

What can we learn from a coffee house, an airline, a golf course and a ski resort? Plenty. Like many corporations in North America, Starbucks Corp., Continental Airlines, the Pebble Beach Co. and Northstar-at-Tahoe share a common challenge: They are all in mature markets and they offer a commodity that is widely available from any number of competitors.

However, unlike many of their competitors, each of these companies has demonstrated the uncanny ability to develop and maintain incredibly lucrative markets in areas that are often overlooked. Their secret? They are attentive to the needs of customers and employees who represent diverse cultural and linguistic populations.

The World Is Changing, Are You?

Customers from around the world are changing the way business is done at home.

In the United States alone, the immigrant population is 13 percent of America's 284 million people. These numbers will only grow and the changing face of the U.S. marketplace is not limited to its coasts or biggest cities: From 1990 to 2000 the Hispanic community in Des Moines, Iowa, grew 188 percent; one of the most common languages in Oklahoma City is Vietnamese. Over 80 percent of growth in the United States during the 1990s was due to immigration.

Thinking globally to sell locally is an idea that can benefit any organization. However, let's focus on one profession, the financial services profession, or banks, for the next example. Consider the following questions. If none of your answers are "yes" you probably fall into one of two categories: A) You've completed an exhaustive analysis of your market and don't see a current need, or B) You're missing out on a great opportunity.

Do any of your loan officers represent key minority or immigrant groups?

Are any of your tellers bilingual? In languages of identified customer groups?

Are you providing cross-cultural training/information sessions to branch managers, tellers, loan officers? (How often? What are the qualifications of the trainers?)

Do your marketing efforts reflect cultural sensitivity? For example, one major bank conducts a focused campaign to attract high-net-worth Chinese clients and rolls it out to coincide with the Chinese New Year. The bank invites potential clients to upscale Chinese restaurants where it hosts information sessions. Of course, some of the bank officers are Chinese and they lead the sessions.

Learn From the Best

Any company, large or small, can reap tremendous benefits by catering to a culturally diverse customer and employee base. Let's take a look at some companies that have gone through the process of transforming a local service or product into one that is attractive to both local and international customers alike. The issues range from simply translating instruction brochures into other languages to completely altering a product line or business philosophy. Consider the following three points when reading these examples:

- Learn through the experience of others. Even these major multinational companies are not above making mistakes; see what they did about it.
- Consider the variety of strategies, large and small, for creating an environment of global service to both customers and employees. It's not as challenging as most of us make it.

- Assess the effectiveness of your own approach with your multinational customer and employee base. What are you already doing that is working? What can you change?

Starbucks

Pioneer of the coffee house and specialty coffees, Starbucks Corp. transformed a commodity product into international success. One of their stores in Orange County, Calif., increased business by 1,000 percent in four months for less than \$500! How? By being attentive to the needs of a linguistic minority, the deaf and hard-of-hearing customer. Based upon a single meeting with a group of 30 to 40 deaf customers who stopped by on Friday evenings, they simplified the process of ordering coffee in their store by implementing these three steps:

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- This group of customers suggested adding laminated menus, with an erasable marking pen, at each cash register, thus enabling the hard-of-hearing customer to simply circle the beverage of choice on the portable menu instead of awkwardly gesturing toward the large menu board located high on a wall.

- To further refine their process, the Starbucks team decided to alter one of their long-standing operating procedures. Typically, when customers order a beverage, the order taker writes the customer's name and specific drink, in black ink, on the cup itself. Then, when the order is ready, another employee calls out the customer's name to let them know the order is ready for pick-up at the counter. In the case of the hearing-unpaired customers, the team decided to use a red pen to write the customer's name and order on the cup. The red ink served as a prompt to other Starbucks employees who call out the prepared orders.

"I can't think of anything worse than standing there calling out the name of a customer who is hearing-impaired," said the manager of the store. Indeed, that would be rude to the hearing-impaired customer and a potential source of frustration to the hearing customers.

- So, when one of the drinks with red ink was ready, an employee who was hired because of his ability to use sign language would be summoned to step up and call the customers to the counter, in their own language.

These three steps instantly reduced ordering time and frustration, plus created a friendly atmosphere that led to an astonishing result: In less than four months, what was once a group of 40 hearing-impaired customers grew to an event that attracts between 300 and 600 hearing-impaired customers on Friday evenings.

Continental Airlines

This airline has gone "from worst to first" in customer satisfaction in the last five years and is a pioneer in providing innovative service across cultures. It grew its Latin American market fourfold during this period by making a number of changes. Of the many changes made, one was relatively inexpensive, yet led to tremendous customer satisfaction. Continental created a group of professional chefs they called the "Congress of Chefs" to assess, then create inflight meals that would appeal to a wide variety of tastes. They needed to determine what meals would be acceptable to passengers from Mexico, Brazil, Puerto Rico and Costa Rica as

well as the United States. They ran taste tests with employees as well as passengers to ensure they are providing a good product. In addition to altering the menu, Continental changed the time the meals are served - lunch at 3 p.m. and dinner at 8 p.m.

Pebble Beach Co.

Founded in 1919, the internationally renowned premier golf resort doesn't rest on its laurels. With both a multilingual employee and customer base, the company has taken a proactive approach to accommodate this diversity. They sponsor free English classes in the evenings for their employees so their multinational employees feel more comfortable using English and greeting guests. Also, when conducting annual performance reviews for employees who have limited English skills, the company provides professional interpreters to assist in the process. For the large number of guests who come from all over the world, they have adopted an approach that is low in cost, yet high in return. They created a database of those employees who speak languages in addition to English. The concierge desk has the list, so an employee from anywhere on the property, such as in a golf or other merchandise location, who is interacting with an international guest knows that help with interpreting is just a phone call away.

Northstar-at-Tahoe

Ranked as one of the top 10 family ski resorts in North America, Northstar is also a well-known resort among the elite skiers in South America. They embarked on a campaign to attract skiers from South America by using two strategies:

- They hired professional ski instructors from Chile, Argentina and Brazil. According to their marketing director' "Our winter is their summer and some of the best skiers and wealthiest skiing families hate to wait for the next season."

The ski instructors instantly became ambassadors of good will and spread the word to professional ski organizations and ski tour operators in their home countries that Northstar was the place to visit in the United States. The practice of hiring ski instructors solved another problem plaguing many ski resorts in the United States: Getting qualified ski instructors is extremely difficult.

- They expanded on their strength as a family-friendly resort by marketing their resort as sensitive to the needs of guests from South America.

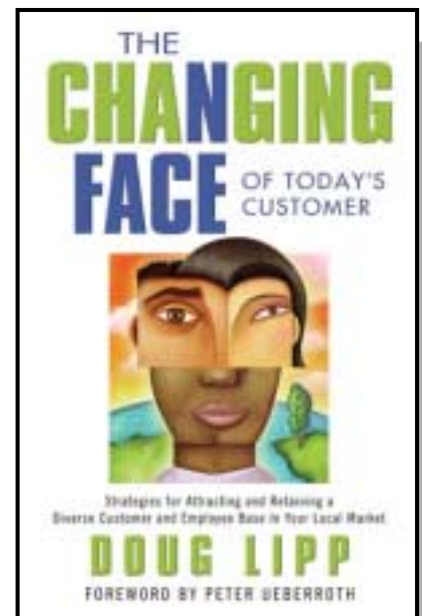
As a result, the resort has grown fourfold in the last two years, with the vast majority of growth potential yet to come. In addition, the average stay is eight nights for the

international visitors and only 2.8 nights for the local, drive market. Another fact to consider is that the international traveler is quite wealthy, keeping in mind it is quite expensive to visit the United States. This is due to the negative exchange rate against the dollar that many countries have, excluding the United Kingdom. Hence, the average international visitor is in a higher income bracket than most domestic visitors.

Thinking Globally, Selling Locally

The examples and lessons from these world leaders present a compelling argument that cannot be ignored: Customers and employees want both products and services that meet their unique cultural, linguistic and physical needs. Hence, the hallmark of any successful organization in the coming decades will be the ability to be flexible and adapt to the multiple demands of an ever-changing labor force and customer base. Organizations that accept and act upon this reality will be in the position to reap the benefits of a stable workforce and expanded, loyal customer base. The demographic pie in North America is growing. Do you deserve a piece?

The above article contains excerpts from Doug Lipp's book "The Changing Face of Today's Customer: Strategies for Attracting and Retaining a Diverse Customer and Employee Base in Your Local Market," Longstreet Press, Oct. 2003.



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