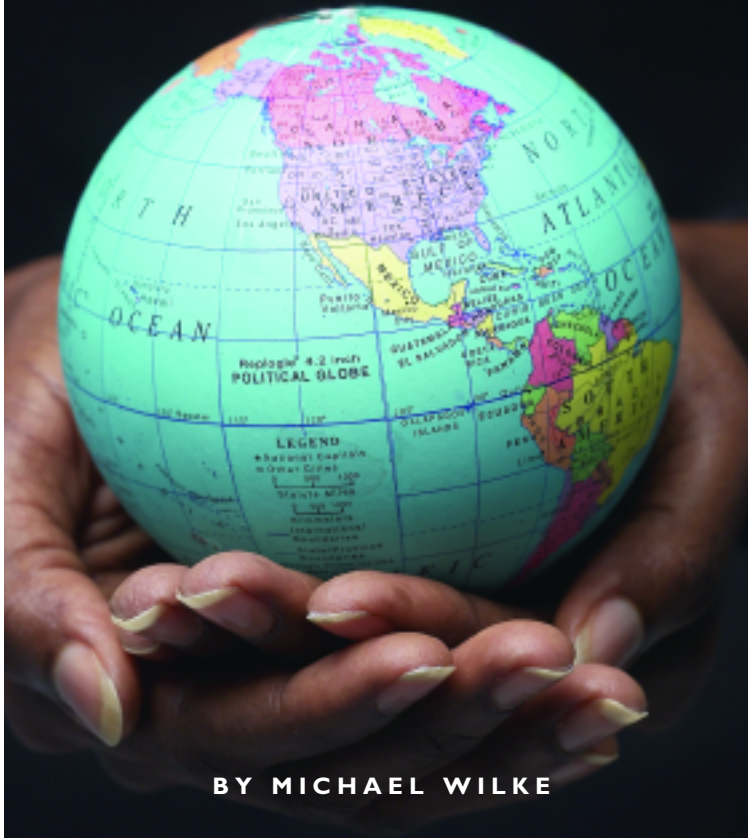


Going Global: Challenges and Benefits for Customer Care



BY MICHAEL WILKE

Establishing global customer care functions enables multinational companies to provide worldwide best-practice consumer response and achieve local market success.

...tional companies to treat them in accord with the companies' images and reputations." Indeed, the prime justification for having global contact centers is to enable

Multinational consumer product companies face complex challenges when undertaking global integration of their customer care functions. They must address the challenges carefully and deploy best practices to achieve effective multi-location, multilingual, and multi-cultural operations. Chief benefits that can accrue from going global are improved consumer perception, increased customer satisfaction, reduced operating costs, and richer understanding of consumer behavior—all essential ingredients in the creation of a sustainable competitive advantage. Realizing these top- and bottom-line benefits requires customer care

departments to establish new integrated processes and deploy flexible application tools and infrastructure technology that adequately support their requirements and resolve implementation issues.

Responding to insights derived from listening to local market preferences is an essential element for attaining global success. "Consumers live in a global market where the Internet and CNN are significant sources of information for consumers worldwide," explains Linda Pell, Kellogg Company's senior director of consumer affairs. "While consumers prefer products and services that conform to their cultures, customs, and languages, they expect multina-

companies to better maintain and expand their brands in all markets. Globally integrated contact centers can protect their companies by communicating consistent product and service messages in all markets served. Companies who sell worldwide and have manufacturing plants in one or more countries are candidates for globalizing their consumer contact centers.

However, as Harvard Business School's David Arnold notes in *The Mirage of Global Markets: How Globalizing Companies Can Succeed as Markets Localize*, companies seeking to grow globally may fail—if they do not thoroughly understand their local markets. Worldwide, consumers

assert their preferences and demands for product features and service qualities that suit their local value perceptions and tastes. For companies to be successful in emerging markets they need to attend to the details of local consumer taste and custom. Global, homogenous brands, inadequately presented and lacking appeal will not compel purchases. Offerings that do attend to local conditions will win buyers. Global companies need to learn their local markets from the bottom up.

Consumer service centers can be their front-line listening posts. Developing an enterprise learning system that captures, analyzes and uses these consumer value insights is key to success. As Dave Swaddling, president of consulting firm InsightoMAS and author of *Customer Power: How to Grow Sales and Profits in a Customer-Driven Marketplace*, says, “Customers all over the world are the same in one way—they make up their own minds about what’s important enough to make them buy something. You’d better find out what that is in every market.”

Torben Dahl, senior project manager for consumer service globalization at LEGO Systems, Inc., attests, “A globally integrated contact center can give the consumer the same good experience across whatever countries, languages, and contact channels it serves.” Centers can ensure, for example, that they effectively address consumer-relevant regulations and advocacy in each local market. Globally integrated centers can establish and maintain a unified platform for consistent message communication, and for consumer data collection and intelligence reporting.

Gaining from Global Insights

When global consumer insights feed companies’ enterprise intelligence systems, the companies can make better decisions in product development and management, manufacturing and operations, and marketing and promotion.

Companies may make products in one country and sell them in many. With understanding of local consumers, the plants can manufacture their products to specifications of quality characteristics, packaging, and use instructions that best meet the unique requirements of each local market. Cultural differentiations, including language and customs, affect product design and delivery, whether the offering is airline service, a soft drink, gourmet candy, facial tissue, fine perfume, a toaster, toothpaste, or a vacation cruise. Similarly, the climate and terrain of market areas sometimes determine product quality and performance requirements. At the same time, when analysis reveals similarity in preferences across borders, companies can save the cost of product adaptation and rationalize distribution and service. “Provisioning for consumer-centric service is the key. In the short term, the cost of going global may be more. In the long term, though, expanding globally ensures higher corporate revenue,” says Dahl.

Native Languages Preferred

Communicating in the native languages of their consumers is essential for multinational companies to be effective in local markets where understanding the idioms and nuances of dialect is critical to addressing and satisfying consumers’ issues. English may be the official language of multinational companies for internal communication and reporting, but call center agents communicate best in the tongues and idioms of their consumers.

Accuracy of diction in user interfaces of center contact systems, as well as in product and issue descriptions, is as important as it is in the live dialog with consumers. Center agents’ and contact system interfaces’ word choices are highly context sensitive. So is the accuracy of translation of centers’ response documents, whether in letter or email format.

For some global centers, deploying

‘live language lines’ is effective for addressing cultural and language differences. Live language services of AT&T and LLE Language Services, for example, link multilingual interpreters into calls to translate for consumers and representatives. They help ensure the communication is clear and accurate. Live language lines are available all day, every day, in over 150 languages.

Embrace Diversity

Across cultures, consumer response differs widely by mode and type. The communication infrastructure of each region and country determines the characteristic mode of response. Where the telephone and postal system are the main modes of communication, for example, consumer contacts follows this pattern. In countries where the telephone and Internet pervade, whether via wire or air, they are the greatest segments of contact volume. In South America and Europe, where Internet cafés are very popular, they are the origin of many consumer contacts. In other countries, where traditional postal service remains most convenient and least costly, postal carriers deliver most consumer messages.

The thematic mix of consumer response varies significantly across regions, and even within countries. The proportion of complaints about product performance, requests for feature and use information, and questions about packaging ranges widely by culture and custom. Response fulfillment practices vary from simply giving contacts free product coupons in some countries to actively building brand loyalty by promoting clubs and affinity groups in others.

Consumers in some societies are accustomed by long traditions of freedom to express their product and service complaints much more than in restricted societies where expressing opinions has been suppressed. Complaining is bad form, inappropriate, or even considered subversive in some areas. Societies’ religious, politi-

cal, and familial characteristics shape their typical consumer response profiles. Inquiries about how to use products or about their packaging are more prevalent in some locales. In others, consumers expect agents to be sources of personal advice and moral support, in addition to providing product and service information. For globally integrated contact centers, physical location is much less important than the ability to handle contacts adroitly with cultural finesse.

Oded Shenkar, Ford Motor Chair at the Fisher College of Business, Ohio State University, holds that underlying cultural dispositions affect a wide variety of content and style desirability. "For instance, consumers in high 'uncertainty avoidance' cultures, like Japan, will expect to receive very specific, structured responses to their inquiries, while those in low 'uncertainty avoidance cultures', like the United Kingdom, may be satisfied with more general responses. Consumers in high 'power distance' countries, like France, where hierarchy is valued, will prefer a letter of response signed by a senior executive, while those in low 'power distance' locations, like Israel, may not care much who signs the letter."

Early Threat Detection

Counterfeiting has become a multi-billion-dollar-a-year problem worldwide. In many countries, unsuspecting consumers purchase counterfeits of internationally recognized brand-name products. Duped consumers eventually contact the authentic companies' consumer service centers to complain about the fakes failing to perform as expected. Often, consumer service centers are the first point of awareness that the fakes are in the local markets. The call center agents can collect the important purchase details from the duped consumers that enable timely counter actions. Thus, global consumer contact centers perform as early detection systems to alert their companies of this fraud.

In the People's Republic of

China," says Shenkar, author of *The Chinese Century: The Rising Chinese Economy and Its Impact on the Global Economy, the Balance of Power, and Your Job*, "piracy and counterfeiting are so rampant that some multinational companies have seen their market share plunge as their genuine products' prices are under cut. Many of the pirated and counterfeit products find their ways to global markets, multiplying the negative effect on the manufacturer. A well-adjusted consumer response system can help companies to combat piracy by identifying its sources, offering huge potential savings currently not factored into the value accorded such systems."

Context-Sensitive Thresholds

Once companies have integrated global reporting, they can more effectively determine the relative significance of consumer response data, normalizing it by comparing the number of incidents reported to the total number of items sold over specific periods. Contact centers' consumer relationship systems apply these normalized ratios to identify trends and provide early alerts of high impact events. Consumer affairs management can assign severity and priority criteria to each potential issue. When is one incident report too many? When are 30 reports insignificant?

Simplifying Operating Complexity

A high-speed telecommunications infrastructure that performs at accepted standard is essential to the success of global contact center operations. Center agents need fast response to queries of product information from their companies' information repository and for entering data into their consumer response systems. In addition, they need to be able to import and export information quickly and easily in order to produce many timely periodic reports.

Coordinating administration of regional centers from a centralized global hub requires automated contact management systems that handle not only multiple time zones, national calendars, and hours of operation for multiple markets, but also country-specific name and address, and currency and date formats. Companies' globalization project teams need to organize the structure of their information to meet their companies' unique requirements. "Networking across borders and the limitations of local technical support are issues that teams need to address," according to Linda Pell. "Adopting simplified processes helps reduce complexity and cost."

Determining what data and information is central, and what data is local in data collection and information reporting processes is a key consideration. Is the granularity of data organization to be at the continent, region, country, or local level? Does the company have one or more plants in one or more countries? Are they operating one or more packaging and distribution centers? Aligning product lines in a universal hierarchy in a master catalog is essential to a global product information repository.

As companies' project teams make these decisions, they are simultaneously establishing best practices and approaches that can achieve the desired benefits for their companies. According to Torben Dahl, "It can be done with thorough planning, strong international project teams, the support of senior management, and effective change management. Good, flexible consumer response applications are the enabling technology. Keep it simple and avoid special processes and system tweaking."

The essential task is defining the organizing hierarchies to accommodate companies' multiple locations, languages, and local product and service differences. Aligning products by manufacturing code, name, packaging, and unit size requires analysis and adjustment to fit country-

Key Questions to Consider Before Going Global

1. Are your products similar or different around the world?
2. Is your organization structured the same or differently in the regions and countries in which it is present?
3. Do you have the requisite multiple language skills?
4. Does your organization require consolidated reporting?
5. Does your system support multiple languages and character sets, name and address formats, national calendars, time zones, and date and currency formats?

specific differences in formulation, branding, and packaging. Global input for product design and formulation characteristics ensures that the products meet the needs of each local market. The companies' information technology and management information systems groups benefit from the application system solutions that enable a unified database and enterprise-wide data definition, and that lessen demand for technical support.

Integrated Data Collection and Reporting

Organizing integrated centers' data repositories require establishing and implementing uniform process and application standards. Global processes that handle local differences are required. Aligning hierarchies of products across countries served improves reporting. The product information base needs to enable tracking of items to their source of manufacture. Deciding what global data is available for viewing and use at regional and local levels is necessary. The consumer response systems'

privilege settings can control that availability to the user level. Developing a single view of companies' universe of consumer response achieves consistency. Deploying, enterprise-wide, the same system interface templates for data capture and reporting and analysis enables that single-view consistency.

"When marketing and consumer insights departments operate on a global level," says Sheila Sullivan, director of consumer and public affairs at Unilever Cosmetics International, "they look to consumer affairs for real-time data from all affected markets to drive better and faster innovation. Retrieving consumer feedback quickly from a centralized system affords more time for data mining and interpretation, the true caviar of consumer comment. Informing the marketing team that consumers in Denmark and Dubuque are raving about the same new product, at the same time in its launch cycle, is serious intellectual capital," she said.

Integrating fresh consumer response data with companies' data warehouses manages key consistencies at the global level. Programming automated updates from the warehouse further maximizes efficiencies. This ensures international sites gain immediate access to new and locally relevant information. Aligning regional data capture in accord with global market segmentation delivers reporting in specific contact-to-sales ratios that serve internal functions from finance to public relations to logistics.

Steps to Success

Implementing best practices worldwide, building company confidence, achieving cost efficiency, and ultimately, greater return on investment can be outcomes of going global. Adapting to cultural differences affects customer loyalty and retention by increasing consumers' satisfaction with companies' offerings. Native language-speaking representatives in front-line seats know the

idioms of local markets. Their accurate communication ensures that centers deliver the most appropriate responses to their consumers.

The goal of going global is to achieve greater market penetration and the kind of consumer service support that leads to increasing revenues. Contact centers delivering fresh consumer insight back to their companies' hubs give their companies a much better appreciation of issues in established and emerging markets. In addition, globalizing contact center operations is a cost-effective extension of available technology to companies' smaller markets.

A key element of this success strategy is to develop regional 'hubs of excellence' that provide mentoring, training and technical support to satellite centers in emerging markets. Steps for implementing this strategy are:

- 1) Inventory current practices.
- 2) Identify process similarities.
- 3) Assess perceived weaknesses or vulnerabilities in the organization and system.
- 4) Build staff confidence by reinforcing awareness of strengths and abilities.
- 5) Communicate the initiative's purpose and strategy across the enterprise so all groups appreciate and support it. ■



Mike Wilke is president and founder of Wilke/Thornton, Inc.—a global provider of Consumer Response Systems (CRS). For over 20 years, Wilke/Thornton has been a pioneer and innovator of software for contact centers. A dedicated SOCAP International supporter, Wilke was a key sponsor of the SOCAP Contact Center Maturity Model designed to improve the industry.