

# **Shanghai: Doing business with food**

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# Kia Ora

This is a free resource for small businesses in New Zealand who are looking to understand Shanghai and its unique business culture. It is intended to help prepare and establish relationships, as well as highlight the cultural distinction between cities and regions in China. While this resource is aimed at small-business owners, the topics covered will be useful for anyone visiting Shanghai.

My goal is to help maximise positive interactions and to assist in the development of trust and friendship when building a business. One of the most impactful ways this can be achieved in Shanghai – and certainly throughout all of China – is through the act of sharing a meal. The other is by making a good first impression. This resource will cover the key points of doing business and the basic rules of etiquette in Shanghai surrounding informal interaction.

Most importantly, to do business successfully in Shanghai, you have to be in Shanghai.

Ngā mihi nui,  
Alena Woo

# Formal meetings

## Time

In Shanghai, time is not relative. There doesn't appear to be an 'around' or 'ish' amount of time. If the business is serious then all parties will show respect by being punctual, especially if you are the buyer in this situation. Aim to arrive a little early to your meeting, generally between 5-10 minutes is perfect. If for some reason you can't be on time be sure to provide a reason.

Other things to consider when scheduling a meeting:

- Try to avoid scheduling meetings one after another. Leaving a couple of hours between meetings will allow ones that are going really well to run over time without impacting on the next thing in your schedule. It shows the person you're meeting that you have made time for things to develop naturally and are committed to building a strong relationship with them.
- Let the person know if you are on a more strict schedule before you meet and ask them if it's okay. It's mostly to help manage their expectations of your time. It sounds trivial but it can leave some sour feelings, especially if it's your first meeting. The most damaging part is that they may never tell you what went wrong and just cease doing business with you.
- If you are late or have to cancel the meeting, let the people you're meeting know as far in advance as possible. Apologise profusely, provide the reason why, and reschedule a follow up meeting ASAP. This will show them you are serious about doing business and will minimise any damage to the relationship.
- If the people you are meeting are late or have to cancel, do not show frustration or annoyance, even if you have traveled a long way. By responding with graciousness, you can actually improve the relationship and they'll feel they owe you one. Both of which put you in a good position for your next meeting.
- Don't schedule a meeting during lunch time (12-2pm) unless you are asking them to join you for lunch. No one in Shanghai will accept a

meeting during that time that doesn't also include food. Allow up to 2 hours for a lunchtime meeting.

- People in Shanghai are rarely — if at all — prepared to schedule anything more than 2 weeks in advance. International visits are an exception but not by much.

## Making a good first impression

In Shanghai business happens face-to-face or not at all. There are a lot of cultural cues that show politeness, respect, and/or deference without having to speak. Knowing what some of these cues are, understanding their significance and learning how to use them to your benefit are key. While you won't be expected to know everything, a little effort and sincerity goes a long way. First impressions count.

The trust model in Shanghai is quite different when compared to New Zealand. New Zealand operates on two degrees of separation. We tend to trust first and be proven wrong later. In Shanghai, unless you've been referred to them by someone they trust, there will be a higher level of caution than you might otherwise be used to receiving.

## Dress code

- As a general rule, smart casual will be suitable. Unless you're going to a banquet, in which case go for smart.
- Being well presented shows respect to your potential business partner. The definition of 'nice' is slightly more relaxed in Shanghai however this cultural etiquette still holds true so do make an effort.
- Don't wear jeans of any kind. Jeans are rude and considered unprofessional.
- If in doubt, ask your host or company liaison contact before the meeting. It isn't considered unprofessional or amateur to ask. They will be able to take the guesswork out of what you should wear.

## Entrance

- The most important person should enter last, the least important first. The people in the middle should loosely follow the same structure but it is most important that the last person to enter is the person in charge. This lets the people you are meeting know who is in charge.

## Body language

- Handshake:  
Firm but not overly strong. It won't cause offence to shake their hand strongly, but you may find theirs may be significantly less strong.
- Eye contact:  
In general, New Zealanders hold eye contact to show engagement, courtesy, and is generally polite. Shanghainese people generally don't hold eye contact when talking to another person. They will look elsewhere, with occasional glances as strong eye contact can signal aggression.
- Pointing with your index finger:  
Also viewed as aggressive, especially when you are pointing at someone. Indicate towards people with an open palm.
- Poker face:  
Unlike New Zealand, trust comes second in China. As a result, people tend to be more guarded and may refrain from letting you know what they are feeling or thinking. This won't last forever, but it may be what you experience before a strong relationship has been built.

## Conversation

- The first 5 minutes or so will be general conversation. Questions such as 'how your travel was' or 'how you are finding the city' are likely to be asked. It's considered good form not to launch straight into business talk. If unsure, let your host lead the conversation.
- Don't ask personal questions during your first meeting, this is for getting a general feel for the person and the potential business you may have, not for knowing their life history.

## WeChat

Without going into the details of WeChat, it is arguably one of the most important communication and business tools you can have at your disposal. It is the primary portal for social and business interactions in China and is an inescapable fact of doing business with anyone in Shanghai. As an added bonus, your potential new business partner will be impressed that you know and use WeChat which will help in building the relationship.

If you don't have WeChat, download it and create an account for yourself now.

## Business Cards

The exchanging of business cards at the beginning of a meeting is a ritual observed all over China and is a huge part of making a good first impression. Business cards themselves are viewed as important symbols and mistreatment can lead to insult and set a bad tone for the rest of the meeting.

Do:

- Stand when exchanging cards
- Give and receive cards with both hands
- Put their card face up on the table during the meeting\*

\*Top tip: To help you remember everyone's names, put the cards in the order of the people sitting in front of you

Don't:

- Scrunch it up, write on it, or deface them in any way
- Stack the cards you've just received into a pile
- Put their card in your pocket, especially your back pocket
- Put their card in your wallet

Make sure to bring your business cards to every meeting and keep them neat and tidy. You will also be expected to exchange one with every person you meet so bring a lot. You never know how many people you might meet in a day! It's also

important to have cards with an English side and Chinese translated side. If you want your business name translated into Chinese, contract a professional (don't use Google translate) to imbue your translation with auspicious characters. As strange as it might sound, getting this done properly will benefit you.

## Gift giving

The culture of gift giving is not as prominent in Shanghai but when it does happen, it's generally on a larger company-to-company scale as almost all companies in Shanghai have a policy against individuals receiving gifts. It's important to know that this ritual isn't a part of the relationship building process. This cannot be said for other parts of China.

Do not surprise your potential business partner by presenting them with a gift, it will only make them embarrassed if they don't have one for you. They will lose face and you damage the relationship. If you do really want to give a gift, it must be arranged with the host or liaison.

If you are exchanging gifts, think about the monetary value of it in country it's being gifted in. For example, manuka honey might be reasonably priced in New Zealand but in Shanghai it's very expensive. Try to arrange it so that your gifts are of a similar value.

Appropriate gifts:

- New Zealand specialities such as fruit, jade, cultural pieces. If it comes from your hometown or region, even better
- Speciality chocolate
- Good red wine (as above, pick one from your hometown or region)
- Gifts in sets of 6 or 8
- Tea.

Inappropriate gifts:

- Clocks
- Anything owl related

- Sharp objects
- Green hats
- Gifts in sets of four.

# Informal meetings (aka. Sharing food)

## The basics

Having good table manners is hugely important as they are often used as a judge of your character, education, and culture. Sharing a meal is a test of your character and a great way to build relationships. In Shanghai, bad table manners can be a deal breaker. Here are some fundamental rules you should know before sharing a meal with someone.

Do:

- Sample a bite of every dish  
Trying a bit of everything, even if you find the taste is not to your liking, will make your host very happy. Chinese people also have a saying that translates loosely to 'he who is picky about food will likely be picky and hard to work with in business'. If you are really uncomfortable about eating something, feign an allergy.
- Take your cues from the host  
Your host will make a toast to begin the meal so don't start eating until they've made the toast and invited everyone at the table to begin. If you are the guest of honour and they specifically ask you to begin first, do so. There may also be times when special dishes are placed on the table and you are asked to take the first taste. They are showing you great honour by inviting you to try the dish first.
- Toast the host after they've toasted three times  
This is to be polite, your first toast should be specifically to them, but otherwise it can be to the people at the table.
- Try not to drink without toasting  
It can be seen as impolite to take a drink without offering a toast to someone. While the drinking culture isn't big in Shanghai, take your cues for toasting from the people around you. What are they doing before they take a drink? Do likewise. In general though, toasts are always welcome.

- Make exclamations of enjoyment

Let the host know you are enjoying the food, tell them how delicious it is and how much there is! This is another way to show respect.

- Have your glass at a lower level when toasting someone older than you

This is only applicable when drinking. It is a very subtle nod to the other person showing your deference and respect.

## Don't

- Cough or sneeze facing the table

Turn away from the table and use your hand or a handkerchief to cover your mouth. If you need to blow your nose then excuse yourself from the table and do so in the bathroom or outside.

- Dig around in the communal plates for the best looking bits

This is sometimes known as 'grave-digging' and is extremely taboo as well as unhygienic. Go for the pieces closest to you instead.

- Take the last piece of food on a plate

If you really love it then ask the table before taking. Otherwise, wait until your host invites you to take the last piece. A good host will always pay attention to what their guests like best.

- Spin or play with the lazy Susan

If someone else is transferring food from a dish to their plate or bowl don't attempt to move the lazy Susan or put your hand on it until they are finished. Also avoid spinning it against its normal direction in order to bring your favourite dish back in front of you. Wait for it to make its way slowly back around.

- Touch food with your hands

Use chopsticks or Western utensils, never your hands.

- Suggest to split the bill

Chinese people don't split bills, one person or company will always pay for it all. If you have come to Shanghai your host will usually pay. As a general rule, if you made the invitation, you pay. If you are the invitee, they pay. If you are eating one-on-one and they paid last time it's always a good idea to offer to pay as it shows reciprocity (a value highly regarded in Chinese culture) however it will rarely be accepted, while you are a guest in their country.

## Lunch vs. Dinner

The distinction between the two is simple. Lunch is considered business time that starts around 12pm and lasts until 1pm or 2pm. It's a really convenient, non-invasive and enjoyable way to access another person's time. People will always be more than happy to have lunch with you. It's a good time for making quick business decisions but is best for getting to know the other person better.

Dinner on the other hand is an indication that the person genuinely wants to spend more time with you. It impacts on their personal time outside of regular work hours. It also takes longer than lunch. Business usually won't be discussed but little snippets may sneak in here and there. It's worth noting that you typically won't ever be invited to eat at their home. If you are, this is an incredible honor and not something that happens often.

If they come to New Zealand, often it's hard to figure out how to repay them for the hospitality you received while in Shanghai. Invite them into your home, let them be a part of your family, and present them with a home cooked dinner. There is almost no better way to show your gratitude, respect and reciprocity.

## Drinking

The drinking culture in Shanghai is not excessive and while boozing is uncommon and in no way forced, sharing a drink or two is still considered a great way to speed things up. This is great because it means that you won't need to find ways to excuse yourself from drinking, a task which can often be quite difficult and even damaging in other parts of China. If you do find yourself in a situation where you feel excuses need to be made 'doctor's orders' should do the trick.

The bottom line is, drinking isn't an expectation, it's just a happy bonus.

# Chopsticks

Chopsticks are perfectly suited to eating Chinese cuisine and once mastered, they are often a lot easier to eat things like noodles than with a fork. Your hosts won't mind if you aren't adept at using your chopsticks as long as you don't break any cardinal rules. Equally, no one will mind if you'd rather use western utensils.

As with any new skill all you need is practice, patience, and persistence.

## Taboos

Below are the most basic and generally applicable rules observed in China. Do your best to avoid breaking these rules:

- Don't stick chopsticks vertically into your rice bowl  
This is deemed extremely unacceptable since it resembles the ritual of incense burning to the dead.
- Don't suck the sauce off of your chopsticks  
This behaviour in itself is impolite, regardless of culture or utensil, and is usually thought of as a result of poor upbringing.
- Don't drum on the table, or any other surface  
Chopsticks are not musical instruments, treating them as such is considered childish. It is the same as banging on the table with a knife and fork.
- Don't tap the edge of a bowl or plate  
In the past, only beggars tapped their bowls to attract the attention and compassion of passers-by. Chinese people have a saying: 'If you rattle your chopsticks against the bowl you and your descendants will always be poor.'
- Don't pass food from your chopsticks to their chopsticks  
This is extremely taboo. The only time you would ever do this is at a funeral after the body of your loved one has been cremated. To be clear, this is different from your host putting food directly onto your plate. Often this will be the tastiest looking portion and is a show of respect.

- Don't jab at or skewer your food

It is an impolite and primitive looking action. Anything too difficult to be handled with chopsticks is traditionally eaten with a Chinese spoon.

- Don't play with your chopsticks

This may seem obvious but don't use your chopsticks for anything other than eating. Observe respect for your chopsticks at all times.