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Developing a Relationship with a Chinese Distributor

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Here is some useful information that aims to help you understand how to develop a solid relationship with a Chinese distributor.

Developing 'guanxi'

Developing a strong relationship with your Chinese distributor is crucial to the success of your business. In order to do this you will need to develop 'guanxi'.

The closest English translation for 'guanxi' is relationship. Relationship in Chinese culture means a business relationship, and carries the same importance as a strong friendship, marriage or partnership. Building 'guanxi' is the key ingredient in doing business with a Chinese distributor, and it takes time and resources. Solid 'guanxi' can be with you for the rest of your life, and like any relationship, it takes some effort to maintain. Chinese people often say 'no relationship no business.'

Some of the ways you can develop 'guanxi' with a Chinese distributor are through gift giving, acknowledging Chinese festivals, pronouncing Chinese names correctly, sharing knowledge about wine. Inviting your Chinese distributor to

Australia to experience your environment is a great way to develop a strong relationship. This is also a good opportunity for your Chinese distributor to bring potential buyers of your wine to Australia.

Toasting at the dinner table is an excellent opportunity to develop 'guanxi'. The Chinese phrase "gan bei" is often used when your Chinese host is proposing a toast at the dinner table. When the host offers the guest "gan bei", the guest is expected to say the same back and then empty their glass. This may happen for a few rounds during the meal. The guest is expected to toast the host and say a few words of appreciation about the food and their friendship.

When it is your turn to make a speech at the dinner table you can say something like:

'We feel so fortunate to have the opportunity to visit your wonderful country. Thank you for your beautiful food and generous hospitality. We are looking forward to continuing to develop a long-term relationship. Your friendship is important to us and we wish you and your families' good health and a happy life. China has really exceeded our expectations. You have such

beautiful architecture, friendly people and delicious food. We would really like you to visit us in Australia, as we would like to return this wonderful hospitality we have experienced in China'.

'Guanxi' and negotiation

Chinese people will rarely do business with people they do not have 'guanxi' with. The difference is that in Australia quality and prices are the major issues, whereas in China there must be a relationship before there can be any discussion about quality and price.

The Chinese distributor will feel more comfortable when they know who they are dealing with. Generally in Chinese business there is less trust about something written on paper. If the Chinese distributor feels good about communicating with you when they are socialising at a banquet, they are most likely to want to do business with you.

Friends before business

A popular saying in Chinese is 'friends before business'. This is often the business model among many Chinese people. It means for a business deal to happen the friendship must be there. A Chinese distributor will rarely do business with a stranger. The Chinese distributor will need to

build up trust before they do business with you. The lines between friends, business, work and leisure are often blurred.

Translating your materials

To get your message across to your distributor and to show that you are serious about your business relationship you will need to have your materials translated.

It is important to have your company brochures and business cards translated into Chinese before you go to China. Don't leave everything until the last minute, as you may have to go back and forth with the translation company regarding clarification of the terminology in your materials.

Spend your money wisely by removing any unnecessary information and only giving the relevant information to the translator. Stay away from cultural clichés, literary references and metaphors and use plain English and plenty of images. Make sure you use a reputable company to do the translation job, as a bad translation has the potential to destroy a business deal.

Be careful translating your company name into Chinese because it can be misunderstood due to cultural differences.

Things you need to look for when choosing a translation service

- A reputable translation service who understands the wine industry and therefore they will understand wine terminology
- Ask the translation service if they use a second proof reader to ensure a perfect translation
- It is important that they offer to check the finished product after the Chinese has been imported into your brochure or document **CAE**

