

# harmony

in the workplace

delivering  
the diversity  
dividend

## Fact Sheet 9: Cultural Diversity and Market Development

An area often forgotten when considering workplace diversity is its potential value in developing both domestic and international markets, and in stimulating innovation.

This factsheet explores the opportunities that workplace diversity can provide in this area and looks at key issues in relation to productive diversity.

***In all cases, an understanding of the habits, customs and values of a culture leads to the adaption of marketing strategies in much the same way as occurs in international markets. This includes: design and features of the core product or service, packaging design and colours, promotion and advertising media and themes, prices and payment methods, distribution channels and organisational design. It's not simply about price and marketing message, it's about the value and quality of the service or product and the support provided to customers. "Quality of demand is more important than the quantity."***<sup>1</sup>

### A diverse marketplace

Consideration of cultural diversity in marketing environments mainly focuses on international trade and business, where business success relies on appreciating domestic culture, language and country-specific business practices. To have the linguistic and cultural skills to work across borders, companies need to recruit or contract-in these skill sets. While being practised in international markets, it isn't being transferred to the domestic market, which is, by definition, multicultural. Fact Sheet 1 shows how Australia has extraordinary linguistic and cultural diversity. The impact of this in a marketing sense is that any notion of an existing mass market needs to be questioned.

In fact, a lot of current marketing theory and practice now focuses on niche markets<sup>2,3</sup>. These may be defined by specific demographic groups such as a 'grey' market

(people aged over 55), 'pink' market (gay, lesbian, bisexual, transsexual) or by lifestyle choices such as the 'green market' (environmentally aware and ecologically motivated).

The multicultural market is also emerging as a key niche segment, represented by new arrivals needing to establish themselves in Australia, as well as increasingly visible and growing ethnic specific markets, such as the large Chinese Australian market and growing Indian subcontinent market.

### Using workplace diversity for domestic multicultural markets

Workplace diversity can be used to understand and connect with ethnic-specific market segments. This can quite often be the difference between maintaining or failing to sustain a successful business. So, culturally diverse staff should be consulted or involved in planning and marketing exercises as they can contribute to:

- Understanding the needs, wants and preferences of growing ethnic-specific markets, which has, for instance enabled alcohol sellers to target the Chinese market for premium brands for red wine and cognac, and car sellers such as Ferrari to target the second generation Italian Australian market
- Being aware of days of cultural significance or community celebrations such as Lunar New Year (Vietnamese, Chinese, Laotian and Cambodian), Diwali Festival (Indian), Orthodox Easter (Greek, Macedonian, Serbians and Russian) which may create a time specific need for gifts, food products or entertainment
- Providing insight into the travel patterns of specific groups such as the Southern Europeans traveling for the Northern Summer, those from Islamic faith attending the Haj and the Chinese who return to Asia for the Lunar New Year.

As the population increasingly becomes diverse, culturally diverse staff will carry the market intelligence that makes a difference to many businesses.

***Businesses who have the capacity to meet the needs of domestic diversity will have more success when they extend their products and services to overseas markets. Understanding the needs and values of their culturally diverse customers at home will create profits both at home and in exports.***<sup>4</sup>

There's also the service delivery capacity that bilingual and bicultural staff can provide. It's commonplace for banks, utilities and other retail organisations to staff their Chinatown operations with people who speak Asian languages. Yet, too many companies are unaware of the linguistic and cultural skills of their staff, so fail to get them involved in:

- Marketing and client engagement
- Directing service delivery in office-based and telephone environments
- Collecting client feedback on services and product use
- Supporting other staff in cross-cultural client interactions.

### Understanding and benefitting from international markets

Using domestic cultural diversity is a key component in scoping and engaging with overseas markets. The productive aspects of this include:

- Using the experiences of culturally and linguistically diverse (CALD) staff to identify and seek overseas markets. One well known example is Gateway Pharmaceuticals who used the information from bilingual counter staff in Sydney's South West to identify market opportunities for manufacturing and distributing pharmaceuticals in Vietnam
- Linking with Bilateral Chambers of Commerce to develop partnered approaches to opening

overseas markets, involving their bilingual staff to strengthen these relationships

- International companies using readily available bilingual skills in cities such as Sydney to develop regional hubs on the Eastern Seaboard and inbound call centres for Asia Pacific operations
- Using the knowledge of recently arrived bilingual workers in market testing and product refinement before introducing to overseas markets.

### Innovation

While international literature has shown the value of workplace diversity in driving and achieving innovation, there is very little Australian research in this area. Recent research from the Migration Council of Australia shows that workplace diversity, especially the skills brought by temporary workers on 457 visas, has been beneficial in training Australian workers in skill sets where we have deficits<sup>5</sup>. Diversity and workplace innovation needs attention, especially as the Australian economy moves away from resources towards innovation as a long-term strategy.

### Acknowledgement

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### References

<sup>1</sup> Burton, D. 2002. 'Towards a Critical Multicultural Marketing Theory'. *Marketing Theory* 2(2): 207-236.

<sup>2</sup> Chan, A. 2011. *Geodemographic Segmentation: The Case of Ethnic Marketing in Australia*. Available at: <http://www.wbiconpro.com/512-Alvin.pdf>

<sup>3</sup> Wilkinson, I. and Cheng, C. 1999, 'Multicultural Marketing in Australia: Synergy in Diversity'. *Journal of International Marketing* 7(3): 106-125.

<sup>4</sup> Migliorino, P. 2003. 'Enter the Dragon'. *Professional Marketing* September/October: 12-14.

<sup>5</sup> Migration Council of Australia (MCA). 2013. *More than Temporary: Australia's 457 Visa Program*. Available at: <http://www.migrationcouncil.org.au/assets/files/0d6d3ac92.pdf>



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