

Banks, Money and Culture

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IS THERE A CONNECTION BETWEEN BANKS, MONEY AND CULTURE?

by Mafalda Arias



Above: the HSBC building in Hong Kong. HSBC takes a culturally sensitive approach to banking around the world.

When I was growing up, I remember hearing my father's business conversations about banking stories and experiences. It seems that in those days, banks used to work closely with their clients and therefore understood their needs. Since then, the interaction and dynamics are different, a bank transaction seems distant, quick and impersonal; a cookie cutter service that fits all. What is the reason for this detachment? How can we have business isolation in a globalized

world? How could businesses exist without understanding the client's needs? Is this a perception or is this a sign of a cultural gap?

Lately I have been gladly surprised by various newspaper articles across Canada about the ways banks are connecting with new clients, specifically immigrants. In addition, not too many weeks ago, walking through an airport I passed an advertisement that impacted me. Its images and message made me stop and reflect on the meaning behind this bank's poster. Let me explain. "Multicultural Banking" or "New Canadian Markets" are some examples of the new marketing language used by local banks when they refer to connecting with the needs of a multicultural group, a new market niche. This new market niche has its own needs, is culture specific and has unique behaviours. Regardless of the term used, the important and refreshing message behind, is that banks have realized the importance of cultural differences and the power of understanding those differences in order to connect with their clients and assist them with their unique banking needs. I believe this is a milestone, a sign of social change and transformation. In today's globalized world, intercultural awareness is the way to remain effective and stay competitive.

Canadian examples

Banks are using an intercultural approach to doing business; they recognized the needs of their immigrant clientele, have adapted and created additional products and services to offer. For instance, banks are changing loan approval standards for new comers who do not have Canadian credit history, they are targeting potential immigrants by advertising their services in other countries and adding languages, not only on their ATM machines but also at their branches, some branches have staff members with skills for over 30 languages. In addition, they offer arrival orientation, such as education about banking and neighbourhood, realtor, doctor and school recommendations.

Scotiabank offers to their immigrant clientele a program called StarRight; free day to day banking for one year, a no fee Scotia Moneyback Visa card to built credit history and the use of a free safety deposit box. HSBC Bank of Canada establishes accounts and credit facilities to immigrant customers before they land. BMO Bank of Montreal offers for the Portuguese-Canadian community the BMO Luso Mosaik MasterCard to collect Air Miles Reward Miles, as well as remittances to Portugal via telephone or online banking. RBC offers twelve \$3,500 scholarships to support new Canadians graduating from Canadian high schools moving into post-secondary institutions. Furthermore, in order to attend to this new market niche, most banks now have positions responsible for this

new market niche, such as director of cultural markets, director of specialty markets, vice-president of multicultural banking or vice-president global branding.

The intercultural transformation and understanding is now coming from within the bank. This inward shift in attitude, the realization that we are not the same, that we all have different experiences with banks, that our needs, perceptions and cultural imprints with respect to the meaning of money, investment, savings, credit card, cheques and spending are unique; this is pivotal to a bank success. This insight will capture the essence of culture and will transform banks to become agents of change, the corporate social responsible way in banking.

The cultural connection

So, is there a connection between banks, money and culture? Of course there is! Culture is a group of learned and shared values, beliefs and behaviour in a community of interactive people. Culture is the way we organize our perception, and that is in every aspect of human behaviour: verbal and non-verbal behaviour, our communication style, the way we process things and our values. Perception is everything, according to our perception, each of us will have a different experience; our experiences are powerful and frame our minds. Interculturally speaking, understanding this is vital.

People choose a bank and define money differently. The differences are based on our own individual cultural identity. Our attitudes, beliefs, values and ideas about money will reflect our cultural money imprint. For example, people from India most likely will make a decision with respect to an investment in a collective way, as family unit; while Canadians will decide individually. In individualistic societies, like Canada, every person is supposed to take care of oneself; in collective societies, like India, who are born into extended families, the group -the family- protects its members.

Another example of this could be in the way we choose a bank. People from Philippines would most likely choose a bank based on the bank portfolio and the size of its assets. In contrast, somebody from Austria may look for small and intimate bank. Cultures view power distance differently and will put either more emphasis in social status like Philippines or less like the Austrians. Another example for choosing a bank could be somebody from Hong Kong, who may decide based on the advice of a group (family, family, friends), once the selection is made, this person or group will not switch bank easily. Hong Kong is a highly collective society that values loyalty in exchange of protection of their investments.

Intercultural as strategy

Understanding the value of culture is strategically important. Intercultural competency provides the ability to tap into a market segment that could have been otherwise not perceived. It will also allow you to understand and satisfy your client needs. This awareness is the base to engage and build client relationships as it fosters trust.

Cultural sensitivity and awareness must come accompanied by strong leadership, a great deal of flexibility for continuous culture evolution and training. Otherwise, there is a risk for cultural misunderstandings, language barriers and translation problems, different expectations, different styles to make decisions and manage conflicts; would be imminent. Investment in education, development of intercultural skills and cross cultural training is paramount for banks.

Conclusion

Competition urges banks to think outside the box, to shift their codes, try new tools and look at the value of culture to get to know their clients, adapt their product, expand their portfolio, identify opportunities and serve customers in a different way. I see intercultural, cross cultural or multicultural—choose your preferred term- as a powerful customer focus tool to create social change and evolution, make a difference, allow growth, generate success and prosperity; the latest innovation in a competitive business world to understand and serve multicultural clients and markets.

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