

Customer Service in a Shrinking Vorld BY DOUG LIPP

One key to success is being knowledgeable about your market. Today, most accomplished businesses got that way because they are able to affectively communicate with people who are culturally and geographically diverse.

he ski season was about to open and the marketing department of a major California ski resort could hardly wait. During the summer months of the off-season, it saturated the Chinese-speaking community in the San Francisco Bay Area with advertisements promoting the resort. Market research showed this to be a largely untapped consumer base for winter sports. It then set out to entice those from the Chinese community to come and enjoy the snow. All advertisements were written in perfect Chinese, appeared in local Chinese newspapers and magazines, and offered the following deal:

"Bring this advertisement to our rental department and receive a 2-for-1 discount on rental equipment for the day."

The snow fell, the resort opened and the crowd began to pour in. The rental department was filled with customers, many of whom were Chinese, holding a discount coupon in hand. It appeared the marketing campaign was a tremendous success. Unfortunately, there were a few problems. No one from the resort's rental staff spoke Chinese. To make matters worse, most of the rental staff had no idea how the coupon was to be applied. The only non-Chinese portion of the advertisement said: "50 percent off" 50 percent off what? Was each coupon good for one person or an entire family? Within minutes after the shop opened, employees were in a state of panic. The customers were up in arms. As a final blow, the resort sold out its supply of smaller-sized boots, skis, poles and snowboards before all of its customers had been helped. None of the employees could communicate in Chinese, so they had to rely on bilingual Chinese customers for interpretation while filling orders. The crowd, which quickly filed into the rental shop that morning in high spirit, left just as quickly a few hours later feeling total frustration.

The hard work and apparent success put forth by the marketing department had turned into a customer service nightmare for the operations division. This could have been avoided. Unfortunately, this type

of customer service nightmare is happening with greater frequency in a variety of industries that haven't taken into consideration the cultural mindset of its customers.

Shrinking Globe, Growing Customer Base

Thanks to advances in communication, the maturation of the Internet and e-commerce, and ease of travel, the globe, it seems, is shrinking while the number of potential customers is expanding. The ability to communicate instantly and inexpensively has opened tremendous opportunities for reaching large groups of people from different countries and cultures. A commonly held belief is that these potential customers live overseas in foreign markets with unique needs. Many do. However, it is important to remember that many, reside in the same country—or even the same community—as the company. In the U.S. market, for example, the odds are great that many customers are foreignborn, or are themselves children of immigrants.

According to the U.S. Government Census Bureau, the foreign-born population in the United States has grown steadily since the 1940s. By 1990, immigrants comprised 8 percent of the total population. During the 1990s, more than 13 million immigrants arrived, bringing the immigrant population to approximately 30.5 million, or 11 percent of the total population of 273.4 million. More important, the changing face of America is not limited to traditional newcomer areas on the East or West coast such as California, Florida, New Jersey or New York, or in the states of Illinois and Texas. In fact, the percentage of immigrants living outside those states rose by 50 percent during the 1990s.

This means a huge population of potential customers probably lives near most businesses. Yet, these potential customers, who come from various cultures and speak English as their second, or even third language, often have service expectations that differ from what typically is offered. Unfortunately, this type of customer service nightmare has become increasingly common in many industries. Cultural insensitivity dramatically reduces the size of the customer pie. When an organization is not responsive to, or sensitive about, the differences and special needs and interests of members of diverse cultural groups, it creates a negative cycle that shows up in the following ways:



Conference Speaker

Doug Lipp will present *The Magic of Exceptional Customer Service: Are You in Balance?* at the 2002 NAA Education Conference & Exposition in Orlando, Fla. It focuses on the Walt Disney University training experience, and provides stores, insights and lessons about how certain skills, attitudes and behavior contribute to exceptional performance to build, win and keep market share. The session runs 11:30 a.m. to 1 p.m. Friday, June 28; and 9:30 a.m. to 1 1 a.m., Saturday, June 29.

Customer Service in a Shrinking World

• First, it creates a corporate culture or environment that does not welcome employees of different cultural groups. The employee population doesn't diversify as much as it should, and the result is a lack of originality and creativity in the development of new products, sevices and marketing

strategies.

Second, given the narrow focus of the product line or service strategy, it discourages new customers from different cultural groups from purchasing a product or using a service in the first place. Or after a purchase, the customers might become disappointed in the product or service they receive and therefore do

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not continue using it or buying it.

• Third, as this cycle reaches completion, the company looks at the small number of customers from different cultural backgrounds it serves and uses the data to support the following argument: Why should we develop culturally appropriate product lines and service strategies, then hire bilingual employees to serve this population, if the target audience does not buy what we are selling?

Thinking globally to sell locally is an idea that many companies should embrace, but are not. As a result, they lose existing customers and many potential customers. The primary reason is a lack of understanding about what people from different cultures expect.

At best, companies overlook the importance of considering the unique needs or expectations of international and foreign-born customers. In most cases, this is because of nothing more than cultural ignorance, a sort of benign neglect. At worst, some companies refuse to adapt their goods or services because they do not think it is even necessary.

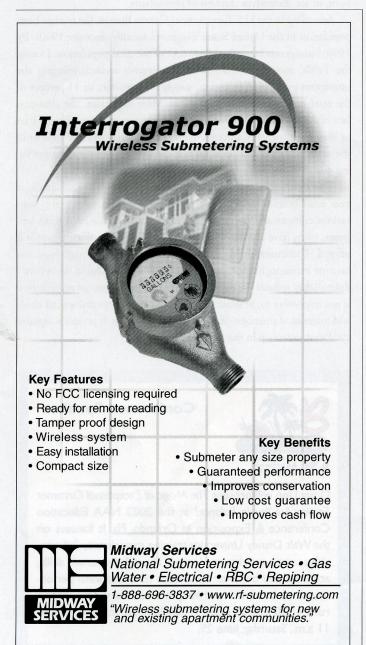
Instead, they say, "We know what is best for you, so don't challenge our products or service, one size fits all." This is an indication of cultural arrogance. Unfortunately, most companies and individuals operate from a position of cultural ignorance, such as the example of the ski resort and its discount. These companies do not purposely design products or policies to drive away customers who come from different countries or cultures. Instead, because they haven't taken the time to consider, nor meet, the unique needs of these customers, they mistakenly drive them away or into the arms of the competition.

Open Minds Open Doors

The companies and leaders that survive and thrive in the 21st century will be ones that recognize, then act on two fundamentals for success:

- the values held so dearly as "common sense" by one culture are not universal; and
- behavior common to one culture is not always accepted by another. What can be done to recognize these? And, once recognized, what kind of adjustments must be made? The list is virtually limitless, but at a minimum, a company must assess how flexible or inflexible its current approach is. A more flexible approach or practice means the company takes into account the needs of its employees and customers who are foreign-born or represent minority cultures. An inflexible approach is to have a set standard or method, which may have been very successful over the years, and to be unwilling to change it. Areas to assess include product line, marketing strategies, personnel policies, management style, return policies, foreign language proficiency of employees, signage on your property and Web site design. Consider these two scenarios:

To Shave or not to Shave. At Disneyland in the United States, the "Disney Look" for men is to wear short hair and no beard, and for women to wear minimal makeup. It is woven into the fabric of the corporate culture. It is a non-negotiable condition of employment. This standard, which served the company so well in the United States,



backfired in France when Disney built Paris Disneyland. Disney ignored the fact that in the French culture, many men wear a moustache or beard. Faced with the ultimatum of either shaving their face or not working at the park, a great number of otherwise qualified men chose to work elsewhere. The result? Disney realized that unless it altered a 40-year-old policy that had been mandated by Walt Disney himself, it would be hard-pressed to staff the park, so it adjusted the policy to allow facial hair, which reflected the needs of the French employees and their culture.

What's Your Lucky Number? Bell Mobility Cellular in Toronto, Canada, took the right steps to attract and hold the expanding Chinese population in their service areas. Bell Mobility provided extensive training to its customer service representatives about the cultural background of the targeted customers in the Asian market. As a result, both supervisors and representatives were well prepared for a variety of culturally-based issues and requests. One request, in particular, was the need of the Chinese customer to have the the number 8 somewhere in their new telephone number. This is because the Chinese believe the number 8 brings good luck and prosperity. As a result, instead of getting frustrated at the "unusual" requests from individual customers and telling them: "I'm sorry, you can only get what is available and we have no more telephone numbers with the digit 8 left." The customer service representatives were empowered to access a special pool of this number reserved for the Chinese customers.

During a company's assessment, it is important to remember that any adjustments or cultural compromises chosen represent a way of building a bridge between operating policies and the needs of its customers. This is done through seeking a mutually-acceptable "cultural sense" instead of a potentially divisive "one-size-fits-all" approach.

Whether providing service locally or globally, in person, over the telephone or online, the only area remaining for many companies to leverage themselves against their competitor is customer service. Companies that are equally comfortable with domestic and international customers will reap tremendous benefits in this era of the shrinking globe.

Editor's Note: This article is based on an excerpt from Lipp's book The Global Service Challenge: Obstacles and Opportunities Key Strategies for Expanding Your Business In A Shrinking World.

Doug Lipp is President of G. Douglas Lipp & Associates, an organization specializing in international leadership and customer service training and consulting. He has more than 25 years of experience working with American, Japanese and European multinational corporations in the areas of change management, leadership and customer service. Lipp writes and speaks extensively about the customer service challenges facing any number of industries. As a well-known keynote speaker, Lipp motivates and challenges audiences around the globe to examine their respective management styles and business strategies, then determine the effectiveness of each as seen from a variety of customer and cultural perspectives.