it’s considered polite to try to get to know the people you’re doing business with before you discuss the business itself. The three Fs of business—family, friends, and favours—have a very strong influence on the business decisions people make. To be successful, it’s essential to spend time establishing a relationship with customers and business associates before you proceed with your work.

Although good manners everywhere are based on the ideas of showing respect for others and making them feel comfortable, specific rules and expectations differ from one culture to the next. For example, in some countries, it’s considered rude to use your left hand to give something to someone. In others, it’s rude to ask about someone’s spouse. Because it’s hard to predict what people will expect from you, it’s a good idea to do some research about etiquette before you travel to a foreign country.

Decision making

In North American business, decision making is typically a top-down process. People expect the president of a company to have much more say in an important decision than someone who works in a less senior position. Latin American cultures usually take a similar approach. However, in some other cultures, decisions are made from the bottom up. That means that before an important decision can be made, the person who makes the decision may need to consult everyone who will be affected by the outcome. As a result, decisions may sometimes take longer to make.

Global Dependency

The twentieth century was a time of almost unimaginable growth in the communications industry. People all around the world were drawn closer together by inventions such as the television, movies, satellite communications, and the Internet. This rapid growth has put us on the path to becoming a “global community.”

If you walked down the streets of Taipei, Barcelona, Cairo, or Buenos Aires, you would likely see signs of home. You might see a Pizza Hut, an advertisement for a Will Smith movie, or a copy of USA Today newspaper. You’d see people wearing clothes with familiar logos. In a parking lot, you’d see familiar vehicles.
Why are consumers buying cars and clothing made in foreign countries? The simple answer is something called global dependency. **Global dependency** exists when customers in one country begin to demand items that are created in another country. These customers become aware of the products because of global communications. Over time, the products are incorporated into the culture of the people who buy them.

But the process doesn’t always go smoothly. Awareness of different cultures and preferences is the key to success in a foreign market. A North American advertisement for a brand of laundry detergent might show dirty clothes on the left, the detergent in the middle, and clean clothes on the right. If this ad were introduced in a country where people read from right to left, such as Israel or Egypt, the result would be confusion and declining sales.

Since the pace of advances in communication technology seems to be speeding up, not slowing down, it’s likely that global dependency will continue to increase as we move further into the twenty-first century. Despite the fact that the road to the future won’t always be smooth, it seems likely that international business will play a vital role in determining what our “global community” will look like in the centuries to come.

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**Review Questions**

24. Describe several ways in which you could find out about the culture of another country.

25. Give an example of how each of the following is different in a non-Canadian culture: punctuality, greetings, nonverbal communication, good manners, and decision-making processes.

26. What is global dependency? How does it influence international business?
CHAPTER REVIEW

Knowledge

1. How does proximity encourage trade?

2. Use an example to show how a government can use a currency fluctuation as a barrier.

3. If a business plans to enter a foreign market, why would it be helpful to gather information about the discretionary incomes of potential customers?

4. Why is it important to watch body language when communicating with someone from another culture?

Thinking

5. If Canada did not buy and sell goods internationally, how would your community be affected?

6. Windsor, Ontario, benefits from being close to Detroit, Michigan. Name three other border cities across Canada that benefit from being close to large American cities. In what ways do the Canadian and American cities benefit?

7. Choose one country from Table 4.2 on Canada’s export markets. Gather as much information as you can about that country’s investment relationship with Canada. Create a visual display or multimedia presentation designed to help Canadian investors who might be interested in doing business with that country.

8. Do you think it’s possible to have a world free-trade zone established at some point? Identify two benefits and two drawbacks of such a possibility.

Communication

9. If the Canadian government put stiffer controls on imports, it could increase the number of jobs for Canadians. Describe the advantages and disadvantages of this strategy. Then interview a businessperson in your community to get his or her opinion. Present your conclusions to the class in an oral report.

10. Using the Internet, the library, or another source, prepare an oral report on how important the market in China will be to your province or territory in the next 10 years.

11. Could Canada continue to exist as an independent nation inside a North American economic union? Research the potential impact of such a union on Canada’s economy, environment, culture, and government. Then hold a class debate on this issue.

12. Culture has an influence on many aspects of people’s everyday life, including music, clothing, and entertainment. Choose one of these areas. What can you learn about Canadian culture by examining this area? Then, choose another country and tell what you know about its culture by examining the same area.

Application

13. Select two products you use that are produced in Canada. Conduct research to find information that will help you determine whether these products are sold internationally and, if so, whether they are changed or repackaged for other markets. Write and illustrate a report to present your findings.
14. The BMW X5 was used as an example of a product that has component parts from around the world. Identify another product that relies on other countries for its component parts and write up your response using the X5 summary as a guideline.

15. A Canadian giftware manufacturer wants to sell products in the Mexican market and has come to you for advice. Consider what you have learned in this chapter and explain, in an oral report, the pros and cons of trying to enter this market. Conclude your report by making two recommendations to the Canadian manufacturer.

16. Find out how Canadian immigration patterns have changed in the past 40 years. What effect has this had on Canada’s economic relationship with various countries?

Team Activity

Team Goal: To find examples of imports from the largest possible variety of countries

Team Assignment: Imported Goods

- Your team should bring to the classroom actual samples of imports from as many different countries as possible (pictures don’t count).

- Your team’s selection should consist of only one item per country. Each team will present their items to the class.

- The team that has examples of imports from the largest number of different countries will win this competition.

- In the case of a tie, the judge will use creativity or variety as a criteria for declaring a winner.

Portfolio

Select two businesses within your industry that export to different countries. Pick two of the countries that either (or both) of these businesses export to. Prepare a detailed profile of each of the countries including a discussion of its economy, political organization, language, climate, geography, population, trade agreements with Canada, culture, and infrastructure.

How do each of the businesses you selected trade with these nations? (Consider strategic alliances, company-owned stores or factories, distribution centres, and/or simple buy/sell arrangements.) Explain with pictures, diagrams, and specific examples where possible.

What products would these businesses import? List three or four items that one of the firms you selected as an exporter would need to import. What countries would supply the items?

Reflect on Your Learning

Would you like to work at a branch of a Canadian company set up in another country? Why or why not?
INTERNATIONAL PROFILE

Google

Google is a global technology business that maintains the world’s largest online index of websites and information by using an automated search technology that is made free to anyone with an Internet connection. As a result of their innovative web search technology, Google is among the world’s most widely known brands and a top Internet destination. The company name is now a verb (to google) that’s used everyday around the world.

So, how does Google earn a profit if users do not pay for web searches? The answer is: Simply by providing online advertising to businesses who pay for space on third-party websites that comprise the Google Network. Although the company doesn’t disclose its financial results, annual revenue was estimated to be between US$700 million and US$1 billion for 2004, and the number of employees was more than 3000.

Google is the brainchild of Larry Page and Sergey Brin, both computer graduate students at Stanford University, who, in 1996, had started working together on designing a system to explore the Internet. Within a year, their new search engine, initially called BackRub, was causing a buzz on the Stanford campus. But, as Page explained, “We realized BackRub wasn’t the world’s greatest name.” The search for a new name was on. When, finally, they came across a list of very large numbers, of which “google” was at the top, they knew they had found what they were looking for. A friend later informed them that the number is actually spelled “googol,” but since the Google domain was still available, Page and Brin opted to keep the misspelling. A googol is the number one followed by 100 zeros and was
chosen because it appropriately reflected the new search engine’s objective: to organize the almost infinite amount of information worldwide and to make it universally accessible.

In September 1998, after two years of perfecting their new technology, the two former graduate students put their Ph.D. plans on hold and opened Google Inc. in Menlo Park, California. From the outset, Google was answering 10 000 search queries per day, and was named by *PC Magazine* as one of the Top 100 Websites and Search Engines for 1998.

By the end of 2000—despite Google’s daily handling of more than 100 million searches—the company was looking for new ways to connect more people with more information worldwide. And so the company began to develop and extend its user interface. The result?

Users now have the opportunity to search sites written in 28 languages, including Arabic, Turkish, Korean, and Japanese. Furthermore, Google formed a partnership with the company Universo Online, making Google Latin America’s number-one search engine. In 2004, the Google interface was available in more than 100 languages. Indeed, Google is so committed to providing global access to information that the company has extended versions of Google into many developing countries, from which they are unable to recover the costs, because they view the investment as an important social good rather than a market for profit.

In October 2006, Google purchased YouTube—the consumer media company for people to watch and share original videos through a Web experience—for US$1.65 billion in stock. Founded in February 2005, YouTube allows people to easily upload and share video clips on and across the Internet through websites, blogs, and e-mail. YouTube currently delivers more than 100 million video views every day with 65 000 new videos uploaded daily. This acquisition by Google combines one of the largest and fastest-growing online video entertainment communities with Google’s expertise in organizing information and creating new models for advertising on the Internet.

Because Google believes its primary competitive advantage to be surprise, Google does not like to talk much about future plans. However, just a quick look at the Google Labs web page will tell you that there is much more to come from this innovative and universal business.

**QUESTIONS**

1. What service does Google provide to its users? By what means are they able to obtain a profit?

2. Why is Google considered to be a *global* technology business? What is a user interface, and how has this enabled Google to increase information accessibility worldwide?