



INDUSTRY INSIGHTS FOR WHEN THE WORLD EMERGES FROM COVID-19

CULTURALLY & LINGUISTICALLY DIVERSE AUDIENCES

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ABOUT THIS REPORT

Creative transformation has never been as important as it is now. The scale and impact of COVID-19 has been unprecedented and while business, the government and society grapple with the current reality, we are also anticipating the impact and opportunities of a post-COVID world.

We have asked a selection of our own sector experts to provide their insights on the current situation and consider the opportunities that might emerge. This has formed the WPP'd Smart Series. These are not intended as academic "white papers"; rather, they offer some key insights and actionable opportunities in a concise, digestible form that might trigger some new thinking for your business or organisation. If you would like to discuss these further please contact the authors directly – you can find their details on the last page.

INTRODUCTION

Migrant workers comprise a relatively high 8-10 per cent of all workers in the Australian labour market, based on best estimates. Key industries that rely upon temporary migrant workers will now suffer supply shortages. Some temporary migrants who lose jobs in declining sectors such as hospitality and tourism might be redeployed to other industries. Border Force has been granted the power to make exceptions for the temporary entry of workers in certain health areas, no doubt in recognition of the fact that five per cent of doctors and 10 per cent of nurses and aged-care support staff are temporary migrants.

Our multicultural Australians will play an important role in how we come out of the COVID-19 crisis across a whole raft of economic and socioeconomic factors including employment, higher education, small business, travel and real estate. The largest of our multicultural audience is Chinese and they will be the primary focus of this paper.

THE STORY BY THE NUMBERS:

2.3M

multicultural households
in Australia¹

C-19

before COVID-19 our migrant
population grew much faster
than the general population¹

1 IN 2

Australians were born overseas
or have a parent born overseas¹

1/2

of our small businesses are
owned or operated by someone
from another culture¹

27%

of people in Australia speak
a language other than
English at home¹

27Y

in 27 years of economic growth
Australia's immigration program
has played a key role¹

¹ Australian Bureau of Statistics, Census of Population and Housing 2016



POSITIVE SIGNS OUT OF CHINA GIVE CHINESE AUSTRALIANS CONFIDENCE

While much of the world's output is grinding to a halt because of the coronavirus, China is slowly emerging from its shutdowns by restarting production at factories and resuming some flights. A recovery in the world's second-largest economy provides some relief for global manufacturers in the months ahead as the outbreak continues to wreak havoc in Europe, the US, India, Latin America and to a lesser extent Australia.

Data released in April showed that car sales in China, the world's largest market, have now increased week-on-week since the start of February. While recent sales still represented a drop of 40 per cent from a year earlier, it's an improvement from declines of as much as 96 per cent in February according to data from the China Passenger Car Association.

The nation's airline industry, which slumped in February and March to a size smaller than Portugal's, has seen carriers slowly restoring flights. Scheduled capacity rose to 9.2 million seats in April, while the rest of the top global 10 markets continued to decline, according to flight-data analytics firm, OAG Aviation Worldwide.

INSIGHT FROM COVID-19

Chinese communities in Australia are still very well connected to their relatives and friends in mainland China. Where the rest of our population are seeing gloom and doom, Chinese Australians are far more positive about the future. They're starting to make enquiries about property and being far more active in online shopping. Leading Australian home builder Metricon has reported large weekly increases in demand for prestige home and land packages during April, as mostly Chinese buyers and investors re-enter the market. These home buyers have significant funds to reinvest from uncertain stock markets. They're responding to signs of increased consumer confidence in the Chinese and Australian economies.

OPPORTUNITY

Chinese Australians will be the ignition point of positive momentum. Engage them to breathe life into the real estate market and sow green shoots of positivity for other consumers.

ONLINE SHOPPING

Australia's lockdown has seen drastic reductions in how much time and money consumers spend in stores. Despite an easing of restrictions, shoppers are still being cautious about patronising commercial hubs, retail precincts, cafés, restaurants and bars.

This is being counterbalanced to some degree with a surge in online shopping as consumers look to buy without venturing out and interacting with others. The Chinese market is well ahead of this trend, with Statista estimating its ecommerce revenues will top \$US1 trillion in 2020. This dwarves the US (\$US389 billion) with Japan next at \$US97 billion. It's crucial for brands to have a strong online presence, especially on major ecommerce platforms such as Alibaba, JD and Taobao.

INSIGHT FROM COVID-19

Australian nationals are spending reservedly and saving, still uncertain about the future and conscious of job security. Chinese Australians are actively spending.

OPPORTUNITY

Small business is the engine of the Australian economy and migrant audiences are the fuel that power the sector. Look to engage and support small businesses in targeting these active segments. Educate them on the benefits of supporting Australian businesses and not international markets.



MIGRATION

An underappreciated aspect of the 2019 federal budget was how important immigration was to the projections of a future surplus – projections that are now impossible in light of the COVID-19 crisis. The budget papers reveal that the surplus was predicated upon high levels of net overseas migration (NOM), but that is unlikely to eventuate.

These forward estimates were generated at the same time as permanent entry was capped at 160,000 in 2019. As these cuts occurred, the bulk of this NOM can now be expected to come from temporary migrants, who are also lucrative to the state of the budget as net contributors to Australia. Most temporary migrants are workers who pay tax.

As a migrant nation, the ability for people to settle in Australia is usually an ongoing and integral part of how the country manages itself. With its borders closed, Australia's immigration program has been effectively paused. There should be a significant number of people who have approval to migrate to Australia, but whose plans to do so are on hold. The major dilemma is whether Australian governments will be able to afford the infrastructure improvements required to facilitate significant growth given the debt taken on during the pandemic.

INSIGHT FROM COVID-19

Migrant businesses and permanent or temporary migrant workers are suffering as a result of the lockdown, even as restrictions are easing and trade is re-commencing. Many businesses have remained closed and individuals are still unemployed or unable to work and relying on government support to continue trading or feeding their family. Supporting CALD partners and suppliers that are innovating or providing essential community services like food delivery is an opportunity for businesses to build affinity with communities that value trust and loyalty.

OPPORTUNITY

Migration has always supported or sustained sectors of the economy with skills or labour where numbers of local workers have not been sufficient. They are adaptable and pragmatic individuals who will adapt to the current COVID-19 workplace where the need and opportunities arise.

Relying on Government and support systems for ongoing remuneration is not an option they will pursue for an extended period. Migrants will lead the way in upskilling and re-training to pursue the employment opportunities that are on the increase, especially in retail and FMCG industries.

A CHALLENGE FOR UNIVERSITIES

International education contributed \$37.6 billion to the economy in the past financial year and supported 240,000 jobs, according to Government figures. Australia hosted more than 750,000 international students last year, with the majority from China and India. Statista estimates that Australia's education income from Chinese students topped \$12 billion in 2019. The same research report says Chinese students spent an average of \$27,000 per trip to Australia.

Online learning and edtech will benefit greatly from the current crisis. Nowhere more so than in China. Silicon Dragon estimates that global edtech revenue is increasing globally by about 11 per cent a year. It will reach \$US341 billion by 2025, according to HolonIQ's its Global Education Outlook.

The sector has attracted significant venture capital, reaching nearly \$US1.7 billion in 2019 across 105 deals in the US, according to edtech tracker EdSurge. China's market is growing by 20 per cent a year, much faster than the global average. It boasts four of the five largest edtech investments.



INSIGHT FROM COVID-19

Why would you send your children to expensive schools and universities around the world – with course fees, accommodation, travel and living expenses – when you could keep them at home and access the best that the world has to offer via online learning?

OPPORTUNITY

Extending the reach of educational services to non-English speaking audiences online is a real and immediate growth opportunity for learning institutions in Australia. Providing access to resources and in-language support will open up new channels to audiences who value Australia's learning systems and qualifications.

TRAVEL – A YOUNGER CHINESE TRAVELLER EXPECTED

Now that China has re-opened, around 90 million tourists are expected to make domestic trips. Airfares have dropped by about 30 per cent on average and as much as 90 per cent on some routes, hotel prices are also down significantly, and local governments are offering travel coupons to stimulate tourism.

Delivering Asia Communications says the demographics of Chinese travellers are changing: "The new China traveller is younger, more independent and more digitally influenced than ever. COVID-19 has had a profound impact on travel consumer mindsets, and this generation has a burning desire to experience the world, and new digital strategies are needed to reach them." This offers all tourism operators food for thought in planning a re-entry into the global tourism market.

On Tomb Sweeping Day, the first holiday following the pandemic, 60 percent of the people who booked trips were below the age of 30—a significant increase from 43 percent in the same period last year.

INSIGHT FROM COVID-19

Chinese travel blogs and websites have seen huge increases in traffic during COVID-19, with searches focused primarily on Christmas holidays and Chinese New Year 2021. Even though borders aren't currently open, planning for the great annual Chinese migration has begun. Organisations have the opportunity to seed potential holiday destinations for when lockdown restrictions are over.

OPPORTUNITY

To capture early potential demand from China, product features, communications, and sales channels must be re-tailored to match a changing customer mix: millennials and members of Gen Z are replacing baby boomers.

The opportunity is to engage potential travel customers through latest social media. WeChat and Weibo (China's equivalent of Twitter) are no longer emerging channels but rather "must haves" in marketing. Leading travel players have started to engage these customers through new channels, such as Taobaolive and TikTok.



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Lou has an extensive background in the specialist field of multicultural communications, developed over 17 years of working across public and private sectors. He has worked across a large range of Australian and international clients and categories including technology, automotive, health, sport, Government and financial services.

Previously, as Chair of the Communication Council of Australia's Multicultural Forum he was a passionate spokesperson for the benefits of engaging CALD audiences effectively.

As a leader of Ecom for the last four years, he maintains that brands that are smart, innovative in this unique space have a competitive advantage by activating new untapped markets. And he is committed to helping them realise the opportunity.

GET IN TOUCH

Melissa has led Ecom for over 15 years, driving the team of multicultural specialists. Melissa provides clients with insights into the CALD market in Australia and develops strategies to best create an authentic connection with these audiences. Her hands approach brings best practice experience and knowledge to clients, built over 17 years' working directly with multicultural communities for some of the biggest Government campaigns such as DSS Domestic Violence, ABS Census 2016, DFAT Smartraveller and NDIS.

This combined with her commercial client experience on Australian blue-chip brands such as Holden, Qantas and Westpac, Melissa has an innate ability to understand what effective engagement within multicultural sub-segments is and has built strong networks within Australia's multicultural communities. Melissa has had numerous articles published in trade journals and is an Effie's award-winning strategist.

GET IN TOUCH

MULTICULTURAL MEDIA SOURCES ARE TRUSTED AND GROWING

In general, the CALD media has experienced a substantial loss of revenue from advertising. With that said they use to being resilient and creative in working with limited budgets and opportunities.

The Chinese media landscape in Australia is evolving and fragmenting along similar lines to the global industry. Traditional media sources like print and radio, although still important to some loyal audience segments, are struggling to establish relevance with new mainland Chinese migrant audiences. Sing Tao, the leading Chinese print title in Australia for more than 30 years, ceased publishing here in January. This was because its diminished audience had moved to digital-first news consumption. Other titles such as Australian News Express have adopted a multi-platform approach to providing real-time news across all channels, reducing their reliance on print.

SBS Radio has reported enormous increases in online streaming services and podcast downloads for its language programs. This is an example of how migrant audiences are turning to trusted sources for COVID-19 information and the latest community developments. Audiences are increasingly listening or watching through digital and mobile channels including smartphones and smart TVs.

Youku and iQIYi provide Chinese language content streaming that is not available on Netflix, Amazon or other channels. Australian audiences are relying less on TV subscription services like TVB, which aggregated Cantonese or Mandarin content through TV channels.

For new Chinese migrant audiences, WeChat continues to be the principal social channel to engage with family, friends and brands that are active in this space. Users rely on news and information aggregator sites that attract huge subscriber numbers – Sydney Today has more than 400,000 daily users. Many audiences who relied on Australian Chinese digital news sites are migrating to WeChat channels that provide long-form content and connect them with likeminded people.

INSIGHT FROM COVID-19

Brands need to shift focus to multicultural media channels that have developed a stronger following and deeper trust with communities. Digital content through Chinese social channels like WeChat and Weibo reach a significant proportion of Chinese Australians. Those brands that have been first movers and early adopters are developing strong rapport with new audiences. They're monetising the channel in the same way brands did when Facebook first became commercially viable.

OPPORTUNITY

Migrant media and content consumption behaviours have shifted in the current environment. Online streaming, blogging, digital news aggregator sites and social media platforms providing timely news from trusted sources in their preferred language are more important than ever.