



India Insights

*More people
does not equal
better service.*

I recently spent a few weeks in India. Anyone who is terrified that somehow this country is going to take over a huge chunk of our economy any time soon hasn't been there. However, in certain areas where a total disregard for safety and the environment reduces manufacturing costs, they do have a price advantage. Much like China, the Indian concepts of quality, customer service and timeliness are not the same as ours. The sticker price for components may be lower — but make sure you consider all the costs before jumping into an Indian adventure.

Without attempting something so futile as to describe India in a few pages, suffice it to say, the heat, the crush of humanity, the poverty and the dirt make India a totally foreign experience for an American.

In India, everywhere I went, I was (by definition) a first-time customer and an obvious outsider. Sellers had no particular reason to give me “excellent” service or even a good price — they could be certain they would never see me again. And yet, a few taxis, shops and restaurants gave me great service and fair prices, while most of the rest did their best to rob me blind.

I experienced the two approaches again and again:

1 Assume the person is a one-time customer, and get the most out of them as possible.

2 Give the customer outstanding service and perhaps gain some karma.

The karma approach isn't a bad one. An unhappy one-time customer can hurt your business. On two occasions while in Goa, I hired taxis for the day. One driver completely hosed me. He overcharged me, constantly harassed me for more money and didn't even take me where I wanted to go. The second taxi took me where I wanted to go, charged me a reasonable rate and didn't shake me down for extra cash. Each one knew that he would never see me again. And yet, I still was able to reward the good driver and punish the other. I told the new hotel manager all about my two taxi experiences — such that she would point her hotel guests to the second driver and ban the first from hustling fares in front of the hotel. The second driver may never know how or why he was suddenly “hotel approved,” but his excellent service to a one-time

customer will pay him dividends for a very long time.

It is good business to treat all new customers like they are gold (assuming collecting karma points isn't enough of a motivator). Yet, it feels like a waste to spend all the effort when only a small percentage of new customers convert into regulars. The catch is, you have no way of knowing which new customer may turn into an important customer. Withholding superior service from first-time customers will ensure that many never come back — thus fulfilling your own belief that most first-time customers are a waste of time. With a new customer, you have to assume they are good until proven otherwise.

A taxi ride is a prime example of a one-shot interaction. Your inside sales folks “know” when a caller sounds like a one-time customer, someone who is calling because their regular supplier couldn't come through. They are going to buy an item or two, then go back to their regular supplier. Surely these customers don't deserve the gold standard in service.

Yet my experience with the good and bad cab drivers proves this wrong. Even when you “know” it is a one-time sale, treat the customer well. If you treat them badly, some day one of them will return the favor.

Now for anyone who fears complete outsourcing of customer service to centers in India, my recent experience says that's not going to happen either. In India, getting it “right” seemed a whole lot less important than demonstrating a lot of effort was expended trying. Indians hold dear another fallacy: that more people = better service.

I actually hear that thinking in the United States also. Often companies lament about the lack of staff as a big part of their problem. “If I only had more warehouse people, a bigger sales staff, I would do X, Y and Z.”

India is teeming with people, wages are ridiculously low and labor is totally undervalued. There is no evidence of training in India, which makes sense. Why would anyone invest in what is perceived to be a low-cost commodity? Everywhere I went there were armies of service people at the ready. Restaurants and hotels had as many employees as they had customers. You would think that with all those bodies waiting to serve, service

would be great. Nope, let me assure you — service in India was universally lousy. I never had a waiter — I had a random group of waiters — and not one of them seemed to know what I had ordered or what the others had (or in most cases had not) done. I could wait an hour for my meal to arrive, yet be offered something to drink every few minutes. Hotels were no different. Staff were at my door constantly, offering to bring me towels, pick up my laundry, clean the room or make the bed — never mind that the towels had already been delivered, the laundry picked up hours ago and the bed made.

Day after day, a battalion of eager staff knocked on my door morning, noon and night, dutifully offering a service that I didn't want or need.

The service level would have improved immensely with fewer, trained people. It is no different in the PVF world. You never want five different people handling an important account, because somewhere along the way, some tasks will be duplicated and others not done at all.

People are a commodity in India. Neither staff nor customers are viewed as terribly important (because there's always more where they came from). Excellent service is a part of a company's (country's) culture and the direct result of valuing employees and valuing all customers. <<

Joan S. Adams has consulted for industrial clients for more than 15 years. She headed DITT, the consultancy arm of the French National Utility, Electricité de France, and was a managing consultant at A.T. Kearney. Later, she started Pierian, a consultancy that brings sustained and measurable success through operational excellence, customer focus, and competitive market strategy. Joan Adams speaks French and Spanish. She has worked on projects in Europe, Central America, Africa, Asia as well as North America. She has engineering degrees from the University of Wisconsin-Madison and MIT. She also has an MBA from the Wharton School. She can be reached at adams@pierian.net.