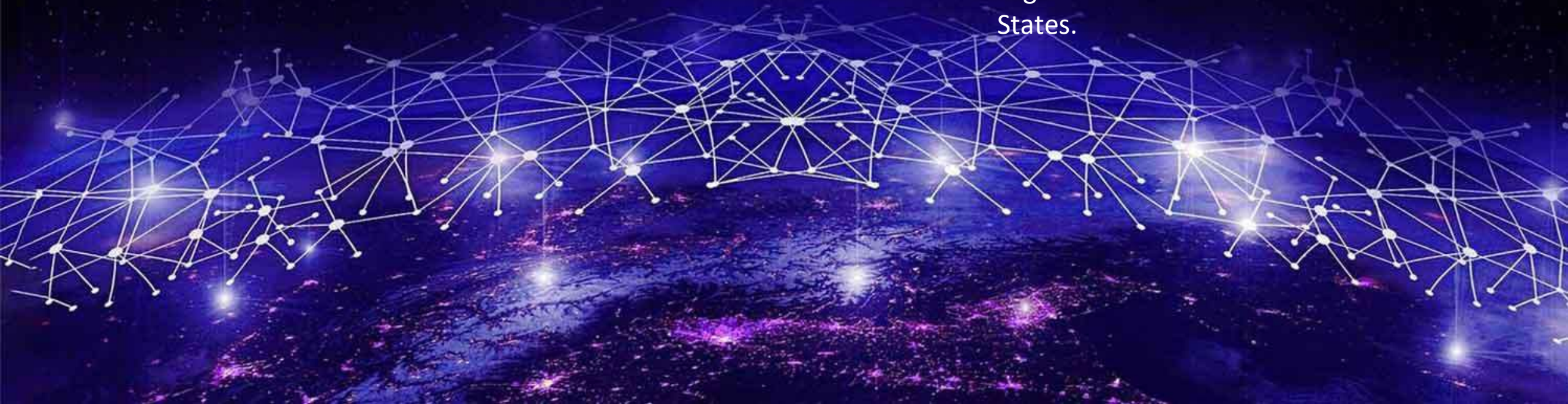

International Customer Relation

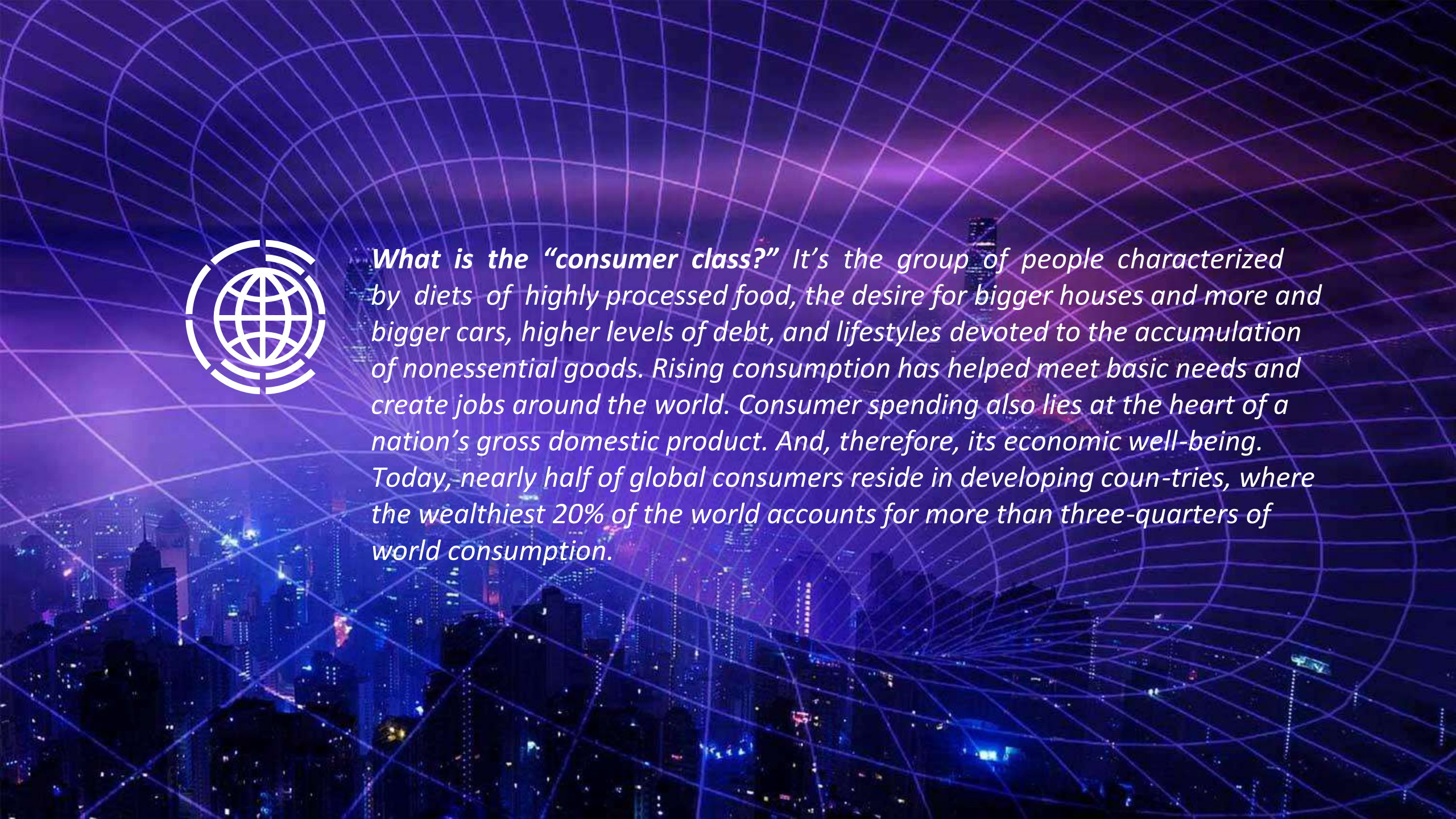
01 To examine the important public of “consumers,” both in the United States and around the world.

02 To explain the nuances of consumer relations; dealing persuasively with customers and prospects to build an agreeable consumer experience.

03 To discuss the growth of the “consumer movement” in America and around the world.

04 To discuss the differences in media and management between international organizations and those in the United States.




What is the "consumer class?" *It's the group of people characterized by diets of highly processed food, the desire for bigger houses and more and bigger cars, higher levels of debt, and lifestyles devoted to the accumulation of nonessential goods. Rising consumption has helped meet basic needs and create jobs around the world. Consumer spending also lies at the heart of a nation's gross domestic product. And, therefore, its economic well-being. Today, nearly half of global consumers reside in developing coun-tries, where the wealthiest 20% of the world accounts for more than three-quarters of world consumption.*

Consumer Relations

Objectives



Building sales is the primary consumer relations objective. A satisfied customer may return; an unhappy customer may not.

Here are some typical goals:

01

Keeping old customers. Most sales are made to established customers. Consumer relations efforts should be made to keep these customers happy**.**

02

Attracting new customers. Every business must work constantly to develop new customers. In many industries, the prices and quality of competing prod-ucts are similar. In choosing among brands, customers may base decisions on how they have been treated**.**

03

Marketing new items or services. Customer relations techniques can influ-ence the sale of new products. When GE's research revealed that consumers wanted personalized service and more information on new products, it estab-lished the GE Answer Center, a national toll-free, 24-hour service that informs consumers about new GE products and services. Building such company and product loyalty lies at the heart of a solid consumer relations effort**.**

04

Expediting complaint handling. Few companies are free of complaints. Customers protest when appliances don't work, errors are made in billing, or deliveries aren't made on time. Many large firms have established response pro-cedures, often outsourcing call centers to places like Lakeland, Florida; Johnson City, Tennessee; or Bangalore, India**.**

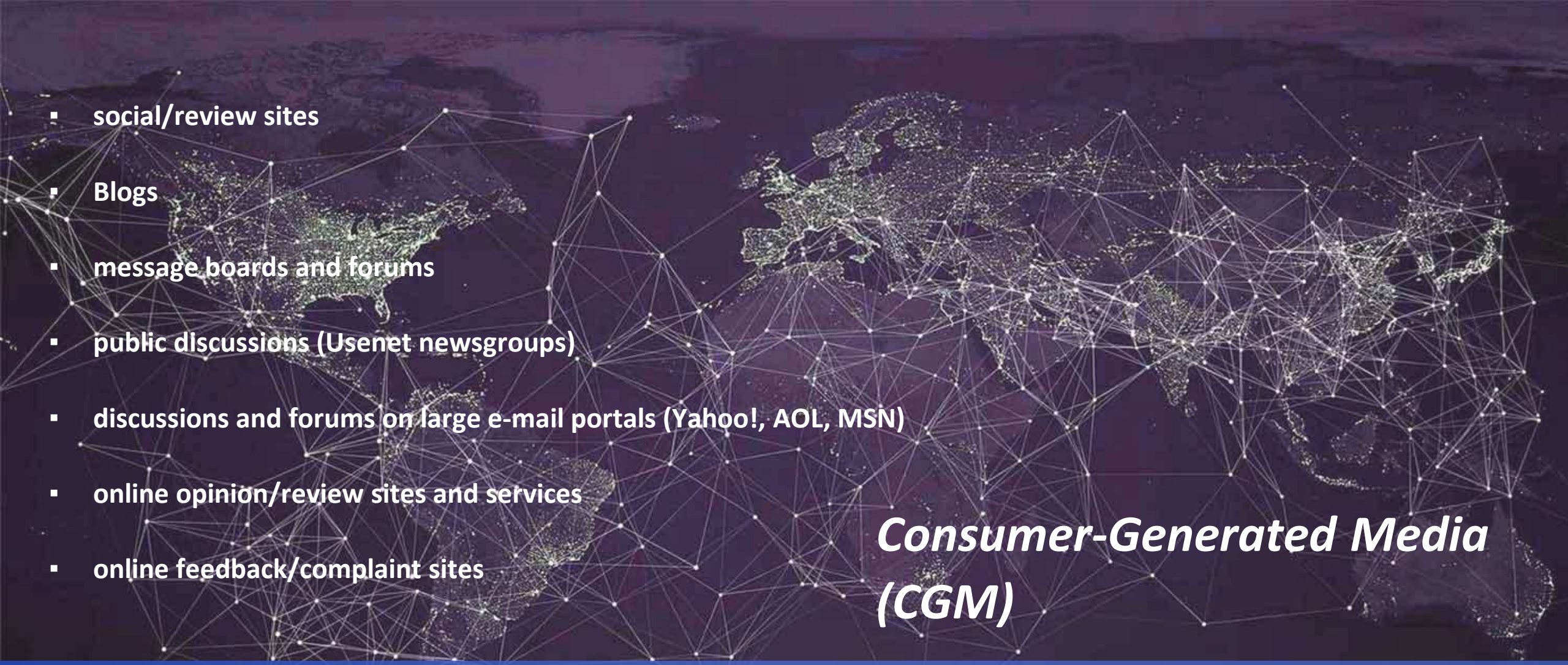
05

Reducing costs. For three decades, the Sym's clothing company used to ad-vertise that "An educated customer is our best customer." Indeed, to most com-panies, an educated consumer is, indeed, the best consumer.



Consumer – Generated Media

For decades, publicity to consumers about products and services revolved around the mass media. While the traditional media are still important avenues through which to promote organizational offerings, the new lead voice in town is social media. It has given consumers a voice, a publishing platform, and a forum where their collective voices on products and services can be heard, shared, and researched.



- social/review sites
- Blogs
- message boards and forums
- public discussions (Usenet newsgroups)
- discussions and forums on large e-mail portals (Yahoo!, AOL, MSN)
- online opinion/review sites and services
- online feedback/complaint sites

Consumer-Generated Media (CGM)

encompasses the millions of consumer- generated comments, opinions, and personal experiences posted in publicly available online sources on a wide range of issues, topics, products, and brands. CGM is also referred to as “online consumer word-of-mouth,” originated from a variety of sources.

Handling Consumer Complaints

To respond quickly to complaints, companies established ombudsperson offices. The term *ombudsman* originally described a government official—in Sweden and New Zealand, for example—appointed to investigate complaints about abuses committed by public officials. Today, more often than not, the ombudsperson function is out-sourced to a central (often overseas) location that customers can call to seek redress of grievances.

Typically, call center personnel monitor the difficulties customers are having with products. Often they can anticipate product or performance deficiencies. Corporate complaint handlers are in business to inspire customer confidence and to influence an organization's behavior toward improved service.



The companies that express such understanding and courtesy will be the ones that keep the business.

By the early 1960s, the movement had become stronger and more unified. President John F. Kennedy, in fact, proposed that consumers have their own bill of rights, con-taining four basic principles



The right to be informed: to be protected against fraudulent, deceitful, or grossly misleading information, advertising, labeling, or other practices and to be given the facts needed to make an informed choice. 01

The right to be heard: to be assured that consumer interests will receive full and sympathetic consideration in the formulation of government policy. 02

The right to choose: to be assured access, whenever possible, to a variety of products and services at competitive prices. 03

The right to safety: to be protected against the marketing of goods hazardous to health or life. 04

The Consumer Movement

Operating Around the Globe

Companies, in fact, have become the most prominent standard bearers of their countries. American companies, with seven of the 10 most powerful brands in the world (plus Samsung, Toyota, and Mercedes-Benz) and 14 of the top 20 are the most prominent of the prominent (Figure 14-5).Consider the challenges multinational companies face.

- In 2012, both McDonald's and Coca-Cola, two core sponsors of the London Summer Olympics, drew criticism from local politicians and nongovernmen-tal organizations for offering products that promote obesity. That same year, McDonald's, Burger King, and KFC were subject to a new law in Chile, barring them from offering toys with children's meals. Like the Brits, Chilean officials worried about their increasingly chubby children.
- Also in 2012, the mighty Apple company found itself embroiled in a scandal involving working conditions at the Chinese plants manufacturing its iPads and iPhones. One iPad factory in Foxconn, near the booming southern city of Shenzhen, experienced a spate of 13 suicides or attempted suicides. Amid increased criticism, Apple called in assessors from the same organization that was set up to stamp out sweatshops in China's clothing industry a decade earlier.
- In 2015, the European Union's (EU) Executive Commission, the anti-competitive watchdog which earlier had gone after companies like Microsoft and Google, launched an anti-trust case against six major U.S. movie studios, including Disney and Warner Brothers, contending the companies didn't make their ser-vices available equally throughout the EU.



All foreign companies operating internationally must constantly reinforce the notion that they are responsible and concerned residents of local communities. Most resort to the public relations philosophy of leading with proper action and then communicating it. KFC, for example, has 158 franchises in Indonesia, most of which are locally owned and operated. McDonald's has a poster in the window of the Jakarta McDonald's that reads.

In the name of Allah, the merciful and the gracious, McDonald's Indonesia is owned by an indigenous Muslim Indonesian.

Smart multinationals also support local causes and incorporate international audi-ences and celebrities in their philanthropic efforts. Stated another way, the most well-known companies and best brands in the world observe the mantra of "thinking global, acting local" to win lasting friendship and support in other countries.

Consumer Internet Activists

In the 21st century, with the Internet as stimulus, organic consumer movements—directed at individual companies, industries, or even multinational agencies such as the World Trade Organization—have spread like wildfire around the globe. As one harassed executive put it, “In the old days, if you had an unlisted number, it was hard to find you. Now you do a Google search and find out the most intimate details.

A great deal of digital consumer activism deals with helping consumers make bet-ter decisions and more quickly resolve problems. Recommendations for travel, lodging, and eating through such Net firms as TripAdvisor, Yelp, Angie’s List, eBay, Craigslist, Airbnb, and others have helped educate millions of consumers

Perhaps, the most striking recent example of Internet activism has stemmed not from consumers but from political activists, particularly in the Middle East from Tunisia to Libya to Egypt to Syria, who raged against established dictatorships and in some cases, brought them down.

Although companies often find activists’ criticism annoying, the emergence of the consumer watchdog movement has generally been a positive development for consumers.



What started with one man’s campaign against unsafe autos a half cen-tury ago has today morphed into a global movement that forces organizations to consider, even more than usual, the downside of the products and services they offer. Smart companies have come to take seriously the pronouncements of con-sumer activists.

Business Gets The Message

Obviously, few organizations can afford to shirk their responsibilities to consumers. Consumer relations divisions have sprung up, either as separate entities or as part of public relations departments.

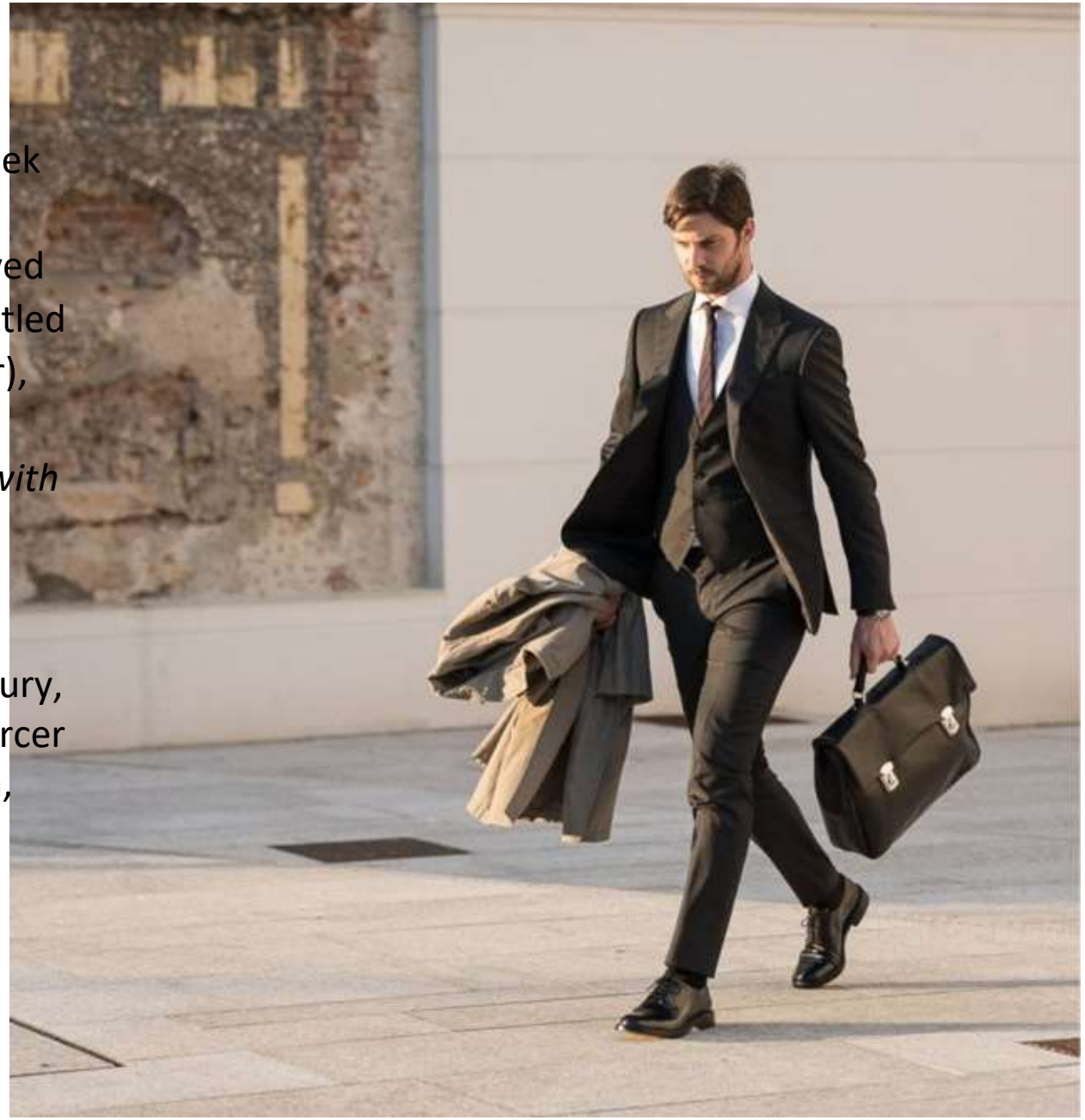


In many companies, consumer relations began strictly as a way to handle com-plaints, an area to which all unanswerable queries were sent. Such units have fre-quently provided an alert to management. More recently, companies have broadened the consumer relations function to encompass such activities as developing guidelines to evaluate services and products for management, developing consumer programs that meet consumer needs and increase sales, developing field-training programs, evaluating.

The consumer philosophy of JetBlue Airways, embodied in the company's **"Customer Bill of Rights,"** is typical of the more enlightened attitude of most compa-nies today.

JetBlue issued its Customer Bill of Rights in 2007, a week after a disastrous Valentine's Day ice storm stranded thousands of customers and saddled the formerly beloved airline with oppressive national opprobrium. Said embattled CEO David Neeleman (who was replaced shortly thereafter), "*We had a weakness in our system. We were completely overwhelmed. I don't blame our customers for being upset with this. This was a big wakeup call for JetBlue*".

No question that in the second decade of the 21st century, business understood that with heightened competition, scarcer resources, and more immediate and public ways to complain, the consumer most certainly was "king."




THANK YOU
Gatot Subagio