturally also has a non-negligible impact on transnational marketing of enterprises. The number of religious believers in China is comparatively small and Buddhism and Taoism are relatively influential. Besides, due to the influence of traditional myths, Chinese people are in awe of celestial beings and ghosts. Celestial beings like the God of Wealth and Bodhisattva who can bless one’s wealth and health are more popular with Chinese people. In Western countries, there are a large population of people believe in all kinds of religions. Among these religions, Christianity, Islam and Judaism are the three most powerful religions. As is well-known, religions generally have their own festivals, celebrations and taboos. For example, Islam prohibits eating pork and drinking. Christians will fast on Easter day, but children can eat all sorts of delicious candies and snacks on that day. Multinational corporations should pay attention to religious taboos and seize the opportunity to explore the market.

8.5 Differences in Business Etiquette

Nations have gradually formed their own set of business etiquette after long-term cultural accumulation. As an ancient civilization with a history of more than 5000 years, China’s business etiquette is more cumbersome than that of the West. First, the appellation of the first meeting is different. When two parties meet for the first time, influenced by the concept of clan, Chinese people are accustomed to raising the status of each other and call each other “您 (nin)”, “贵 (gui)”, “某经理 (moujingli)” and all that, while Westerners’ addressing rules are relatively simple. They will directly call “you” and “me” or “Miss.” and “Mr.”, which makes one feel that they have equal status (Li Qingxin 2009). Secondly, Chinese and Western food cultures are very different. In terms of eating habits, Chinese people use chopsticks, while Westerners use knives and forks. Moreover, Westerners prefer to eat high-quality meat such as beef and mutton, and other nutritious food like bread, milk and oatmeal. Chinese cuisine emphasizes taste and appearance, with people using all kinds of ingredients to make countless delicious dishes. In terms of eating atmosphere, Chinese people get used to talking at dinner and enjoy jollification, whereas Westerners like having a meal in a quiet environment. In terms of seating position, Chinese people respects the left position, and people with higher status always take the seat first. In the West, the right position is more honorable. Moreover, Westerners hold the concept of lady first, so women usually take the seat first (Zhang Bo 2011). In terms of table behavior, Chinese people often persuade each other to eat more dishes and drink more alcohol to express their enthusiasm as well as strengthen their relations. The persuaded or invited side will also try to finish the food and drink more alcohol in response. However, Westerners will never force guests to eat more food and they also do not like being persuaded to eat and drink more. They will leave the decision to the guests themselves. From this, we can see that there are many differences between Chinese and Western business etiquette, especially banquet etiquette. Therefore, multinational marketers must entertain each other with appropriate etiquette.

8.6 Differences in Business Enterprise Culture

The enterprise internal culture of China and the West is also different. First, employees have different attitudes towards their bosses. Although in both China and Western countries, the relationship between bosses and employees is employment relationship, the employees’ attitude towards their bosses is quite different. In China, employees are very obedient to their leaders, and the leaders’ status is higher than that of employees. In the West, bosses and employees can get along well like friends. Therefore, for highly difficult or intensive tasks, employees in Western countries dare directly to say “No” to their boss, while Chinese employees dare not to refuse their bosses’ request. This is because there will be no chance of salary increase or promotion, or they may be fired by their bosses if they refuse. Secondly, the attitude towards salary increase and overtime is different. In China, it is generally difficult for employees to actively ask for a raise for they are afraid of arousing their bosses’ disgust. In Western countries, requiring salary increase can be a non-emotional thing, which can be calmly discussed between employees and bosses. Chinese employees have long been used to working overtime, and Chinese bosses also take it for granted. Even in many cases, some employees will take the initiative to ask for overtime in order to complete their work or show their ability. However, in Westerners’ views, working overtime means giving up their private time to make money for companies, so they think they have the right to decline the overtime requirement. Because for Westerners, time and money are equally important. During off-duty times, they can decide by themselves to choose what they want to do, usually to accompany their families, have relaxation and entertainment. They will feel being disturbed if they are asked to work during off-duty hours. Therefore, bosses in Western countries are grateful

to employees who are willing to work overtime. Multinational marketers need to pay attention to this cultural difference when hiring employees in foreign countries.

8.7 Differences in Business Environment

For the business environment, there are also great differences between China and Western countries. When conducting business activities in China, sometimes even though one owns sufficient capital, he may still fail to finish his project. More often, the success depends on relationships. Thus, Chinese businessmen usually make friends with people before doing business with them. They can close their relationship and even develop into stable business partners by eating and drinking together. The fact that Chinese businessmen mostly manage to finish a deal at the dinner table can prove the importance of relationship in China's business activities. Within the company, some employees will try their best to have a good relationship with their bosses in order to get the opportunities of promotion and salary increase. Some people can even become one of the employees of a company merely by virtue of relationship.

But Western businessmen pay more attention to rules than relationships in their business activities. As a result, they usually distinguish between business relationships and interpersonal relationships. Therefore, Western businessmen will not deliberately spend a lot of time and money on dealing with interpersonal relationships.

9. Challenges of Cultural Differences for International Business Activities

9.1 Challenges on Market Research

Market research is the premise of conducting marketing. Only through relevant market data can we make corresponding marketing strategies for consumers' preferences, product prices and so on. Whereas, on account of the existence of cultural differences, it is difficult to carry out market research in foreign countries. If some questions in the survey involve some cultural taboos of the country, consumers may reject the survey directly. For example, if people in Western countries are asked to provide information such as age and income, they will be likely to turn down. Therefore, different research methods should be adopted according to countries' respective cultures.

9.2 Challenges on Marketing Strategy

The formulation of marketing strategy affects the whole business activities and is crucial to the success of commercial activities. Due to culture difference, customers of different countries have different preferences and different requirements for products. Multinational marketers need to make marketing strategies according to the needs and consumption habits of local consumers from product choice, product materials, price to brand naming, product packaging, advertising and so on (Wu Xiaoda 2018). Among them, the naming of product brand and advertising planning are the steps that are mostly likely to produce errors. For instance, Burberry, a British company, once launched an advertisement in China to celebrate Chinese New Year with the theme of getting together and showing the reunion of family. In the picture, however, all the people look serious and the background is very gloomy. There is no doubt that the advertisement has become a failure case. But brands with excellent translation like “可口可乐 (Coca Cola)”, “宜家 (IKEA)” and “露华浓 (REVLON)”, are naturally very popular in China and are successful cases. Therefore, enterprises must understand the local culture and formulate correct marketing strategies.

9.3 Challenges on Business Negotiation

Cultural differences can affect many aspects of business negotiation, such as negotiation organization, negotiation mode, negotiation process and so on. First, companies in different cultures have different conditions for the people they choose for negotiation. Enterprises in Western countries tend to choose people with strong logic as negotiators, while the conditions for negotiation candidates of Chinese enterprises not only require superb negotiation skills, but also need the negotiator with a high position in his company (Shen Jianan & Guan Chen & Li Jia 2016). Therefore, when negotiating, multinational enterprises should try to avoid the situation of wide disparity in the status of negotiators, or this will be considered impolite by the other party. Secondly, there are some differences between Chinese and Western enterprises in the way of negotiation. Westerners cherish time, so they will go straight to the theme the moment a meeting begins. But Chinese people are more euphemistic and usually get to the point at the end. The inconsistent rhythm between the two sides may affect the effect of negotiation. Therefore, multinational enterprises should understand each other's negotiation mode and avoid contradictions caused by cultural differences.

10. Coping Strategies for the Challenges of Cultural Differences in International Business Activities

10.1 *Build Awareness of Cross-cultural Communication and Respect Cultural Differences*

To cope with the challenges brought by cultural differences, international businessmen should first establish a sense of cross-cultural communication. When multinational enterprises enter a new country, they also enter a new culture, so they cannot deal with business activities according to their own cultural habits. International businessmen should always be sensitive to culture. When they encounter contradictions and difficulties, they should think about whether it is caused by cultural differences first. In addition, international businessmen should respect cultural differences, respect other cultures. If a multinational company still insults other nation's culture in business activities after understanding the cultural differences, it will become the enemy of the whole people of the country. Only by respecting cultures of other countries can multinational enterprises be respected by the people of this country and carry out business activities smoothly in this country.

10.2 *Strengthen International Cultural Exchanges*

Multinational enterprises should not only have the awareness of cross-cultural communication, but also understand the cultural differences between China and the West. Therefore, it is essential for them to have international cultural exchanges. In this regard, their countries can help implement multi-level and multiform international cultural exchange activities, for instance, organizing international cultural exhibitions, establishing international cultural exchange centers, etc. In addition, multinational companies can also directly employ people with experience in the target country or provide cultural trainings to their employees. Through cultural exchanges, international marketers can further enhance cross-cultural communication awareness and deepen the understanding of other countries' language, art, customs and other cultures, so as to avoid the conflicts arising from cultural differences in international trade activities.

10.3 *Implement Localization Strategy*

Localization strategy refers specifically to a series of adjustments made by overseas subsidiaries of multinational corporations to adapt to the target countries' market investment and management, and finally to turn their companies into a local one (Levitt 1983). A multinational company that implements localization strategy will develop appropriate strategies, such as localizing products and hiring local employees, based on local economy, politics, nature and other conditions. Such a strategy which makes an international company fully integrate into the cultures of the target country, can minimize the conflicts caused by cultural differences. Many multinational companies have achieved success by implementing localization strategies. For example, KFC in China introduced different flavors of Tofu pudding that is a traditional Chinese food, such as sweet and salty, in response to different tastes between northerners and southerners. In fact, in recent years, KFC has been exploring Chinese cuisine and launching localized products, which has greatly tapped into the potential consumption capacity of Chinese consumers and brought new opportunities for the development of its brand in China.

10.4 *Improve the International Influence of National Culture*

Every country has its influential cultural symbols. The United States possesses Marvel films, Britain has Harry Potter, and China owns pandas, dumplings and so on. If multinational enterprises can actively promote their nations' excellent cultures, combine it with modern civilization and build their own characteristic brands, they will open up new markets and obtain new business opportunities in other countries. While selling domestic products, multinational enterprises will further improve the international influence of their national cultures, thus forming a virtuous circle. For example, Li Ziqi promotes Chinese cultures through elegant short videos, which has gained a high popularity overseas, making food products of Li Ziqi's brand very popular abroad. Among these products, Liuzhou River snails rice noodles have an annual sale of 3 billion RMB, and are exported to more than 100 countries. The secret of Li Ziqi's success is to use the effect of Chinese excellent cultures to open up overseas markets.

10.5 *Use Business Language and International Business Etiquette*

In international business activities, the conflict of language and etiquette between different cultures is inevitable. However, if multinational corporations can use professional language and unified business etiquette, they will reduce a lot of troubles in international business activities. Business language can help multinational corporations reduce the friction caused by different languages and convey information more accurately and efficiently. As a norm that people need to abide by in international exchanges, international business etiquette provides great convenience for the smooth running of business activities of both sides. Therefore, multinational enterprises should master business language and international business etiquette in order to reduce the contradictions caused by cultural differences.

10.6 Raise Legal Awareness and Promote the Legalization of International Trade Environment

International business activities involve a series of activities such as international transportation, international insurance and international settlement. It is possible that problems may occur on a certain link. When multinational enterprises encounter problems, law is the best weapon for them to safeguard their own interests. Therefore, international businessmen should improve their legal awareness, clearly agree on their respective rights and obligations, and learn more international law, international practices and laws of target countries. However, for the laws of different countries are also different, it is a difficulty to decide which law to use to resolve the conflict. From the aspect of enterprises, both parties can agree in advance in which law to adopt. From the level of nations, international organizations and countries should be committed to promoting the legalization of international trade environment. For one thing, the standards of institutional reforms of each country are supposed to keep up with those of international economy and trade. The countries should accelerate domestic institutional reform, eliminate the old rules, and work out a new system that is adaptable to the new international situations. For another, international organizations can establish an internationally unified foreign trade system and dispute resolution system, to regulate international business activities, to reduce conflicts resulting from cultural differences as well as to resolve trade conflicts. Meantime, international economic organizations, such as WTO, are expected to give more resources and preferential policies to developing countries, maintain a truly fair and transparent multilateral trading system and create an international trade environment without trade discrimination, unilateralism and trade protectionism.

11. Conclusion

To sum up, this paper draws the following conclusions. The cultural differences between China and the West in international business activities include differences in thinking modes and value orientation, differences in concepts of time and space, differences in ways of verbal and nonverbal communication, differences in religious beliefs, differences in business etiquette, differences in business enterprise culture and differences in business environment. The strategies to deal with the challenges brought by cultural differences cover establishing cross-cultural communication awareness and respecting cultural differences, strengthening international cultural exchanges, implementing localization strategy, improving the international influence of national culture, strengthening the use of business language and international business etiquette, improving legal awareness and promoting the legalization of international trade environment.

The authors' theoretical knowledge and practical level are not enough. The descriptions of some sections are not detailed enough, and the expression of relevant nouns is not professional. The authors will improve it in the future paper writing.

The success of international business between China and the West requires businessmen with not only adequate resources and wisdom, but also the ability of cross-cultural communication. Only when a multinational company attaches importance to cultural differences, can it turn difficulties into opportunities and thus boost the prosperous development of its businesses in other countries.

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