

CHAPTER ONE

From *The Changing Face of Today's Customer*

THE WORLD IS SHRINKING. IS YOUR BUSINESS EXPANDING?

There is an interesting irony occurring in business today. More and more companies are chasing the same customers and, as a result, maintaining or gaining market share seems to be a futile exercise. Let's call the market the "customer pie." And, whether by design or benign neglect, organizations and companies that serve the customers making up this pie are scratching their collective heads to come up with new and improved ways to continually slice, into smaller pieces, a pie that appears to them to be the same size.

The irony is this. The pie is not the same size. It is, in fact, getting larger. Yes, the number of groups who rely on the customer pie for their subsistence is expanding dramatically. But so is the pie.

The problem? How companies choose to look at the pie and those customer groups that make the pie what it is.

Due to advances in communication, the spread of the Internet, e-commerce and the ease of travel, our globe is essentially shrinking. As a result, more than ever before, we are coming into contact with people from different cultural backgrounds, even if we don't leave our "home" countries. So, as a provider of a service or product, a tremendous opportunity exists to target groups of people you haven't considered in the past.

The pie is, indeed, getting bigger.

But the big problem in numerous companies is many people just don't understand how to properly deal with the expectations of someone from a different culture and end up squandering tremendous business opportunities. Mistakes are not limited to those on the front lines, the customer service employees. Everyone in the company needs to pitch in to make this work, including the engineers, sales people, administrative support staff and the organization's executive leadership. Also, it doesn't matter whether existing or potential customers are living overseas, visiting from abroad, or living close by. The point is that in addition to language differences, they have different interests, needs, desires, priorities, ways of doing business, and other cultural expectations that should be taken into account.

In short, providing good customer service to individuals from different cultures is not only good business, but a powerful way for any company to gain leverage against competitors and increase their share of the pie. Opportunities abound for those companies that grow beyond the culturally myopic, "we know what is best for you" or "one size fits all" mentalities that come from cultural ignorance or arrogance. Learning how to appeal to diverse customers, whether foreign-born or from different cultural communities in the domestic market, will give any company a tremendous competitive advantage in today's increasingly global economy.

THE GREAT MARKETING BLUNDER

Having this knowledge is a way to avoid major blunders, such as what happened at the beginning of a recent ski season at a major California ski resort. The customer service and marketing departments could have easily avoided the problem with the proper cross-cultural training and advance preparation. The problem began after the market research team identified the large Chinese population in the San Francisco Bay area as an untapped market for skiing. To appeal to this market, the marketing department saturated the community during the summer off-season with ads promoting the resort and the fun of skiing, hoping to attract community members to the resort that winter. The marketing people thought they had done their homework, since they had the ads translated into perfect Chinese and ran them in the local Chinese newspapers and magazines. The ads offered the following deal: "Bring this advertisement to our rental department and receive a 2 for 1 discount on rental equipment for the day."

But the marketing department never ran the ads by the customer service people who would be dealing with their customers or their managers to make sure they were prepared to respond. As a result, when the Chinese customers poured into the rental department with their discount coupons, disaster struck, since the resort had not been prepared on how to properly respond to this new clientele. The rental shop wasn't staffed with anyone who spoke Chinese, although many of the older customers knew no English. In addition, the employees hadn't been trained on how to interpret the coupons, which were written in Chinese. Since none of them could read or speak Chinese, all they could understand was the non-Chinese portion of the coupon, which said: "50% off." But they didn't know what this meant. They didn't know what products were marked 50 percent off or if the coupon applied to all of them. They also didn't know whether the coupon was good for just one person, for a whole family, or for how long.

Within minutes of the store's opening, the employees were in a state of panic and arguing with the customers over the offer. Since the customers spoke little or no English, many simply didn't understand the problem. Finally, a few bilingual customers (many of whom were children) stepped forward to interpret and, with their help, the customer service people managed to work out some general agreement about what they were charging the customers.

But then, another complication arose, because the resort had not been forewarned by the marketing department to anticipate the increased demand for certain products by customers who were smaller than their average-sized customer. The shop soon ran out of smaller-sized boots, skis, poles and snowboards before most of the customers had been helped. Thus, the morning ended with many frustrated customers walking out the door without renting any skis, thereby undermining the success of the marketing department's well-thought out and executed media campaign.

The key reasons for the foul-up? First, there was a lack of communication between the marketing department and the customer service department about their plans to reach out to a different cultural market. Secondly, the customer service department hadn't been properly prepared by either the marketing department or top management to deal with a multicultural customer. They lacked both the proper training and the personnel with the right skills, which required a knowledge of Chinese and Chinese culture to offer the proper customer service.

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 isn't responsive or sensitive to the differences and special needs and interests of members of diverse cultural groups, they create a negative cycle that shows up in the following ways:

- First, they create a corporate culture or environment that doesn't welcome employees who may come from 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, services and marketing strategies.
- Second, given the narrow focus of the product line or service strategy, they discourage new customers from different cultural groups from purchasing a product or using a service in the first place. Or, after a purchase, the customers may be disappointed in the product or service they do receive and don't continue using or buying it.
- Third, as this cycle reaches completion, the company looks at the small number of customers from different cultural backgrounds they are serving and use the data to support this argument: Why should we develop culturally appropriate product lines and service strategies, then hire bi-lingual employees to service this population, if the target audience doesn't buy what we're selling?

It's obvious where this is headed.

DRIVING AWAY CUSTOMERS IS THIS EASY!

Cultural insensitivity can be equally destructive when it occurs on the phone, as well as in person, resulting in conflict and upset customers and employees. That's what happened when Mr. Songkhalarb Sanitwongwaaryudthaya, a recent émigré from Thailand, got an advertising flyer in the mail from Mobile Cellular, a fictitious name for a well-known North American cellular telephone company, touting its wonderful cellular telephone service. He was delighted that the flyer was written in his native Thai language, so he felt the company was especially sensitive to his cultural group by taking the extra effort to create an advertisement in a language not usually used in the U.S. Although he had grown accustomed to life in North America and his English had steadily improved, he appreciated reading something in his native tongue.

Thus, he was already prepped to be receptive to the offer, and he called the number listed in the ad, eager to learn more about the offer of extensive free minutes and no roaming charges. But almost immediately, his enthusiasm was dampened when he encountered a telephone rep in the customer service department who couldn't understand him. The conversation went something like this:

Customer Service Rep: "Thank you for calling Mobile Cellular. How can I help you?"

Songkhalarb Sanitwongwaaryudthaya (Customer): "Uh... hello?"

Customer Service Rep: "Hello, this is Mobile Cellular. How can I help you?"

Customer: "Uh... can.... you teach me.... about..."

Customer Service Rep: “Please speak up, I can’t hear you very well.”

(Rep interrupted customer, spoke loudly, didn’t soften the statement with “could you please...”)

Customer: “Please teach me about.... your new...mobile program ...”

Customer Service Rep: “I’ll connect you with new accounts.”

(Rep cut off customer and immediately transferred him to another department without asking, “Would that be all right?” Also, didn’t set up the transfer for success. The rep could have prepared the new accounts rep for the transfer by giving the name of the customer and giving a “heads up” about the customer’s language difficulties.)

New Accounts Customer Service Rep: “New accounts. How can I help you?”

Customer: “Please teach me about.... your new.....mobile program...”

New Accounts Customer Service Rep: “Our new what? Could you say that again?”

(Rep could have said, “I’m sorry, I couldn’t hear very well, could you say that again?”)

Customer: “Do you speak Thai?”

New Accounts Customer Service Rep: “No, I can barely speak English (laughs at own joke). Now, what’zit you need?”

(This last comment is rude, insensitive and just adds to the frustration the customer already feels due to the previous comments.)

The conversation continued like this for another frustrating five minutes. By the end, Mr. Sanitwongwaaryudthaya was very upset the company didn’t have a representative who could speak Thai, since he had expected this after getting a flyer in the Thai language. He was also upset that the customer service rep had treated him with a lack of respect, even cracking a joke about his lack of knowledge. At the same time, the customer service representative was irritated because this call was taking far too long, much more than the average three-minute call time at the call center, and she knew her supervisor would not be pleased.

Then, making matters worse, after the customer service rep was finally able to overcome the language and cultural barrier and was ready to close the sale, she encountered another hurdle because the paperwork itself wasn’t set up to respond to the customer’s needs. The conversation went like this:

New Accounts Customer Service Rep: “So, could I have your name to start your new account?”

Customer: “My name is Songkhalarb Sanitwongwaaryudthaya.”

New Accounts Customer Service Rep: “Could you repeat that?”

Customer: “ Songkhalarb Sanitwongwaaryudthaya.”

New Accounts Customer Service Rep: “How is that spelled?”

Customer : “ S-o-n-g-k-h-a-l-a-r-b
S-a-n-i-t-w-o-n-g-w-a-a-r-y-u-d-t-h-a-y-a “

New Accounts Customer Service Rep: “I’m sorry, sir, our customer information form only allows 20 spaces for names. Do you mind if we abbreviate your name?”

Needless to say, this was the last straw for Mr. Sanitwongwaaryudthaya. He felt insulted and demeaned that he couldn’t use his full name, which, in his culture, as in many, was a source of honor and pride. As a result, he decided to forget about purchasing the cellular phone service and hung up, leaving the customer service representative feeling equally upset and thinking she had just endured another demanding customer with unrealistic expectations.

This is just one example of many unsuccessful interactions between the customer service department and the targeted Asian consumer base the Mobile Cellular marketing department was trying to reach. As a result, it’s not surprising that the number of new customers added due to the company’s expensive marketing and advertising campaign was far less effective than expected. Despite a high number of calls from prospective customers for information, the percentage of sales closed was far lower than what was projected as being successful.

LEARNING WHAT NOT TO DO TO BECOME MORE CULTURALLY SENSITIVE

While these examples of problems with insensitive in-person and telephone customer service come from companies reaching out to Asian customers, this type of scenario occurs all too frequently in today’s global business age. Companies strive to open up new markets for their products or services, only to be tripped up somewhere in the company by employees who don’t understand the diverse customers in this market and thereby fail to respond to them properly. Even when top management is committed to being responsive to cultural differences and understands what the company should do to broaden its reach to that market (such as shown by the sensitivity of the marketing department in these stories), the approach won’t work if the front-line employees aren’t on board. They are the ones providing that immediate contact with the customer in the store, the office, or on the phone, and if they lack the sensitivity and cultural awareness and aren’t trained in what to do, they will make many mistakes. And worse, they may not even be aware of what they are doing wrong, so they can’t improve.

Thus, to illustrate the range of mistakes that these front line people can easily make, let’s look more closely at what happened at Mobile Cellular.

The company started off doing everything right by carefully preparing for its aggressive marketing campaign. The marketing department spent six months analyzing potential new domestic markets and used this research to identify the rapidly growing immigrant population as having the highest potential. It also identified the major countries supplying most of this growth, including Taiwan, Hong Kong, India, Vietnam, Thailand, and Pakistan.

Then, to tap into this fast-growing market, the marketing department teamed up the advertising department at the company to jointly create an advertising campaign to appeal to this potentially huge group of new customers.

Again, these departments made all the right moves. They designed the advertising campaign in several Asian languages and they carefully selected the TV and radio stations, Internet news groups, e-mail addresses, magazines and newspapers targeted to this market. Additionally, the advertising department was careful to hire professional translators to transform their English messages into the appropriate Asian languages.

As projected, the response from the targeted communities was very strong, and the marketing and advertising departments were ecstatic over the success of their campaign in introducing their services to many new potential customers. But then, that's when the company's targeted marketing strategy campaign broke down, because the customer service department did not share the same preparation or cultural awareness, so they weren't able to respond properly, as illustrated by the telephone call between Mr. Sanitwongwaaryudthaya and the customer service representatives. The customer service reps simply were not ready for the onslaught of calls from the local Asian market and they made a large number of mistakes in many areas of customer service. Many of these were because the company itself had not provided the customer service department's supervisors and employees with the appropriate support and training so they would know what to do.

These mistakes ranged from not knowing the language and culture, to not having the appropriate scripts and forms to use in responding to customers when they called.

The following list illustrates the major errors by both the customer service department and the company as whole – while the opposite is what a culturally aware customer service department and company should do.

- The company had no plan for hiring and training bilingual representatives, and due to budget limitations, the company had no plan to hire more reps in the future.
- The leadership of the company failed to adjust long-standing policies to the realities of a new customer base. For example, the customer service department did not adjust its call center policy of handling all calls within three minutes, even though the customer service reps found their calls with Asian customers took an average of five minutes to overcome language difficulties or to provide additional explanations of the services offered. The problem with this policy is that it was developed based on an assumption that most customers would be able to speak English or Spanish, so the department had staffed up with plenty of English and Spanish-speaking representatives. But then, because the policy wasn't changed – and the company didn't give supervisors in the customer service department the authority or guidance to change the policy – the reps felt a great deal of pressure to handle the calls within three minutes. As a result, the customer service representatives tried to rush through the calls and felt tremendous pressure when the calls went beyond the three-minute limit. This time limit was a goal long revered within the company and was the basis for the

performance reviews of the customer service representatives, since they were evaluated more on how quickly they processed their calls, and not as much on the quality of the call itself. The outcome was bad for everyone. While the customer service representatives grew impatient and frustrated during the time they spent on longer calls with the new immigrant customers, their supervisors were hounding them because the calls were “getting too long.” The result? Abrupt or rude service providers angry with customers who couldn’t speak their language, and frustrated customers who weren’t getting answers to their questions. Thus, sometimes even the longer calls weren’t long enough and ended up with fewer sales.

- The company didn’t provide the customer service representatives and supervisors with any training about the targeted customers’ cultural backgrounds in the Asian market. As a result, neither the supervisors nor reps were prepared for any culturally based requests, and often thought of them as simply unusual requests from individual customers, rather than ones common for members of a different cultural group. They had no idea, for example, that many callers from Taiwan and Hong Kong would ask the company to include the number eight somewhere in their new telephone number, because the Chinese believe the number brings good luck and prosperity. But then, when many did, the reps commonly brushed them off with the insensitive reply: “I’m sorry. You can only get what’s available and we have no more telephone numbers with the digit ‘eight’ left.” Yet, had the reps and the company been prepared, they could have reserved a pool of such numbers for these customers.
- The company also did not provide the staff any training in how to effectively communicate with non-native speakers of English, so the reps often had trouble understanding what the customers were saying. For example, they had no training in recognizing the different accents or common speech patterns, so they weren’t prepared to recognize predictable accents or patterns of speech. For example, the tonal nature of Chinese can make it sound somewhat confrontational to a listener who doesn’t know this pattern. So, while learning a new language as an adult is next to impossible, learning patterns such as tones or pace are easily learned.
- The company also failed to expand or alter the customer information sheets to accommodate the needs of customers with longer names. However, such a modification was necessary because the first and last names of many customers, particularly in the case of immigrants from Southeast Asia and Malaysia, were longer than the standard names in North America. As a result, the customer service representatives couldn’t fill in these customers’ complete names in the company’s “request for new service” application forms. So the reps took the approach of asking new customers to abbreviate their names to fit into the number of spaces, which angered many of them. And then there were often longer calls as customers tried fruitlessly to protest this policy, and in many cases the customers were so upset, they declined to purchase their cellular phone service from the company.

- While the customer service department supervisors worked out a standard script for the reps to use, they never analyzed it to determine how a non-native speaker of English would receive it. They didn't notice that some of the words and phrases used were unfamiliar, unclear or even insulting, because they didn't consider the meanings from their customer's point of view.
- There was no "live" training during which the customer service representatives had the opportunity to interact with people who represented the targeted customer groups. Thus, armed with their scripts and no training, the customer service representatives eagerly answered their telephones, but promptly overwhelmed the new customers by speaking too rapidly and not stopping to allow for any "space" during which the customer would have time to: A) collect his/her thoughts, B) translate his question from his native tongue into English and, C) ask questions!

As these examples illustrate, not only the front-line employees, but also the supervisors and top management at Mobile Cellular, apart from the marketing and advertising departments, overlooked virtually every way to properly deal with members of the cultures targeted for their business expansion plans. Ironically, the company designed its new marketing strategy to appeal to these cultural groups, but then failed to take their linguistic and cultural needs into account in creating a response to them that would work. In short, the company, from management to customer service supervisors and representatives, failed to think at the global and multi-cultural level and their local sales suffered as a result.

THE NEED TO THINK GLOBALLY

This age of trans-border commerce, coupled with expanding numbers of foreign-born customers in our heretofore domestic markets, demands that companies and their customer service personnel think globally to sell locally, rather than losing existing customers and many potential customers, because they don't understand what people from different cultures want and expect. While many companies – from executives to front line employees—lack this understanding due to cultural ignorance, where they are unaware of the need to pay attention to difference, some companies don't even think it is necessary to adapt their goods or services to different types of customers. That's because they mistakenly think today's globalized world has created a standardized culture based on American values. They are ethnocentric, and have a limited, "We know what is best for you," and "one size fits all" approach. Such an attitude is worse than just being culturally unaware or ignorant. Rather, it represents a cultural arrogance that is a prescription for economic disaster in a culturally diverse global world.

While most companies and individuals simply act out of cultural ignorance, like the companies introduced in this section, the ultimate results are the same. Without the knowledge or consideration of cultural differences, your company won't meet the unique needs of customers from multicultural, international, and diverse backgrounds, so you will mistakenly drive them away or into the arms of the competition.

In short, providing good customer service to individuals from different cultures is not only good business, but is a powerful way to gain leverage against competitors. The companies that

know how to appeal to diverse customers, whether foreign-born or from different cultural communities within the country, will gain a tremendous competitive advantage in today's increasingly global world.

The pie is growing. Is your slice getting larger?

EXERCISE: ASSESSING YOUR "GLOBAL SERVICE"

In general, how would you rate yourself, your team or your organization with regard to your global service approach? This exercise is divided into two parts, with four questions in each section.

Part I asks you to identify some of your personal strengths and areas for improvement regarding cultural sensitivity to customers and employees. Part II asks you to identify some of your organizational strengths and areas for improvement in these same areas. Both sections ask for qualitative, as well as quantitative, answers. For the quantitative questions, rate yourself, your department, and your company on a scale of 1 to 10, with 1 being very poor and 10 being outstanding service. Make copies of this scale so you can do these ratings separately. You can also do this exercise individually or as a group over time, say every month or two, so you can compare how you or your group are doing.

GLOBAL SERVICE—HOW DO YOU RATE?

Part IA: Strengths

1) List two approaches you personally use that demonstrate a culturally sensitive approach with your *customers*.

A) _____

B) _____

2) Rate yourself on the following scale, (1 is low, 10 is high) by answering the following: "I am sensitive to the needs of my culturally diverse *customers*."

1 2 3 4 5 6 7 8 9 10

3) List two approaches you personally use that demonstrate a culturally sensitive approach with your *employees or co-workers*.

A) _____

B) _____

4) Rate yourself on the following scale, (1 is low, 10 is high) by answering the following: “I am sensitive to the needs of my culturally diverse *employees/co-workers*.”

1 2 3 4 5 6 7 8 9 10

GLOBAL SERVICE—HOW DO YOU RATE?

Part IB: Areas To Improve

5) List two ways you could improve your approach to your culturally diverse *customers*.

A) _____

B) _____

6) List two ways you could improve your approach to your culturally diverse *employees/co-workers*.

A) _____

B) _____

GLOBAL SERVICE—HOW DOES YOUR COMPANY RATE?

Part IIA: Strengths

7) List two approaches your company/department uses that demonstrate a culturally sensitive approach with *customers*.

A) _____

B) _____

8) Rate your company/department on the following scale, (1 is low, 10 is high) by answering the following: “My company/department is sensitive to the needs of our culturally diverse *customers*.”

1 2 3 4 5 6 7 8 9 10

9) List two approaches your company/department uses that demonstrate a culturally sensitive approach with *employees*.

A) _____

B) _____

10) Rate your company/department on the following scale, (1 is low, 10 is high) by answering the following: “My company/department is sensitive to the needs of our culturally diverse *employees/co-workers*.”

1 2 3 4 5 6 7 8 9 10

GLOBAL SERVICE—HOW DOES YOUR COMPANY RATE? _____

Part IIB: Areas To Improve

11) List two ways your company/department could improve its approach to your culturally diverse *customers*.

A) _____

B) _____

12) List two ways your company/department could improve its approach to your culturally diverse *employees/co-workers*.

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A) _____

B) _____

So, how did you do? This exercise posed questions that were broad-based, with the goal of raising your awareness to general trends in your or your organization’s approach to the topic of global customer service. Admittedly, these scores are not scientific and, since they are a self assessment, can be skewed. However, if you gave it an honest try and gathered the opinions of

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others in your company, you undoubtedly identified some interesting trends. Identifying these trends now will help you get more out of the rest of the book. Consider this a very general pre-test to warm you up. The next chapter will get into a lot more detail about culture and the exercises will ask you much more specific questions.