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ISSN 07277458



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THE NEW MAINSTREAM

• COVER STORY

Businesses that fail to appreciate the potential and the sensitivities of Australia's cosmopolitan population do so at their peril.

Report: *Kath Walters and Jane Lindhe*



● **Fartfull** sounds like a great name for a bench-style desk in a children's bedroom – if you are Swedish. Apparently it means "speedy". Needless to say, the product was a flop in the English-speaking market.

Ikea's gaff illustrates an issue that is garnering increasing attention from clever companies – considering cultural differences in marketing, advertising, products and services and making money from different ethnic groups.

Today's consumer is cosmopolitan, the Australian Bureau of Statistics 2006 Census says. Forty per cent of Australians were either born overseas or have parents born overseas.

Although immigrants have always been a big part of the population, that part is growing and changing. Last financial year more immigrants arrived than ever before. That peak has since subsided (immigration numbers fell by 115,000 for the year to August) but immigration will continue at historically high rates to counter the ageing population.

Smart companies are acknowledging the cosmopolitan consumer of today. But others are

not. Erminio Putignano, managing director of brand consultancy Future Brand, says many Australian companies still see the Anglo-Saxon culture as dominant and the remainder as secondary. "In many ways, Australia is a long way from capturing the opportunity of being a multicultural society," he says.

Clever companies are educating themselves about how to engage with and satisfy the cosmopolitan consumer, creating a loyal following in a market that will grow. And, they say, it is easier than they imagined.

Qantas' 2009 version of its "Still call Australia home" ad reflects a different Australia to the image it portrayed in its 1998 version of the very successful commercial. The 1998 ad featured mostly blonde-haired, blue-eyed children singing the Peter Allan song, portraying little cultural diversity. The modernised 2009 version was a stark contrast, beginning with an indigenous boy singing the song in his native Kala Lagaw Ya dialect. In that version of the widely publicised ad it is tough to spot an Anglo-Saxon child among the choir, not the other way around.

"What minority groups want in advertising is acknowledgment and respect," Hanifa Deen, a third-generation Australian author and social commentator with a Muslim Pakistani background says. "I acknowledge that we need to deal with what I call, 'the art of the possible'. We are so ethnically diverse that it can be difficult to cater to all cultures. But that Qantas ad is just phenomenal. It presents an ethnically diverse Australia and it does give you a feeling of belonging."

Lena Belin, founder of Cultura Franca, a consultancy that specialises in cultural sensitivity training, says companies that don't recognise cultural differences as an issue for their business are wrong.

Culture is relevant to business because buying behaviour is based on values, Belin says. These are shaped by three elements: personality, context and culture. "The culture component includes everything from preference for different media, group behaviour and customer loyalty down to the physical appearance and attitudes
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Getty Images



Hanifa Deen

**Author, public speaker
Heritage: Australian
born, Pakistani
background**

I get fed up with the question, "Where were you born?" I'm third-generation Australian and I still get congratulated on my English. It's that visible difference but you can get fed up with it. As a kid I used to envy all those kids munching into their pies and I used to lust after hamburgers. I admit to having a [non-halal] burger once but it tasted awful because I was looking over my shoulder. I made sure there was no pork in

it because that would be beyond the pale. I felt so guilty but there was a bit of pleasure in that. Now there are more options for Muslim kids, like halal burgers and pies.

The fact that Australia has such an ethnic diverse population ... it can be difficult for companies to advertise through mainstream media. But more companies are becoming aware of different cultures. I don't expect to be "catered" for as such, as it's such a minority, but I do expect respect. I also expect some reflection that I live in a diverse society and that not all Australians look the same. I am happy if there's respect shown to Italians or

Greeks because that is breaking down stereotypes.

There are some good examples of companies doing things differently out there. Gloria Jean's in Bankstown [Sydney], for example, extended its trading hours for Muslim customers that could not eat or drink from sunrise to sunset. It's clever marketing and it shows a sign of respect. A Sydney Woolworths supermarket recently had a "Ramadan Mubarak" banner for Muslim shoppers for the end of fasting. Ten years ago that would have been unheard of. Fifteen years ago I couldn't even find a foundation to match my complexion but that has changed now.

First-generation groups often move into areas where they have networks and it is word-of-mouth advertising or else they are using ethnic radio and newspapers. It's the language you know, that you're at home with, it's the faces you trust. I think companies need to be aware of the reach of ethnic radio programs, for example, there are 16 Indian-language radio stations alone. Not only first-generation migrants listen to them. Second and third-generations listen too, to keep up with their language skills. There's a huge market out there for companies and radio is not as expensive as television advertising.

Then there's the ethnic newspapers, which also have a huge reach. Recently an Australian solar-panel company, Clear Solar, advertised in a local Muslim newspaper that it was offering solar-power information sessions on a weekend at a local mosque.

While there are opportunities for businesses, I want to be shown some respect as a consumer too. I'm not just a walking money box. I acknowledge that we're so ethnically diverse that we can't cater for everything, but we just need to break down the monocultural facade. I have also noticed that many Australian companies have

employees that are from different cultural backgrounds, such as Chinese, Greek or Indian. They're being inclusive and I am sure they are making good profits too.

I feel my needs are understood, but as I am third-generation Australian, how different are my needs to mainstream Australians?

I know where to access services if I need them. It is a different kettle of fish if you're a person who has been here for under 10 years and doesn't speak English.

Again, that comes down to acknowledgement of ethnic diversity and a feeling of respect. Jane Lindhe

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of the company trying to sell something, customer service and so on. It might be relevant in timing an ad campaign or introducing a new product. One of our clients, for example, offered special rates during Chinese New Year."

The rise of ethnic business opportunities, such as Islamic finance, has shown there is money to be made for companies that do the research. While Islamic banking is still in its infancy – only two of the big four banking institutions, National Australia Bank and Westpac offer it – experts predict it will boom in the next decade. Research and rating agency Moody's Investors Service estimate the Islamic finance market is worth \$US1 trillion and will rise to \$US5 trillion in the future.

Education providers want a slice of the action, too. LaTrobe University's new course in Islamic finance has attracted 26 master's students and eight PhD students in its first year. The course's creator, Dr Ishaq Bhatti, says it came about after he noticed the strength of the Islamic banking market overseas during the global financial crisis.

"Islamic banking is based on moral and ethical financial practices – there is no payment of interest – but it is very sustainable, the growth is slower, but steady," he says. "There are huge opportunities here when you look at the growing Muslim population. Not just in banking but in insurance and bonds and education."

Students are from a mix of Muslim and non-Muslim backgrounds and they range from

Anglo-Australians to Malaysian, American and French.

It isn't just the banks that are considering the needs of the cosmopolitan consumer. Retailers such as American discount chain Costco are, too. Since opening in Melbourne last August, the members-only discount store has held three events targeting significant dates in the calendars of some members: one for the Jewish festival, Passover, one for Chinese New Year, and one for the Islamic celebration, Ramadan. "We also had one for the [AFL] footy finals," adds managing director Patrick Noone.

The process is one of "intensifying" the number of items relevant to members. "We don't carry a large range of items – only 38,000 – and that enables us to bring in relevant items at the right time of year," Noone says.

These offerings are marketed in-store and Noone says they are not intended to attract new customers. "I am not comfortable saying we target a culture," he says. "We target a local market. If you are in a location with [many people from] one culture, we bring in items that cater to that market."

Asked if he is worried about offending someone from a different cultural background, Noone says: "I don't think we are. No one has said anything and we get a lot of feedback."

Catering to the needs of different ethnic and cultural groups during significant religious and cultural festivals, such as Chinese New Year, is a step in the right direction but the commitment needs to run deeper, Melissa Chaw, general manager of multicultural communications consultancy, Ecom says. She thinks customers

"see through" companies pushing short-term marketing ploys at different cultural groups.

Companies that dabble in becoming more multicultural only to leave the market a short time later are viewed with scepticism by consumers. Chaw says that health fund MBF, for example, was a standout performer in multicultural marketing when it opened a Chinese version of its website. But she claims that it fell over when the manager of the project changed jobs. (MBF did not return calls.)

"Companies can have a lot of success [with the multicultural market] ... but can lose focus depending on who takes over in the marketing team," Chaw says. "It really does need that consistent approach because you are trying to share a heart and a voice. You can't just dip in and out from it."

Where possible, different cultural groups should be specifically catered to but integrated into a company's marketing strategy, Chaw says. However, some businesses choose to have stand-alone multicultural campaigns. While a multicultural strategy needs to come from the top down, businesses should also consider employing a person to exclusively manage ethnic marketing.

Volkswagen Australia, for example, has a Chinese executive – a former Volkswagen China manager – heading its Chinese marketing strategy in Australia. The company views ethnic markets as an extension of its regular business but tweaks its focus when the opportunity arises. Earlier this year the car maker used Ecom to help it market its Volkswagen Black Orange car only to the Chinese community rather than its traditional audience.

"There were a limited number of vehicles and a smaller budget but that product had launched in China so we could see the low-hanging fruit for it here would be the Chinese community," Chaw says.

"From an organisation's perspective they need to have someone internally who heroes or champions multiculturalism because sometimes people can be doing their day-to-day jobs and it all seems a bit too hard to consider that.

"Having someone who is dedicated to multiculturalism gives a business that confidence that the strategy is right and that it has been culturally tested."

Belin recently held several packed cross-cultural marketing workshops at a Victorian small business event. "I wanted to see if small business was ready for this," she says. "It is even more important when you are a smaller company. You have the opportunity to steer your boat the right way from the beginning. A lot of ethnic customers are thankful to considerate companies and very loyal."

Kylie Kinsella, chief executive and founder of executive recruitment agency Indigenous Careers, saw a gap in the recruitment market. After responding to many informal requests for help with recruiting indigenous executives, she began her own company in 2009.

"Non-Aboriginal people were coming to me, including recruiters, and saying, 'can you find us some talent?' I knew there was a market and I thought I [offered] a better skill set and access to [the indigenous] community."

Kinsella sees herself as a broker between indigenous and Western culture. "People on both sides of the fence can say inappropriate things," she says. "I can sit in the middle and contain the anxieties of the other person. I can say it in a simple way that is not offensive."

Kinsella recruits at executive levels. Indigenous organisations Koori Heritage Trust and the First Nations Foundation have used her services.

Cosmetics king Napoleon Perdis has built a
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Kylie Kinsella

Chief executive,
Indigenous Careers
Heritage: Indigenous

When it comes to employment, I think companies need to do things differently. Research says Aboriginal people find out about jobs in a different way but companies continue to



market in a mainstream way. Aboriginal people make up 2.5 per cent of the population and have a growing birth rate. It amazes me that only a few companies specifically target our community. There was an insurance company that did funeral planning. You'd see its ad in the *Koori Mail*.

We are beginning to see commercials with the odd Aboriginal face. It is a positive thing. It makes me

look. And there is a lot of evidence that when a company employs Aboriginal people, they start to use the service.

Australian Idol is interesting. When Casey Donovan won, I think other Aboriginal people thought they could, too, and said, "Maybe they aren't racist." Its the same in AFL.

I get offended – because I am fair-skinned – that every portrayal of an Aboriginal has to be a dark-skinned person. That doesn't represent what Aboriginal people are. That stereotype doesn't help.

But, if I am drinking a Coke, I don't think about whether they get me as Aboriginal person, so it depends on the product or service. When it comes to clothes, I'm not worried about it. Although I did think about it when I was on Qantas. They have the uniforms with the indigenous dots and I thought it would be nice if I could afford to wear a silk shirt to my next meeting.

Some medical services "indigenise" their posters. That makes me feel I am in a safe environment.

With my own marketing and visual identity, all my stuff looks and feels indigenous. It is very important.

Kath Walters

What can-do companies do

1. Be aware, be humble

No one can know everything; it takes years of experience to develop cultural awareness. The main thing is the willingness to learn, consultant Lena Belin says. "Be aware that there are huge differences between cultures. You might not think it but you feel it. If you can't explain

what you are feeling, maybe it is a cultural difference," she says.

2. Training

"My participants always feel a sort of exuberance; they feel relieved. Cultural differences also lead to conflict and they feel the stress of that. If a customer doesn't want to speak to a woman, for example, that can get tricky. When I explain why

and what that means and what to do about it, it is rewarding, pleasant and good for customer service staff."

3. Plan

Belin recommends developing a "cultural competence plan", a document that includes policies and training in inter-cultural awareness and permeates into every area of the company, from marketing to customer service and employment.

4. Decide on a strategy

Future Brand's Erminio Putignano says companies can either stop assuming that the benchmark is Anglo-Saxon and aim for a unifying point of view, or adopt the opposite approach and recognise the richness of diversity and celebrate it. "There are opportunities in that space in retail and in financial services, especially in terms of tailoring the message to tap more into

our rich, deep cultural background," he says.

5. Test it

It is crucial to test new campaigns on the target audience, Melissa Chaw of communications agency Ecom says. It is especially important when translation is required.

6. Show you are inclusive

That would happen in the simplest ways, Putignano says, by changing the look and feel of the corporate

identity and showing more people of non Anglo-Saxon background in marketing and advertising.

7. Have staff from different backgrounds

Diversity is crucial, even if all cultural groups are not represented.

Examples:

- Holden Cruze ads 2009
- Qantas: Still call Australia home 2009
- Good Guys ads
Kath Walters and Jane Lindhe

Jay Buenaventura

Researcher
Heritage: Filipino

It depends on which products as to whether I want my cultural background acknowledged. When it comes to restaurants, there are not that many with Filipino food.

I consider myself Australian. I don't feel excluded from marketing because what I want is mainstream. In clothes for example, I tend to buy streetwear. I like a fun element to the branding.

But Australia is a multicultural country and companies need to tap into that market and recognise the changing times in their ads, beyond blond hair and blue eyes.
Kath Walters



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multimillion international business by catering to the needs of different groups. Perdis, who lives in Los Angeles, says the importance of multicultural marketing became more evident after he moved to the US five years ago. There, his product colour range needed to cater to all skin colourings, from pale Anglo skin to Mexican and Asian skin and Afro-American skin. But being culturally inclusive goes beyond having the right products, he says.

Perdis learns Spanish to ensure he can communicate with his Latin American customers and has linguistic classes to remove his Australian "twang and slang" to help him be better understood by American customers.

"I'm not in banking, I'm in retail, so when I am on the floor and talking to buyers, if I can't understand the language, I can't communicate with them," he says. "You want to make sure you get your point across."

"When dealing with Latino Americans, some of them don't speak English, so I have learned to say: *buenos dias hermosa*, which means 'good morning, beautiful'. It makes them feel like you can understand their culture."

Recognising but not necessarily "catering" to the needs of every cultural group is a crucial step for companies considering expanding their multicultural reach, author and public speaker Hanifa Deen says.

While she doesn't expect all of her cultural needs to be met by mainstream Australian companies, she does want respect. That respect, she says, can come from something as simple as having a television advertisement that recognises different cultures.

"One advertisement that always impressed

Diversity hard to stomach

● Food retailers have been among most progressive Australian companies when it comes to embracing cultural diversity. But they are also the most reluctant to discuss it.

Numerous European, Italian, Greek and Asian restaurants have begun using kosher and halal products and fast food giants such as KFC and McDonald's have also dabbed in the area.

The website

halalsquare.com.au shows that a number of food retailers are making money from the market. The website acts as a directory for halal products.

Despite having made halal offerings available at a handful of its restaurants, McDonald's declined to comment on the trend.

"These restaurants are located in areas where there is strong demand from the local

community," a McDonald's spokesman says. "The decision on whether to serve halal food is made on a restaurant-by-restaurant basis."

The companies' reluctance to comment is not unfounded. Overseas, fast food chains that have converted to halal – a process in which animals are killed according to Islamic rules – have been shunned by non-Muslim consumers.

For example when

French burger chain Quick announced it was stocking halal meat at some of its restaurants, protesters donning pig masks demonstrated. French National Front leader, Marine Le Pen, spoke of her outrage, accusing the chain of imposing an "Islamic tax" onto its customers.

Australian-born Pakistani Muslim author Hanifa Deen says Australian companies want to capitalise from the trend without drawing attention to themselves.

"They don't want to be seen as favouring one group," she says. "They have their minds on the cash register. They want the dollars, but they don't want to be seen to be favouring a group that may not be very popular at the moment."

Companies also need to be very careful that they don't alienate other cultural groups when they change product lines, Ecom general manager Melissa Chaw says.

"A McDonald's in my

area changed its sausage and egg McMuffins from beef to pork as part of a trial," she says. "There are lots of Indians in my area who don't eat beef but the company wouldn't comment on why they were conducting the trial. I made a complaint because I like beef and I also think they were unclear to their customers about what they were trying to do. Also, there are a lot of Muslims in the area who can't eat pork." Jane Linde

me, because I see reflections of myself in it, is the Good Guys jingle," she jokes. "There are lots of Asian faces in there and some brown-skinned ones ... They don't look like *Stepford Wives*."

"Another company is Gloria Jeans. In Bankstown [Sydney] they extended their trading hours for Muslim customers who could not drink during sunrise or sunset. It's clever marketing and it shows a sign of respect."

"To genuinely be cross-culturally friendly, you need to be a diverse company," Belin notes. "When employees see management are receptive to their culture and employees, they recommend the company to their friends and family. And you start to understand what people actually want; business leaders know their business best. It is artificial to ... address segment markets just to sell them more. The better strategy is to engage cultural markets for the long term."

Julian Broadbent, manager of advanced design and architecture at General Motors Holden turns to the company's Gen Y employees, who represent a range of cultural backgrounds, for insights into future customers. Gen Ys are globally connected, either because they are born overseas or have travelled or because of technology. "We have to think about this idea," he says. "Older people buy new cars, so Holden's future customers are the Gen Ys of today. Gen Ys are globally informed, have access to global products, are global-brand aware, have global-label garments and are concerned about global issues like sustainability."

But Broadbent cautions against jumping to conclusions. "It is not necessarily the case that [someone's] design taste will be based on their family's culture," he says. "Someone of Asian descent might aspire to Western designs, or people who don't have an Asian background might find Japanese design as appealing."

The process of designing for future markets is somewhat intuitive, Broadbent says. However, it is based on a wide range of research from current and potential customers, Peter Keley, Holden's executive director of planning says. Holden does not target any specific groups in such research but ensures its respondents are representative of today's demographic.

Deen says more "mainstream" companies have employed contact people of different cultural backgrounds to help communicate with customers from different countries. And companies such as Safeway and Gloria Jeans acknowledge different cultures in the way they operate.

Mrs Macs Pies has tweaked its product offering to increase its market reach and now sells a halal pie, much to Deen's delight.

"I wish they sold them when I was a kid," she says. "I used to envy all those kids munching into their pies. They're advertised in the Muslim community newspaper. They still use the old Mrs Mac as their logo. She's not in a hijab or anything ... but at least they're selling them." **BRW**

Gautam Gupta

Founder and chair, Federation of Indian Students of Australia
Heritage: Indian

When we talk about Indian culture, we are talking about a huge subcontinent. We have Sikhs, who wear a turban – even in India marketing for them is different.

There is diversity and unity. Every company gets it wrong. They fail to understand the complexity of India, where only 5 to 8 per cent are the kind of metrosexual, educated living in Delhi.



Most Indians, 90 per cent of them, live in non-metropolitan India. Those coming to Australia reflect this: most Indians here are not from cities.

I find it very surprising when ad companies claim to represent multicultural marketing simply because they place a few advertisements in ethnic media. It is very superficial to pitch to an Indian consumer by saying, "We advertise in ethnic media" or "We sponsor a local cricket match". Those are the two most common methods of multicultural marketing. What we don't have is real engagement with the Indian community.

Look at McDonald's: they have Ronald McDonald House. Other companies sponsor kids' education. Most big corporations have those sort of community engagement strategies. But it's left to Indian companies to sponsor Indian programs. The mainstream programs don't even talk about it!

Indians form a large consumer group. They make up about 1.5 per cent of the Victorian population and are worth more than \$2 billion to the economy. But during the recent student protests [about violent attacks on Indian students], not one single company showed up to support the rally.

A week later, seniors were protesting and all these companies turned up with show bags, with caps and hats. They were interested in what was going on and how they could help.

There are many examples where companies are very patronising. There was a patronising ad by a company that sells spices. In the ad, all the Indians were serving this guy in a

colonial British military uniform. I thought, what are they doing?

In customer service, there is bias and a lack of understanding. Indian guys working for mobile phone companies get blamed for everything that is wrong with the company.

Indian companies are the ones that get the Indian market, but [big US money-transfer specialist] Western Union, I think they really got out of their comfort zone and made a big effort to do more. They met a lot of our community and said: "We want to really engage. Tell us what you want and what the community needs over a five- and 10-year plan."

In 2008-09, ANZ Banking Group came to Indian community events, put up a stall and ran workshops. AXA also gave workshops to explain superannuation and how to buy a house. That's community-building stuff.

Citibank has a wonderful Indian engagement strategy. They have a whole section that targets Indian investors. They know the potential. They target the medical sector, too.

I am an audiologist, and Citibank used to contact me. They were the only company telling me about the Indian sharemarket, asking me whether I had considered investing in it, or in Indian rupees.

Media have a strong role to play as the body that really engages and educates most of the community. At times, the media need to break the mould. Why not dedicate one or two pages a day to ethnic media? Let's hire three ethnic reporters, and have not one article a year, but at least 5 per cent of the media reporting ethnic news.

Kath Walters