



This article provided courtesy of Marketing Magazine.

[**SKIN DEEP**]

Canada's big banks have taken great strides to reach newcomers to the country. But, they need to look beneath the surface to truly connect to multicultural consumers

January 29, 2007 | By Rebecca Harris

"Here's a bunch of South Asians. They're brown. Looks like they're new immigrants. Looks like they need some stuff. Walk into the bank and you've got it."

David Innis is describing how Canada's big banks typically approach the burgeoning newcomer market. "Everyone is doing the same thing."

The creative director of Fat Free Communications, a Toronto ad agency, argues that most bank advertising doesn't acknowledge that "as South Asians, we respond to humour, we respond to insights, we respond to creativity." Marketers have "very superficial ways of acknowledging the community, which a lot of people in the community actually find irritating."

But, there's a lot to be gained from getting it right, as newcomers represent an enormous opportunity for growth in the retail banking industry.

Immigration now accounts for 70% of Canada's population growth. The fastest-growing groups—South Asians and Chinese—are typically young, educated and wealthy. By 2017, roughly half of all visible minorities in Canada will be South Asian or Chinese, with the population of each community estimated at 1.8 million, according to Statistics Canada.

Canadian banks aren't ignoring those numbers, even if their ads sometimes miss the mark. Royal Bank of Canada is running a marketing campaign to reach South Asian and Chinese communities across Canada. Currently, about 15% of RBC's 11 million customers are immigrants and visible minorities. RBC president and CEO Gordon Nixon has said much of the bank's future growth will come from cultural markets.

RBC's latest campaign is part of a larger initiative, two years in development, to make banking easier for immigrants. "We examined every aspect of banking to determine where we could improve life for newcomers, from changing our policies and procedures to changing the way we deliver our products and services," Dave McKay, RBC's head of personal banking told a media conference last September.

For example, credit policies will be more attuned to immigrant circumstances. A bank's standard credit scoring is based on residence history, work experience and credit history, but "obviously somebody new to Canada isn't going to bring that Canadian history with them," says Mark Whitmell, RBC's director of cultural markets.

RBC developed new products such as its secured Visa option, which allows people to "more easily build credit history." It also launched Internet-based account opening so newcomers can deposit their assets and "establish a relationship with RBC before arriving in Canada."

On the marketing front, TV ads show an immigrant couple and their young daughter as they navigate their way through open houses, car lots and job interviews. The family then meets with an RBC banker, who has the same ethnicity, and the ads sign off with "it's another way RBC is putting us first." Five ads were created using the same storyline, but with different talent and language in each, including English, Punjabi, Hindi, Mandarin and Cantonese.

"It's a feel-good commercial," says Albert Yue of Dynasty Advertising in Markham, Ont., which developed the ads. Rather than focus on specific products, the message is "RBC helps you settle in Canada."

RBC also created a "Welcome to Canada" microsite in English and Chinese at rbc.com/canada, and will run print ads celebrating ethnic festivities such as Chinese New Year and Diwali.

RBC's initiative certainly goes beyond the cosmetic, and even Innis acknowledges its policy change is "phenomenal... It's pretty much on the same level as (the Canadian government) acknowledging (foreign) academic credentials," he says. "How the heck are you supposed to get a credit card if you haven't lived here and obviously don't have a credit history?"

Still, RBC has some catching up to do. According to Solutions Research Group's Diversity in Canada study, TD Canada Trust has the largest share of the ethnic market. The bank scored highest among South Asians, with 43% naming it as their primary financial institution--higher than CIBC, RBC and Scotiabank combined. TD Canada Trust was also number one with Chinese Canadians, with a 29% share.

While TD markets to ethnic groups through community events and in-branch promotions, it doesn't specifically target newcomers, says Dominic Mercuri, chief marketing officer at TD Bank Financial Group. Part of its approach is "to ensure we have people in the branches that speak the language and that we have materials in branches that people can read." Aside from that, "word of mouth is one of the biggest assets we have in attracting new Canadians than just about anything else we could be doing."

Scotiabank is keen to reach newcomers through community involvement and sponsorships; as a member of the Chinese Chamber of Commerce and sponsor of the Cricket World Cup 2007 taking place in the Caribbean in March and April.

Scotiabank is "very interested" in immigrants, as they represent the largest area for growth in retail banking, says Kim Moseley, director of local area marketing programs and multicultural marketing at Scotiabank. "A number of immigrants are very well educated, there are lots of professional people who are very affluent and often come with significant resources to invest or start a business."

Scotiabank is currently developing an RSP campaign targeted at the Chinese and South Asian communities, which will differ from its English-language campaign. The bank also runs print ads for festivals such as Diwali, Eid and Chinese New Year in ethnic community newspapers.

But Gavin Barrett, partner and creative director at Toronto agency Rao Barrett and Welsh, sees shortcomings in what he calls "occasion advertising." Marketers will "do a Diwali ad or a Chinese New Year ad and say, 'we did multicultural advertising.' Well, that's not multicultural advertising. And to assume there's going to be a growth in business because of (these ads) is unreasonable." While it can generate goodwill in the community, "it's certainly not going to get people to come into a branch and open an account."

Instead, banks should focus on building relationships, says Barrett. Banks that "leverage cultural insights and provide experiences that have cultural relevance are going to win these markets." He cites mortgage advertising as an example. Hagggle-free mortgages are "nice for the average Canadian but it runs completely counter to most Asian instincts. "For Asians, finding the best deal is a way to build relationships (in this case with the banking officer), and a way to brag to their families. Banks already have mortgages that are flexible and negotiable, says Barrett. "All they need to do is advertise the right kind of mortgage to the right kind of consumer."

Fat Free Communications' Innis says banks should apply the same rules to their ethnic advertising as they do to mainstream ads. "Where is the unique advertising idea? Is this based on an insight or is this just a superficial acknowledgement of a target market?"

Surely, marketers have heard about the importance of cultural insights before. But as Barrett says, "big marketers are the slowest movers." Canada's big banks may not be intrepid marketers, but they're making slow, giant steps forward.

The cultures of money

"There are cultural impacts that drive aspects of South Asian and Chinese cultures in terms of their relationships to finance and money," says Gavin Barrett, partner and creative director at Toronto agency Rao Barrett and Welsh. Barrett believes banks aren't doing a great job marketing to these groups because "they haven't figured out where people are coming from," culturally speaking. He offers these insights into South Asian and Chinese consumers:

SAVINGS: South Asians and Chinese have a culture of saving money. According to a May 2006 report by McKinsey, "Putting China's capital to work," Chinese households save 24% of their disposable income, while Indian households save 32% of their income.

DEBT: Both of these groups tend to have a tremendous distaste for carrying debt. The institutionalized debt system in the West, with mortgages and lines of credit, takes a while to get adjusted to. There is a stigma about being in debt for these communities and a cultural need to eliminate debt.

INTEREST RATES: A Canadian-born person or second-generation immigrant will ask their bank, "Why am I paying such a high rate of interest?" since their relationship with their bank is typically based on how much they owe. A South Asian newcomer, on the other hand, will ask, "Why am I getting such a low rate of interest? The bank should pay me greater interest for keeping my money with them." - RH

Originally published in Marketing Magazine, January 2007

Related Content

[Skin Deep](#)

[Human capitalism](#)

Copyright: "Copyright 2008. Marketingmag.ca All Rights Reserved"

[Close](#)

This story can be found at:

http://marketingmag.ca/www_marketingmag_ca/english/news/marketer/article.jsp&content=20070129_68441_68441