

Analysis Of the Effectiveness of Apology Strategies in International Trade Disputes: The Perspective of Culture, Risk and Relationship Maintenance

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Abstract. With the intensification of economic and trade interdependence in globalization, the cross-cultural misalignment in the apology strategy, mixed with risk and relationship maintenance, has received wide public attention. The correct use of apology strategies in international trade disputes has greatly affected normal corporate communication and diplomacy. Examples help to analyze the effectiveness of apology strategies in international trade disputes in terms of culture, risk and relationship maintenance, based on an examination of the correct and inappropriate use of some cross-cultural apology strategies. From this study, it was found that: First of all, it is necessary to understand the needs of the target culture apology strategy in advance; secondly, we should think about the possible risks to avoid (such as avoiding legal risks) and the measures needed to maintain or promote the relationship. An effective apology strategy must go beyond transaction repair to solve the deeper power inequality that shapes global trade.

Keywords: Cross-culture; apology strategy; international trade.

1. Introduction

With the rise of digital diplomacy, multi-level diplomatic subjects are intertwined, and crisis diplomacy is normalized disputes in international trade continue, and how to deal with international trade disputes has become a common concern among the international community. In international trade disputes, it inevitably involves the use of the apology strategy, and the quality of its application greatly affects the situation of international relations and international trade. This study adopts a large number of searches for information to further study the impact of apology strategies on international trade disputes. From a cultural perspective, not only will there be dialect differences in small areas, but there will also be high and low context cultural differences in East-West intercultural communication. As for ‘the Apple's apology trilogy’, it first admits that the focus of the problem has shifted, then through high-level low-key apology, binding user interests, and finally covering up individual responsibilities through system upgrades. Apple used technical authority to use moral accountability and turned the apology into a marketing node to strengthen the loyalty of the brand. Apple is very clever to use the apology strategy to recover the loss.

In today's digital era, the cultural acceptance of the ‘labelled apology’ of social media and the apology text generated by AI is unknown, as well as the ‘cultural mobility’ generated by globalization, requires a dynamic adjustment of apology strategies, but the existing research is still based on static cultural models. The research on the repair mechanism of long-term international relations is insufficient. The existing research focusses mostly on the ‘conflict present’ and does not rebuild trust after the apology. In addition, the focus of cross-culturalism lies in the lack of understanding of other people's culture, which may violate the taboo of the other party's culture unintentionally or ‘transitional localization’, abandoning the principle of universal responsibility in order to cater to a specific culture and cover up personal negligence with collective responsibility, this kind of things may have a significant impact on international trade. In international disputes, the deviation of cultural cognition will be amplified, and the apology strategy will become a ‘soft power tool’ of the country to repair the image of the country. This study analyses the effectiveness of apology strategies in international trade disputes from three perspectives. The first is the cultural aspect, which involves cultural compatibility and the avoidance of legal risks. The second is that the consideration of risk

includes transitional apology and cultural misreading. The third is the maintenance of a long-term relationship.

The cross-cultural apology strategy is a mediation tool for global conflicts. It can not only reduce the risk of dispute escalation, but also avoid economic losses and reputational crises. Study the analysis of the effectiveness of apology strategies in international trade disputes, improve the theoretical knowledge of cross-cultural communication, go beyond the traditional 'law-interest' solution, and build a new conflict resolution framework of 'culture-emotion-system'. In addition, an effective apology strategy can be transformed into a national image repair tool. Through mutual learning of civilization and practice the path of the community of human destiny, the apology strategy can be upgraded from a 'stop-loss tool' to a carrier of 'civilized dialogue', therefore, this is a very meaningful study.

2. Theoretical knowledge of cross-cultural apology strategy

2.1. Types of apology strategies

Theoretically, there are two types of apologizing strategies one is legal apologizing and the other is polite apologizing. Legal apology refers to an apology expressed under the legal framework for illegal acts or infringements, which has legal effect. Courtesy apology is mostly used in daily life to apologize for minor negligence. It is mainly used to maintain interpersonal relationships and has no legal effect. The two apology strategies are mainly distinguished by the four aspects of legal effect, compulsory, form and purpose. Using two simple examples, briefly explain that if the company apologizes publicly for breaking the law, it is a legal apology; and if it accidentally steps on someone and apologizes verbally, it is a polite apology. In short, a legal apology has legal effect and may be compulsory for legal disputes, and a courtesy apology is voluntary for daily socializing.

2.2. Concepts involved in the cross-cultural apology strategy

High context and low context are a theoretical knowledge in the intercultural dimension. First of all, in a high context culture, its information is implicit in the context, relying on non-verbal clues and common backgrounds. In simple terms, it is indirect and implicit, and attaches importance to relationships and subtexts. This type of high context culture is usually found in China, Japan, Arab countries, etc. Secondly, in a low context culture, information is conveyed directly through language, with little effect of context, with a direct and clear style that emphasizes logic. This culture is most common in the United States, Germany, Nordic countries, etc. In simple terms, high context cultures pay attention to non-verbal cues and build trust, whereas low context cultures tend to express themselves directly, focusing on clarity and efficiency. It is beneficial to reduce cross-cultural misunderstandings and improve communication effectiveness if we can understand the differences between high and low contexts.

Furthermore, transaction cost theory is closely related to apology strategy. According to the transaction cost theory, apology is a low-cost and efficient way to resolve disputes compared with litigation or arbitration. It can reduce economic and time costs and maintain relationships and reputation. Therefore, the existence of the apology strategy is very necessary. It will be much more convenient than litigation and arbitration.

3. The source of cross-cultural apology strategy

3.1. Cultural compatibility

Cultural differences and ways of thinking are the main reasons for differences in apology, and are carefully divided into four aspects under cultural differences, High context and low context, individualism and collectivism, hierarchical awareness and rights distance, and concepts and differences in customs [1]. The reason for the appearance of the apology is summarized as also several

factors that can help us explain the differences in the use of apology strategies in different scenarios [2]. Different countries have received different educations since childhood, and human habits have been formed after a long time. In international trade disputes, the cultures of different countries converge together. At this time, it is necessary to understand the cultures of different countries to facilitate communication.

For example, in cross-cultural communication, the image of ‘dragon’ is often used by Chinese people in festivals, art engraving, and so on, and has been widely spread all over the world, becoming an important representative of Chinese culture. As the recipient, westerners often cannot understand the cultural differences behind this. They may pay too much attention to its external form and visual effects, and then ignore its cultural connotation and historical background. The local cultural memory affects the judgement of other cultures, which is an unconscious misreading [3]. From this, it can be found that there are differences between Chinese and Western cultures and their ways of thinking, and there are also cultural differences in the use of apology strategies. The most important research on apology strategies in verbal communication began in the 1980s. Some famous scholars mainly conducted research on verbal behavior, politeness and face, and made certain achievements. However, their research focused on a single culture and did not include cross-cultural areas. In 1984, Blum-Kulka and Olshtain conducted a cross-cultural pragmatic study, the Cross-Cultural Language Behavior Research Project, which had far-reaching implications [4]. The focus of this study is the analysis of the effectiveness of the apology strategy in international trade disputes, mainly in the three parts of culture, risk and relationship maintenance, which is different from the previous research.

First of all, Apple's ‘Apology Trilogy’ is a good example. Apple launched the ‘Apology Trilogy’ in the East Asian market due to product problems, believing that ‘transparent responsibility’ is an embodiment of respect for consumers. However, local users believe that publicly admitting mistakes ‘harms corporate dignity’ and hope to resolve conflicts through private negotiations or symbolic feedback. In low context cultures such as the United States, they believe that respect is to openly solve problems to rebuild trust. In high context cultures such as East Asia, respect is implicitly maintaining decent to protect relationships for them. In this example, the reason for the difference is that their underlying definition of ‘what is respect’ is misaligned, which is the cross-cultural difference. Such differences will lead to some contradictions in the country's exchanges between enterprises, which will lead to unpleasantness and even rigid relationships. Being familiar with the cross-cultural apology strategy and being able to apply it appropriately can help resolve such problems. For example, McDonald's food problem in Japan, McDonald's apologized by adopting the native Japanese culture, which solved the problem very well.

3.2. Avoidance of legal risks

The reasonable use of the apology strategy can avoid legal risks. In international trade, there are often things that use strategic and ambiguous language to avoid legal risks through apology strategies. Standards of performance, elasticity of time or limitation of liability clauses may be unclear in some countries. There are several principles to avoid legal risks. First, do not blindly take responsibility before things are clarified. Second, do not blur the wording and avoid ambiguous expressions. Finally, all commitments must be clear about the scope and conditions. For example, the protection of intellectual property rights in Apple's supply chain requires OEMs to sign an ‘anti-leakage agreement’ to recover for breach of contract and terminate cooperation. In addition, in the 2021 Dubai lamp import case, Chinese exporters avoided 120,000 letter of credit cancellation claims by paying 8,000 symbolic advance claims in advance. They first sent an Explanation Letter signed by the CEO within 24 hours, then paid the interest compensation calculation form for the delay period, and finally provided the 5% discount lock-in clause for the next order. As a result, the two sides have reached a consensus that this apology strategy to handle disputes can greatly reduce the cost of enterprises and avoid legal risks. However, if it involves a fundamental breach of contract in Article 79 of CISG, legal procedures should still be initiated in time.

3.3. Maintenance of long-term relationships

In international trade, it is necessary to take into account the maintenance of relations. Since the 1990s, supply chain management has become one of the important means for enterprises to improve their competitiveness in the fierce global market competition. Apple's example is still used to explain, Apple's outsourcing model is the core of its business success. Apple deeply embeds outsourcing partners into its business model through the two-way transformation of 'control' and 'dependence'. For example, Apple's relationship with Foxconn. Apple first establishes deep ties and strategic cooperation with outsourcing companies, then formulates strict standards and full process monitoring, and formulates incentive mechanisms and dynamic elimination. It will also train outsourced employees to make them 'Apple'. In the research of supply chain management in the United States, it also learns from and refers to Japan's experience in supply chain management in many aspects. The reason for the close cooperation with suppliers is that six measures have been taken, clarifying the situation of suppliers, resolving competitive relationships and creating opportunities for cooperation; supervising and managing suppliers; cultivating suppliers' technical capabilities; selectively strengthening information exchange with suppliers; working hand in hand with suppliers; and improving the same. Through the system implementation of these six steps, a supplier cooperation hierarchy has been established, so as to comprehensively improve the competitiveness and profitability of suppliers [5]. This makes it easier to maintain the relationship in the long term.

4. The risks and limitations of the cross-cultural apology strategy

4.1. Transitional apology

Transitional apology can occur in personal relationships, corporate management, or trade exchanges. Transitional apology has different reasons in different situations. In personal relationships, transitional apology is often a manifestation of lack of confidence. In the long-term, it will weaken trust and self-worth, and even cause anxiety and depression. In the enterprise, it will damage the brand image. When the enterprise is used to apology, there may be a 'wolf is coming' effect, causing the public to no longer trust its apology, and may even take legal risks. First of all, we should clearly distinguish what should be apologized and what should not be apologized, and then grasp the scale of apology. For example, Apple's 'battery door' incident, after being sued, Apple admitted the problem and provided a battery replacement service. Apple's apology was brief, but came with a plan to compensate, and Apple eventually managed to regain the trust of some users. After adopting a moderate apology, the relationship between the two sides will be greatly eased and even further. Therefore, a moderate apology can repair the relationship well, and it is especially important to understand the 'necessity' and 'sense of proportion' of an apology. On the contrary, it can lead to a deterioration of the relationship and even damage one's own interests.

4.2. Misreading of culture

Due to differences, it is inevitable that there will be disharmony between different cultures in the process of mutual communication. Therefore, the emergence of cultural contradictions will become inevitable. From the point of view of culture itself, it is either the venting of hostile hatred or the difference from goals or habits [6] or the avoidance of uncertainty [7]. Emotionality is the venting of hostile hatred, but instrumental conflict is the difference from goals or habits; members of individualistic culture are more inclined to think that conflict is essentially instrumental rather than emotional venting, and collectivist culture is more inclined to regard conflict as emotional venting rather than instrumental [8]. In this study, instrumental conflicts are more consistent. The essence of cultural misreading is the mapping of human cognitive diversity. The difference in language is not only the difference between sound and symbols, but also the difference in worldview. Culture is also a part of reality. Apology cannot be independent of culture, and the use of apology strategies is bound to be influenced by certain cultural concepts. Cultural values are of great significance to the pragmatic

analysis of speech and behavior. If the meaning of understanding is very different from the meaning that the other party wants to express, it will cause great cultural misreading.

Due to internal or external reasons such as the seriousness of offensive behavior, media environment, social habits, etc. in the process of getting along, the way of apologizing will also vary. For example, in Japanese culture, after the outbreak of a crisis, an apology press conference will be held at the first time, and the person in charge will bow and apologize to repent. Chinese enterprises are increasingly issuing an apology statement as one of the main ways of apologizing, but the apology statement as an apology text has its formal limitations. In the age of apology, apology is only symbolic and can play a role in reconciliation, justice and historical recognition. Apologies should be accompanied by practical measures such as compensation, political reform, education, etc., otherwise they may be seen as empty political tools. Different cultures and political systems have different levels of acceptance of apology, and the impact of apology needs to take into account historical background and social structure [9]. And the acceptable way of apologizing is very different in different regions, which is very easy to misread culture. However, if it leads to a misunderstanding of culture, it can lead to a breakdown of trust, the cessation of cooperation and even diplomatic and commercial disputes. It can also be accompanied by legal disputes or public opinion crises, such as corporate PR statements cause intercultural disputes. More seriously, it will also cause national emotional upheaval, damage to international image and so on. Therefore, in the process of communication, you should understand the cultural customs of the other party in advance and analyze the apology strategy that should be used according to the situation you know.

5. The use of apology strategies

The essence of apologizing is the repair of the relationship. In the process of using the apology strategy, we should first understand the cross-cultural differences, clarify the root cause of the problem, take responsibility, and achieve emotional resonance. It is impractical to fully have social pragmatic ability in a non-native environment. At least understand, respect, improve sensitivity to different cultures, and practice as much as possible. This is the only way to minimize the impact of intercultural differences on apology strategies in international trade and achieve successful intercultural communication.

Next, put forward a solution, such as compensation in addition to apologizing, and have a specific plan. Bruce Fraser believes that apologizing requires 'I apologize for...' and meets two conditions: the speaker admits responsibility, and the speaker expresses remorse [10]. Marion Owen further developed the theory of speech behavior in the study of apology, believing that the appropriate condition is to determine that sentences directly or indirectly belong to the basis of apology [11]. According to Elite Olshtain and Andrew Cohen, apology is a 'set of words and behaviors', used alone or in combination, such as apology, i.e., an expression of regret, explanation or clarification of the situation, acknowledgement of responsibility, i.e., a strategy of accepting responsibility, offering remedies and promising tolerance [12]. Elite Olshtain and Andrew Cohen and the age of apology have similar views on the steps required for apology. In addition to verbal apology, there are also actions [13]. In addition, in the avoidance of legal risks, excessive responsibility should also be avoided. The ultimate goal of apologizing is not to 'calm down the situation', but to establish a deeper relationship of trust in this way.

Before you apologize, it is very important to understand the core elements of the apology in the target culture, including the attribution of responsibility, the method of compensation, the non-verbal signals and so on. You can also help complete the use of cross-cultural apology strategies through third-party mediation, cultural intermediaries or cross-cultural consultants. The cost of a cultural miscalculation is often far greater than the cost of the thing itself. Effective cross-cultural apology needs to go beyond the surface of language and deeply understand the social function and emotional weight of 'apology' in different contexts. According to the conclusions of this study, considering the planning and implementation, it is possible to avoid the risks and impacts of apology strategies in

international disputes one by one, fully understand the cultures of other countries, and maximize the benefits of the use of apology strategies. It will be a very successful apology strategy. It not only repairs the transaction relationship, but also solves the deep-level power inequality in international trade.

6. Conclusion

This study found that the cross-cultural apology strategy in international disputes is influenced by diversity. The problems that need to be thought about from different angles are different. Only by combining these aspects can a successful apology strategy be obtained. Cross-cultural apology is not only a verbal behavior, but also a complex interaction of politics and history. Studying the effectiveness analysis of apology strategies in international trade disputes from the perspective of culture, risk and relationship maintenance is of great practical significance and theoretical value.

From a cultural perspective, what is involved in cross-cultural communication and acceptance, including differences in the understanding of apology from different cultural backgrounds and the cultural influence on the manner and effect of apology. Studying the cultural adaptability of apology strategies helps enterprises choose appropriate expressions in transnational trade disputes, improve the effectiveness of apology, and avoid exacerbating conflicts due to cultural misunderstandings. Secondly, from the perspective of risk, legal, economic and reputational risk management. An apology involves the impact of the economy. The reasonable use of the apology strategy can reduce the risk of operation and supply chain interruption, and also reduce the cost of compensation and reconciliation. In addition, the impact of apology on corporate reputation also has different effects. Studying how the apology strategy balances legal, economic and reputational risks can help enterprises formulate reasonable response plans, reduce losses and achieve optimal risk management. Finally, from the perspective of relationship maintenance, long-term cooperation and trust-building are needed, and apology is used as a mechanism to restore business trust. International trade relations usually involve long-term cooperation, and trade disputes may affect the stability of the supply chain. In apologizing and trade relations between countries, in major international trade disputes, the apology of the government or enterprise may become one of the strategies for diplomatic negotiations, which will help promote the success of negotiations. Study how the apology strategy affects long-term business relationships, provide practical management advice for enterprises, and ensure the sustainability of trade partnerships.

The apology strategy has a multi-dimensional value. From a cultural perspective, the apology strategy needs to adapt to different cultural backgrounds to ensure effective communication; from a risk perspective, the apology strategy needs to find a balance between reducing legal liability, economic loss and reputational damage; from a relationship perspective, apologizing is important for maintaining long-term business relationships, supply chain stability and international trade cooperation means. As globalization deepens, companies' apology strategies will become more intelligent and standardized, and cross-cultural adaptability will be key. The ways of apologizing from different cultural backgrounds are gradually integrated, and the rules of international trade are combined with the culture of apology to promote the optimization of the global trade system. States can also further clarify the legal scope of apologies and the definition of liability. Enterprises combine apology strategies with financial and supply chain management to reduce economic losses and use blockchain and other technologies to improve transparency and adapt to the development of digital trade. Apology will also go beyond dispute management, become a part of corporate social responsibility, and play a greater role in trade negotiations between countries. On the whole, the future apology strategy will develop towards intelligence, standardization and diversification, and play greater value in cultural adaptation, risk management and long-term relationship maintenance, helping enterprises reduce losses, enhance international competitiveness, and build stable global business relationships. Overall, in-depth analysis of the effectiveness of apology strategies in

international trade disputes can not only help companies make wiser decisions in disputes, but also improve the global business environment and promote healthy international trade development.

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