Lost in Translation

My daughter Bitsy made a last-minute decision to visit my wife Linda and me in Denver for Easter last weekend and, while there, needed to make some changes in her reservations with a major U.S. airline to fly back to her home in Portland. We were sitting together in the living room, and I overheard her as she spoke to the airline’s call center in Mumbai, India, for over 30 minutes. It was frustrating. She was told that, depending how the changes were made, the cost could vary from $50 to $150. She requested the $50 change, but her credit card was charged $75. She politely protested the overcharge and was offered a $50 future travel voucher for the error. She then spoke to a supervisor, who not only refused to honor the $50 quote but also added, “If I had handled the change, you would not have been offered a voucher!”

I shuddered in amazement, as I listened to this exchange and wondered what ever happened to the old-fashioned concept of customer service. Sadly, as more and more businesses add layers of technology to their customer contact systems and move their call centers overseas to areas of low wages, customer service has become a relic of a vanishing era, and company executives seem focused on giving as little service as possible for the least possible cost.

I feel this is a disastrous path for companies in Travel & Tourism to follow. This industry is built on customer service. Yet the airlines are doing it, and so are some large online travel companies.

Fortunately, enlightened hotel leaders seem wiser and are keeping their call centers located in the country where the language and culture match those of their customers.

I can understand the motivation behind putting call centers offshore and pushing customers to do their business over the Internet—perceived cost savings. Robert Camastro, writing for Hospitality Upgrade magazine in 2003, said that a sale on the Internet costs $1 compared to $8 for a sale handled by a central reservations office (CRO).

That seems penny-wise and pound-foolish. Camastro also found that 38 percent of calls to a CRO are converted to a booking, compared to only 8 percent on the Web! With those odds, give me a well-run call center any day.

Not everyone agrees with my philosophy, and some companies, even hotel companies, greet telephone customers with an automated message urging them to hang up and use the company’s “convenient Website, where they can find special rates only available online.” What are these marketing geniuses and spreadsheet jockeys smoking?

The pendulum may be starting to swing the other way. Expedia, American Express, Delta, and US Airways have all recently returned some, if not all, of their call centers serving U.S. customers to the United States.

Many companies are discovering that a call center located in a small U.S. or Canadian community can offer customers excellent service at a reasonable cost. For example, Starwood Hotels & Resorts recently located a call center in St. Thomas, Ontario, Canada, to serve its Canadian customers. There, in a population of 35,000, Starwood found abundant skilled workers fluent in French and English, cost-competitiveness, and favorable business development laws and policies.

Washington Mutual operates a call center in Coppell, Texas, population 37,000. DirecTV’s center is in Missoula, Montana, population 64,000, and American Healthways’ customers are handled in Eagan, Minnesota, population 63,000. Many others have followed this trend.

In a complete reversal of “offshoring,” Tata, the Mumbai, India-based conglomerate, recently located two call centers in Reno, Ohio, and Milton, Florida, to answer telephones for the online travel agency Expedia. Tata has found that the language skills and local knowledge of its agents is an asset valuable enough to trump the attraction of low-cost areas like India, the Philippines, and Central and South America.

Outrigger Hotels & Resorts was on the leading edge of the trend to locate call centers in smaller U.S. cities when we moved our reservations offices to a then-relatively small Denver about 1990. Although Denver was much larger than Coppell, Missoula and Eagan, we did find skilled workers, reasonable costs, and a business-friendly local government, a situation that continues today.

Outrigger and OHANA currently also have call centers in Honolulu and Tokyo to handle customers in Hawaii and Japan, and we may develop call centers in Southeast Asia, as our business in that area increases. For our North American customers, we will continue to provide the very best in call center service from Denver. We do not want that function transferred overseas where requests by our valued customers might well get lost in translation.