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Understanding the Business Protocol of Bonding in Establishing Cross-cultural Relationships: A U.S. and Chilean Example

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ABSTRACT

Business interactions are governed by an integrated set of unwritten codes of business conduct called business protocols, which derive their characteristics from principles embedded in the cultural script of a society. People learn about these protocols, the "dos" and "don'ts" of behavior, through socialization and their immersion in a complex of subtle requirements derived from social mores imposed by business etiquette. The research presented in this article identifies business protocols as important elements in cross-cultural sales and business negotiations. Specifically, it discusses the role of the "protocol of bonding," a concept that refers to the importance of behavior and expectations in the process of establishing relationships between buyers and sellers. Two countries are studied. The results indicate that expectations regarding the depth and breadth between the boundaries of the business relationship (in which there are profound differences despite surface similarities) and sources of personal loyalty are salient elements of business decisions.

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Keywords: *Cross-cultural; Protocols; United States; Chile; International sales; Negotiation*

I. INTRODUCTION

Where the success of a business relationship is concerned, cultures place unequal value on the need for establishing and maintaining bonds and friendships with clients. This aspect of the business relationship is examined in the financial industries of two countries: the United States and Chile. Important differences were discovered in the depth and acceptable boundaries in the personal aspects of a business relationship.

This research places bonding within the framework of business protocols. Business protocols refer to the set of behaviors that are most salient in intercultural business interactions, and are defined as an integrated set of unwritten codes of business conduct governing the extra-organizational relationships of buyer-seller interactions. During the first meetings between a seller and buyer, participants are only vaguely aware that a set of social codes is governing their business interactions. It is only when the protocols are violated by one of the parties that the protocols become salient. When protocols are violated, sales negotiations become seriously jeopardized. This article discusses the business protocol of bonding, which is part of a larger study of business protocols conducted by the author. Protocol of bonding is one subset of the integral set of business protocols identified by Morrinson et al. (1994); Steward and Faux, (1994); Leaptrott, (1996), and Mole (1998).

This paper presents research on the business protocol of bonding in the following order: first, a brief section that reviews the literature discussing the four components composing the protocols of bonding and the study's methodology; second, a results section that describes the outcomes from qualitative and quantitative analyses; third, a discussion that examines the significance of these research findings in the context of the literature review; and fourth, a conclusion section that discusses the implications of this research. The contribution of this research is both conceptual and managerial. This paper introduces the business protocol of bonding in the context of international marketing, and addresses the implications this protocol has on the success or failure of international sales.

II. THE BUSINESS PROTOCOL OF BONDING

The business protocol of bonding refers to the relationship established between the seller and the buyer, a relationship that goes beyond a concentration on marketing transactions that are measured in sales volume and market share, (Parvatiyar and Sheth 2000). The extensive literature on relationships marketing is a growing indication of the importance of developing a dyadic cooperative and collaborative relationship. Bharadwaj (1994) coined the term "relationship equity" as a measure of the intangible assets of the firm. The protocol of bonding is part of the process of developing this intangible aspect of firms' relationships. Cross-culturally, the protocol of bonding requires an understanding of the difference in values attached to each of the protocol's components so as to avoid violating the protocol, a transgression that usually occurs when one party acts solely out of self-reference and thus ignores the other party's cultural script.

The boundaries of bonding range from simply keeping in touch with the client to the development of a personal friendship that fosters personal loyalty. The protocol of bonding comprises four important components: gift-exchange, establishment of relationships, friendship, and loyalty. *Gift-exchange* (Morrinson, Conaway, and Borden 1994; Dresser 1996) refers to the giving and receiving of gifts for business reasons. Each culture places different values on the exchanging of gifts, depending on whether gifts are seen as affirming or impairing business relationships. *Establishment of relationships* (Hofstede 1980; Bharadwaj 1994; Simonin and Ruth 1998) relates to the number of times that the seller keeps in contact with the buyer as part of an effort to establish and maintain a bond. This component also includes entertaining clients. *Friendship* (Hall 1959; Gudykunst and Lim 1986; Gudykunst 1991) refers to the development of a more personal relationship between seller and buyer during the course of the business association. The boundaries of friendship are established by a culture. *Loyalty* (Van de Ven 1976; Hickson and Pugh 1995) refers to the establishment of a business relationship in which the buyer continues doing business with the seller because of their personal relationship.

A. Gift Exchange

In the context of business gifts, Dillon (1976) argues that any gift incurs obligations, but that repayment in kind is not necessary. This obligation is manifested by some form of repayment if the relationship is valued. He says that the major problem for U.S. business people regarding gifts is that they want to give gifts but not receive them. However, he notes, giving without receiving may place the other party in a disadvantageous position. Leaptrott (1996) argues that the most difficult problem with business gifts is knowing when a gift is a gift and when it is a bribe. The first is given freely to express appreciation; the second carries the burden of obligations. Steward and Faux (1994) emphasize the importance of timing when exchanging gifts.

Chile, unlike the United States, does not have national legislation like the Foreign Corruption Practice Act of 1979 to regulate giving and receiving gifts. Gifts in Chile are viewed as recognition for work well done, and, normally, they are exchanged only during the holidays. Projecting and keeping a professional image is very important, and the concern about image is manifested in the protocol by avoiding gifts that can be misconstrued (Steward and Faux 1994). In this manner, the boundaries for the type and value of gifts are established within reasonable margins.

H:1 Managers in the United States place less importance on gift-exchange for establishing and maintaining a business relationship than Chilean managers do.

B. Establishment of Relationships

The research in this area concerns issues of collectivism versus individualism on the one hand, and context of communication on the other. According to Hofstede (1980) and Triandis et al (1985; 1988), collectivist cultures such as Chile emphasize establishing and maintaining personal relationships between buyers and sellers. These researchers argue that people from collectivist cultures belong to several in-groups, which exercise different degrees of influence on an individual. Consequently, it is important to obtain entrance into a client's in-group and preserve this membership by frequent contact. Conversely, people belonging to individualist cultures such as the United States have fewer in-groups, and these groups do not exercise any significant influence on individuals. In individualist cultures, there is little difference between in-groups and out-groups. Thus when dealing with firms in the United States, frequent contact intended to obtain and maintain membership in an in-group is unnecessary because managers do not need to belong to the U.S. client's in-group (Hall 1959; Hall and Hall 1990).

Furthermore, context of communication also influences the culture's motivation for establishing business relationships. Hall (1959) explains that a high context culture such as Chile values the forging of a relationship because its business people feel the need to establish trust before doing business. Establishing a relationship on a foundation of trust is a way of utilizing the elements of communication that are implicit in the relationship and synthesizing information coming from numerous and extensive networks. The opposite is true for low-context cultures such as the United States. Hall (1959) indicates that these cultures have limited networks, and information normally comes from a small group of people. This is one reason that business meetings in the United States emphasize following a formal agenda and taking minutes.

One of the advantages of establishing a personal relationship is that it reduces tensions in the personal dynamics of an association. Stephenson (1981) and Gudykunst and Lim (1986) explain that personal relationships enable the parties in a business association to get to know each other, which reduces the uncertainties inherent in a relationship between strangers who need to establish a workable and reliable bond. When one party knows the other, behavior can be predicted and conflicts resolved easily. The need for business associates to know each other well in low context cultures is less important because there are fewer interpersonal and intergroup relations; communication is limited to business issues. Personal interaction is replaced mainly by phone calls and written communications.

H: Managers in the United States place less importance on establishing
2 relationships with clients than Chilean managers do.

C. Friendship

Berger and Calabrese (1975) point out that the primary concern of one person when meeting another for the first time is reducing uncertainty about the personal dynamics of the meeting, especially if there is a possibility of another meeting in the future. Berger and Calabrese identify two types of uncertainty when dealing with strangers. The first has to do with the stranger's attitudes, feelings, beliefs, behaviors, and values. Being unfamiliar with them generates a vague apprehension that one might inadvertently say or do something that transgresses these intangibles and offends. The second type of uncertainty is created by explanations for the stranger's behavior because these explanations attribute a nature to the stranger's attitudes, values, and actions whose accuracy is important. Regarding this situation, Gudykunst (1991) argues that these attributions are made more accurate by interpersonal and intergroup relationships that facilitate awareness of the interpersonal consequences of behaviors, thus reducing uncertainty about the meeting and increasing the accuracy of predictions about future behaviors.

Being aware of a cultural inclination -toward individualism like that of the United States or the collectivism of countries such as Chile- can help explain the preferences for strong or weak relationships between sellers and buyers. In a collectivist society where people identify themselves by group membership, for example, the relationship between sellers and buyers must be stronger -to the point of developing personal friendship- in order for the seller to become part of the client's in-group.

H: 3 Due to their individualist cultural inclination, managers in the United States place less importance on friendship than do Chilean managers, who have a collectivist cultural inclination.

D. Loyalty

The degree of personal loyalty found in business contexts is contingent on the culture of the country, as well as on the industry in which business is conducted. Loyalty is an extension of the personal friendship developed in the relationship. A degree of loyalty is valued in any business because it makes the continuity of a business firm possible (Van de Ven 1976). This topic addresses the loyalty developed between the seller and the buyer at the personal level. Once business between firms is established, the next step is to develop a closer relationship with the buyer. The degree of expected closeness between sellers and buyers differs among cultures, as discussed in the previous section. Individualist cultures may have narrower boundaries for loyalty than collectivist cultures. Loyalty will develop only when the boundaries for business friendships are wide and the parties perceive no conflict of interest between business relations and personal friendships. If loyalty is valued in business decisions, then managers may depend more on personal relations than on price competition. In their analysis of the Latin culture, for instance, Hickson and Pugh (1995) mention the "Latin touch," the need for personalizing business relationships and contracts. Conversely, the Anglo-American culture values low context communication and has an individualist predisposition. Thus individualist cultures show a preference for written contracts instead of personal relationships when conducting business.

H: 4 U.S. managers place less importance on developing personal loyalty with their clients than Chilean managers do.

III. METHODOLOGY

To study the business protocol of bonding, data was collected from two countries, the United States and Chile. The financial industry was selected because procedures throughout the operations in both countries are similar and they provide access to managers of two markets: business sales (who were interviewed) and consumer sales (who were surveyed). These banks and insurance companies were selected because they were located in the U.S. Northeast and have operations in Chile.

Based on their managerial levels and involvement with international business, eight senior bank managers and four senior insurance managers from a total of twelve firms were interviewed. The semi-structured interviews lasted between two and three-and-a-half hours, and they took place over a six-month period. Afterward, the content of these interviews was analyzed. The surveys from the branch bank managers and insurance agents, who were in consumer markets, were collected during the same year, 1998. The surveys were internally distributed to the largest number of managers possible within organizations participating in this research. To reduce regional biases, the American insurance firms sent the surveys to agencies throughout the country. The rate of surveys returned from firms in the United States was 32%, and the return-rate for Chile was 39%, thus producing 169 usable questionnaires. Table 1 provides a general profile of the survey respondents from both countries.

Table 1
Characteristics of survey sample

Respondents	United States	Chile
Age: (mean)	41	33
Gender:		
Male	42%	48%
Female	58%	52%
Nationality:		
American	83%	
Asian	1%	
Hispanic	1%	
European	15%	3%
Chilean		97%
Current Position:		
Non supervisory	21%	75%
First level manager	41%	6%
Middle level manager	31%	16%
Upper level manager	7%	3%
Years of Experience: (mean)	19	9

The interview protocol and the survey were derived from exploratory interviews conducted with senior vice presidents in international trade from large international banks in the Northeast. The survey had a total of thirty-eight questions. Twelve of the questions were multiple choices and the other twenty-six used a five-point Likert scale. Possible responses were: “of no importance,” “of little importance,” “of moderate importance,” “very important,” and “of supreme importance.” The business protocols addressed in this survey related to bonding, power distance, manners, and time, with twelve questions concerning the protocol of bonding. The responses were factor analyzed first, then further analyzed by conducting a two-way Analysis of Variance.

The hypotheses were tested quantitatively, with the exception of Hypothesis 3, which was evaluated qualitatively because it dealt with subjective issues that did not lend themselves to quantification.

IV. RESULTS

The business protocols of bonding that were initially discovered in the content analysis of the interviews correspond, for the most part, with the factors and the variables identified by the quantitative analysis. Table 2 shows this correspondence. The left side shows the qualitative results and presents the identified components of this protocol. The right side shows the quantitative results with the indicators and their corresponding loadings that comprised the factors of bonding. Despite some similarities, the United States and Chile have important differences in the business protocol of bonding.

Table 2
Correspondence between qualitative and quantitative results

Qualitative Analysis		**Quantitative Analysis**			
			Factors		
Protocol	**Identified Components (*)**	**Indicators (**)**	**Gift Exchange**	**Relationships**	**Loyalty**
Bonding	Gift Exchange	Gift Exchange	.83326		
		Gift Receiving	.79054.		
	Establishment of Relationship	Establishment of Relationship		.89981	
	Friendship	Friendship		.63311	
	Loyalty	Loyalty			.87145

(*) Based on literature review and the results of the qualitative analysis
(**) Based on the results of the quantitative analysis

The qualitative analysis of the protocol of bonding identified four components: a) gift-exchange, b) establishment of relationships, c) friendship, and d) loyalty. There is a correspondence among three factors --gift-exchange, relationships, and loyalty-- and their respective variables, identified by the quantitative analysis as shown in Table II. The first factor, gift-exchange, has two variables: gift-exchange, which corresponds to the identified protocol of the same name, and an empirically generated variable called "gift-receiving." The second factor, relationships, has two variables corresponding to the identified protocol bearing the same label: establishment of relationships and friendship. For this reason, Hypothesis 2 (establishment of relationships) and Hypothesis 3 (friendship) were tested together because these variables are within the same factor. The third factor, loyalty, has one variable showing complete correspondence with the protocol of the same name.

Table 3
Analysis of variance by country

Factor	Mean U.S.	Mean Chile	S.D. U.S.	S.D. Chile	F Ratio	F Prob.	Hypothesis No.	Support for Hypothesis
Loyalty	4.3723	4.3699	0.5484	0.5894	0.0008	0.9777	H.4	*Not supported*
Gift-Exchange	1.4624	2.2329	0.5067	0.8378	53.6949	0.0000	H.1	Supported
Establishment of Relationships	3.5638	3.8219	0.8558	0.7282	4.2483	0.0409	H.2 H.3	Supported Supported

Table 3 summarizes the Analysis of Variance by country and the support of (or the lack of support for) the hypotheses. Of these three factors, loyalty did not have a significant difference, considering F probability of 0.05. This lack of significant difference in means demonstrates that firms in both countries consider it equally important to preserve the loyalty of their clients. Consequently, the hypothesis for loyalty is not supported, as indicated in Table 3. The gift-exchange factor, with a significance of less than 0.0001, shows a difference between the two countries. It is more important for the Chilean sample to exchange and receive gifts for the holidays than for the U.S. sample. This is consistent with the notion of establishing relationships and maintaining friendships with clients. Based on these results, the hypothesis is supported.

The factor of relationships, which includes establishment of relationships and friendship, shows a significant difference of 0.05, indicating that it is more important for the Chilean sample to establish personal relationships and maintain friendships with clients than it is for the U.S. sample. Consequently, Hypothesis 1, gift-exchange; Hypothesis 2, relationships; and Hypothesis 3, friendship, are supported as indicated in Table 3.

V. DISCUSSION

The analyses, both quantitative and qualitative, confirm the proposition that business managers from the United States and Chile value the establishing and maintenance of client relationships, but with differing degrees of emphasis. Managers from both countries need to understand these differences when entering into sales negotiations with each other. The business aim may be the same, but the expectations from the relationship are different. The content analysis of the interviews shows that U.S. managers value establishing relationships with clients to predict behavior and facilitate communication. In contrast, Chilean managers indicate that this bonding is very important for fostering personal loyalty, facilitating communication, and resolving conflicts.

Regarding the component of gift exchange, U.S. firms have strict rules in this area, especially the financial industry, which, by its nature, has very specific regulations dealing with gifts and limiting their monetary value. The Chilean firms studied in this research are U.S. subsidiaries that follow U.S. corporate rules, but they have sufficient autonomy when it comes to business gifts that a comparison is legitimate. The U.S. and Chilean approach to gift exchange for the holidays differ in an interesting way. The managers in the United States who were interviewed indicated discomfort with gifts because they can be misinterpreted or they fear that the gifts may compromise -or be perceived to compromise- their business decisions. To reduce the potential problems inherent in gift exchange, the U.S. managers indicated that their firms -as well as many of their clients' firms- have resorted to neutral institutional gifts. They also indicated that some clients return gifts or do not receive any gifts for the holidays.

The Chilean position on exchanging gifts for the holidays is more complex. The Chilean managers said that gifts are important vehicles for recognizing good service or expressing appreciation for the client's business. The financial industry in Chile follows similar standards as the United States for gift exchange, but the standards are obeyed in a different way. In Chile, both the managers and the organizations are careful about the image gift giving conveys to others, avoiding any possible misinterpretation that may result from the exchange of gifts. The gifts they exchange are nice and elegant but ethically neutral. These gifts, even when they might be expensive ones - (atlases, landscape photography books, classic music CDs, desk clocks) - do not carry any connotation of bribery. The gifts are good quality, professional and act as a gesture of recognition of the relationship. Should these gifts be unwanted or unwelcome for some reason, Chilean managers are careful not to offend the gift giver by sending the gift back. These managers indicated that it is considered insulting to return a gift to a client. Instead, many firms hold an annual drawing where they raffle off the gifts. If the value of the gift is higher than acceptable, the gift is donated to a charity institution. The gift is appreciated, but it does not create a compromising situation.

The business implications of this particular component of the business protocol of bonding create no conflict between these two cultures. However, the meaning attached to the exchange of gifts may be somewhat different. In the United States, gift-giving seems to be a holiday tradition in decline, while in Chile, gift-giving means recognition and appreciation. Returning a gift to a client, because it is insulting, may severely damage the relationship. But donating the gift to charity is acceptable.

The establishment of relationships component is also similar on the surface, but underneath there are important differences between these two countries. Both sets of managers indicated that it is important to develop relationships with clients, but it is the depth of this relationship that is different. Managers in the United States indicated that is important to have this relationship to be able to predict behavior, but this relationship has narrow, well defined boundaries. The relationship is important for maintaining a presence in the client's consciousness. Meeting sometimes for breakfast or lunch is an informal way of keeping a client informed of new products, of resolving problems, or of simply keeping in touch. These managers indicated that even when there are evening invitations, they keep the relationship within narrow, impersonal boundaries and avoid developing a friendship. This is the most significant difference between U.S. and

Chilean managers. In the United States, friendship is viewed as a conflict of interest because dealing with friends limits the range of possible decisions -dropping a client because of financial difficulties, for instance.

Chilean managers indicated that they feel there is no obligation in establishing relationship with clients and that establishing relationships is an important element of doing business. For them, developing personal business relationships is just a matter of common sense for they allow managers to become part of a client's in-group. The boundaries of business relationships are broad enough to accommodate friendship, which, lacking the implications of conflict of interest as in the United States, is viewed as desirable.

The business implications of this component of the protocol of bonding are important because the expectations attached to it are easily violated by two completely different cultural scripts. In the United States, a personal relationship may or may not develop between sellers and buyers. A sales call normally is directed to the "decision-maker" who is at the highest decision point in the organization. Because of this propensity, it is considered normal to jump a number of managerial levels to reach the decision-maker. Operating this way makes business sense to managers in the United States. In Chile, however, vaulting over managerial levels is not acceptable. Sellers approach a buyer's firm at their counterpart rank. The relationship is established at each level, so the negotiation moves slowly, level by level, to the top of the organization. This process takes time, but it assures the success of the contract once it is signed because all the operational levels, one at a time, have been involved in the negotiation. The relationship between two firms is developed not only at the personal level but also at the organizational level. The manager who is in charge of an account develops a further relationship with his or her counterpart. These broader boundaries indicate the depth of the relationship: the deeper the personal relationship, the deeper the business relationship.

Because it is a low-context culture, the United States conducts business with businesses, so it is the reputation and financial performance of the client firm that is most salient. When traveling overseas, generally, managers from the United States budget a three-day business trip to negotiate a contract, and they maintain the relationships they establish through telephone, letters, and e-mails. There is no need for personal knowledge of or continued personal contact with clients. On the other hand, Chile, being a high-context culture, values personal business relationships. Consequently Chileans do business with people rather than with businesses -and this is a crucial difference. The reputation and financial performance of a client's firm is important, but the personal relationship is of salient importance. This relationship is deep and sincere. It needs time to develop; three days is not long enough. This is the reason why Asian and European firms are so successful in establishing business relations with Chile. They recognize the importance Chilean business people attach to personal relationships and demonstrate their long-term commitment to these relationships with business trips long enough to allow both sides to personalize the business transaction.

Friendship is the third component of the protocol of bonding, and it is here that we see the most profound differences between these two sets of managers. U.S. managers develop relationships with clients, and these relationships have well defined and narrow boundaries that do not allow friendships that might be perceived as creating a conflict of interest. Business transactions are regulated by business contracts, and amending the clauses of a contract because of a client's financial difficulties is considered unethical. In this context, friendship becomes a burden rather than a means of facilitating communication or resolving conflicts. Interpersonal relationships stop at a point far short of friendship.

Conversely, Chilean managers see establishing friendships not only as desirable but also as good business practice. They do not perceive a conflict of interest that will compromise business decisions. Friendship carries obligations as well as responsibilities, as Gouldner (1960) explains with the theory of reciprocity norms that are followed by collectivist cultures as Chile. An implicit agreement binds people together. This reciprocity is created through ties of friendship that have depth. The obligations imply that neither seller nor buyer may do things that may harm the other, thereby protecting the relationship from unethical behavior by either side. Responsibilities mean that if the buyer is in financial difficulties, the seller's firm may amend a contract to accommodate these difficulties until the buyer recuperates. Clients are not dropped because they cannot repay loans; rather, buyer and seller work together for mutually satisfactory solutions.

There are important implications for business here. Friendship is highly valued in one country and avoided in the other. Their approaches to business interpersonal relationships, then, are completely different. Both countries value business introductions as a facilitator to access a firm. In Chile, however, introductions also mean that someone knows the prospective buyer (or seller) and has had a positive experience with him or her. There is a personal knowledge; a relationship already exists. Friendship is expected to develop from business relationships without implications of conflict of interests. It personalizes business transactions and becomes another link within the intergroup relations. U.S. managers avoid friendships, maintaining business relationships at arm's length where there is no burden of obligations and responsibilities. They perceive no need to become part of a client's in-group~~s~~; business loyalty is fluid. This difference in attitudes toward friendship leaves room for violations of the protocol of bonding, which could result in misunderstandings of each other's cultural script.

The last component of this protocol is loyalty. Business loyalty exists in every culture and every industry; without loyalty there is no repeat~~ed~~ business. The financial industry is particularly sensitive about fostering client loyalty. This concern allows for the construction of expensive and complex custom-made programs that become cost-effective in a long-term relationship. But profound differences in cultural attitudes toward loyalty exist between these two countries, and they are reflected in business interactions. For U.S. managers, loyalty comes from the business relationship, whereas for Chilean managers, loyalty comes from friendship. The two bonds of loyalty differ in depth. Loyalty, to American managers, means clients will inform them if and when they begin talking to competitors. From this perspective, loyalty is cost-efficient in the sense that moving to another provider with lower prices can cut costs in the short-run, but it might be less cost-efficient in the long-run because it takes time to develop relationships that allow custom-made financial programs. However, loyalty is highly contingent on price and market competition.

In Chile, loyalty is generated from friendship, thus making this component less fluid and more predictable. The market is highly competitive in terms of price and products; maintaining cost efficiency is salient to the health of business performance. This state of affairs translates into situations in which a seller who cannot meet a competitor's price on a particular product might well advise a client to buy that particular product from a competitor while the rest of the client's business stays with the original seller. Even when prices and cost efficiency are especially important, the most salient element in business is loyalty, which motivates buyers and sellers to work together to find mutually acceptable solutions to a client's problems. Finding mutually acceptable solutions might even include, as mentioned before, temporarily amending contracts to "come through" for a valued client.

The implications of loyalty in business are important. In international business, price is only one element of a business transaction; trust is the most salient element. When we talk about trust in business, we are talking about a mutually accepted though unstated understanding that buyers and sellers will act in their mutual interest. Schurr and Ozanne (1985) advanced a definition of trust that fits this implicit understanding. Trust, they write, refers to "the belief that a party's word or promise is reliable and the party will fulfill its obligations in an exchange relationship." Trust generates business referrals that open doors to larger market share. A manager from the United States who develops a personal relationship with an overseas counterpart who values loyalty is likely to be more successful at accessing information and contract bids than one who relies primarily on his or her firm's reputation because the "personal touch" creates trust and friendly obligations. The trust created by personal loyalty can be fostered only through close interpersonal relationships where the boundaries are broad enough to accommodate friendship. As indicated earlier, friendship personalizes the business relations beyond formal communications and creates a set of obligations and responsibilities where both parties are mutually committed to a long and stable business relationship.

VI. CONCLUSIONS

Business protocols comprise an unwritten set of rules governing behaviors and expectations that become particularly salient in business interactions when they are violated. Business people learn these protocols in their own cultures through socialization and their immersion in a complex of subtle requirements of "business etiquette" that are rooted in the cultural script of their own society. The challenge arises when doing business outside their country. If a productive business relationship is to be established, it is imperative that business people be sensitive to a prospective client's business protocols so as not to violate them and ruin the prospects of establishing a productive business relationship. The best way to become aware of a counterpart's protocols is to analyze the cultural script of a client's country and pay attention to such cultural factors as time dimension, context of communication, collectivism/ individualism, power distance, and proxemics (distance and personal space). All of these are important cultural factors that define and activate a country's business protocols. It is the guest who has the obligation to learn about, and conform to, the host's cultural norms.

This study contributes to the field of international marketing by identifying business protocols as important elements in cross-cultural sales and business negotiations. Furthermore, this study brings business protocols into the realm of academic research, addressing a serious gap in the literature of international business. While cross-cultural literature has identified various cultural factors in business transactions, it has failed to connect cultural factors to the cultural norms that govern business customs and rules across cultures. These issues have been addressed to some extent by the practitioner literature under the label "business etiquette." However, there is a significant difference between etiquette and protocols. Etiquette refers to how something should be done. Protocols, on the other hand, refer to cultural norms, a broader concept emerging from the cultural script of a society. This research bridges this gap by identifying the cultural factors embedded in the business protocols. It is important to indicate, however, that the findings of this research are limited to the financial industry and to these two countries.

This study also aids business practitioners by identifying the role of the protocol of bonding, which refers to the importance of personal behaviors and expectations in business relationships. Understanding the expectations derived from relationships or friendships allows foreign managers to plan the length of business trips accordingly, to appreciate the importance of personalizing the transaction, and to develop a business relationship that promotes a personal loyalty that implies mutual commitment to a long, stable business relation.

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