

**BMO GATE MBA STUDENT FELLOWSHIP**

# **HOW CORPORATIONS CAN SUPPORT NEWCOMER**

## **INTEGRATION IN CANADA**

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# THE NEWCOMER OPPORTUNITY



**By 2036, immigrants will represent up to 30% of Canada's population. (IRCC)**

Businesses must act swiftly to capitalize on the newcomer opportunity in Canada before it becomes saturated. Failure to recognize and cater to the unique needs of newcomers could result in missed revenue and loss of market share. By understanding and addressing the preferences of newcomers, businesses can gain a competitive edge, driving growth and sustainability in the Canadian market. Therefore, the time to act is now, as businesses must engage with newcomers, tailor offerings, and build lasting relationships to secure their position in this burgeoning market.

Newcomers to Canada are a significant opportunity for businesses, driven by several key factors. With a growing population size fueled by immigration trends, businesses have access to a diverse and expanding customer base. Notably, newcomers tend to be younger, representing a demographic with significant purchasing power and long-term potential. Moreover, studies suggest that newcomers willing to try new products exhibit higher loyalty levels to brands catering to their unique needs and cultural backgrounds compared to established Canadians. As newcomers settle into their new lives in Canada, there is a growing demand for products and services tailored to their preferences, creating ample opportunities for businesses to innovate and expand their offerings to meet these evolving needs.

**23%**  
of the population are  
immigrants to Canada. (2021)

**1.8 M**  
immigrants entered Canada  
since 2018. (Statista)

**80%**  
of labor force growth  
between 2016-21 were  
accounted by immigrants.  
(Statcan)



# EXISTING PRACTICES

## METHODOLOGY

Based on conducting interviews with professionals and executives in leading Canadian organizations, we have identified five major practices which are currently being leveraged to serve newcomers.

## UNDERSTANDING THE UNIQUE NEEDS

A one-size-fits-all approach will not work while targeting newcomers due to their distinct needs and preferences. Firstly, newcomers come from different cultural backgrounds. Secondly, they maintain different statuses in Canada such as students, permanent residents, foreign workers, refugees, etc, which highly impacts their experience in Canada.

RBC has established a dedicated team tasked with researching various visa classes and mapping the journey of clients to Canada. Through lifecycle marketing initiatives, RBC effectively identifies and addresses the diverse needs of immigrants as they navigate different milestones in their new lives in Canada.

Manulife is actively exploring various avenues to determine the unique value propositions they can offer to new immigrants. They have identified that the student segment within the newcomer category is already heavily saturated in the market, with major banks offering specific products tailored to them. Conversely, immigrants arriving with permanent resident status tend to be older, possess more work experience, and often arrive with their families, making their needs more intricate.

The inclusion of spouses and children necessitates additional support beyond basic zero-fee bank accounts. Manulife recognizes a gap in the market for services such as daycare and other forms of family integration support, believing that these needs are currently unmet.

# FOCUSING ON PRE-ARRIVAL

Scotiabank and RBC are both focusing on serving customers during the pre-arrival stage of their journey to Canada through strategic partnerships and targeted services. Scotiabank has forged a partnership with Moving2Canada, a digital platform visited by 4 million users annually, to provide essential information for new immigrants, aiding in their successful transition to life in Canada. Meanwhile, RBC is seeing a significant influx of new clients from countries like India, China, the Philippines, and South Korea. A large chunk of the new personal banking clients are newcomers, each segment with varying needs. While serving student clients involves a high volume of transactions, the real opportunity lies in catering to the more complex needs of permanent residents and foreign workers.



RBC, successfully partnered with ICICI Bank, is offering integrated banking solutions to Indian clients. Upon arrival in Canada, international students holding a Guaranteed Investment Certificate (GIC) with ICICI Bank Canada can seamlessly connect with an RBC advisor to address their financial needs, including transferring funds from their ICICI Bank Canada GIC to an RBC personal deposit account. Furthermore, RBC's collaboration with ApplyBoard allows international students to submit their study permit applications to the Government of Canada with the added assurance of a digitally verifiable (GIC) provided by RBC. ApplyProof, a platform developed by ApplyBoard, streamlines the verification and sharing of official student documents, enhancing the study permit application process. Through this unique partnership, international students can apply for a GIC and have it instantly verified, if necessary, via the ApplyProof platform.



## PRODUCT CUSTOMIZATION AND DEVELOPING CAPABILITIES

TD boasts a multicultural advisor network proficient in up to 50 languages, along with over-the-phone translation services for over 200 languages. Their ATMs are available in seven languages, including Punjabi, Portuguese, and Italian, making them the only bank in Canada to offer ATM services in these languages. Additionally, TD provides helpful resources for newcomers, such as a Welcome Booklet and a Guide to Canadian Banking Terms, available in over 10 languages, to help them navigate the banking landscape in Canada.

Bell, on the other hand, offers enhanced language support, including translated pages in Chinese languages and call centers providing assistance in Mandarin and Cantonese. They also sponsor various multicultural events and maintain an official WeChat account in Simplified Chinese.

Manulife recognizes the potential of its travel insurance product to effectively serve new immigrants, who travel frequently to visit their families abroad. Additionally, the organization sees an opportunity to leverage its popular group benefits product to encourage other organizations to be more inclusive for their newcomer employees. By positioning itself as a premium and reliable insurance provider for newcomers, Manulife aims to delight customers with excellent customer service. Currently, the company is strategically mapping its financial advisors based on the languages they speak and developing a strategy to ensure that newcomer customers can easily access them for their insurance and financial needs.

# PARTNERSHIPS AND COMMUNITY ENGAGEMENT

At Scotiabank, the team emphasizes the importance of communication and commitment in serving newcomers. As part of their efforts, Scotiabank has launched the ScotiARISE program, a \$500 million community investment initiative aimed at promoting economic resilience among disadvantaged groups by 2030. Additionally, Scotiabank sponsors cultural celebrations and events like the Toronto Chinatown Festival to further support newcomer communities.



RBC employees actively volunteer their time at Toronto Region Immigrant Employment Council (TRIEC), where they serve as mentors for newcomers, offering guidance on employment opportunities and settlement services. Manulife's PlanRight financial advisors are collaborating with TRIEC to gain a better understanding of the needs of newcomers.



In a strategic partnership, Air Canada and Bell have joined forces to provide SIM cards to newcomers, enhancing connectivity for individuals arriving in Canada. This collaboration leverages Air Canada's extensive reach and expertise in the travel industry, combined with Bell's telecommunications capabilities, to facilitate seamless communication for newcomers as they settle into their new lives in Canada.

# AUTHENTIC MARKETING COMMUNICATION AND CUSTOMER EDUCATION

Scotiabank leverages meaningful and creative communication that addresses the challenges encountered by newcomers to Canada. Targeted marketing that authentically represents and acknowledges the realities faced by newcomers is well-received. However, marketing strategies that force multicultural elements often come across as shallow and fail to resonate with new immigrants, potentially resulting in a negative brand perception. Thus, organizations should avoid such approaches to maintain a positive brand image.

At RBC, content and digital assets are developed to educate new immigrants on important topics like building and maintaining a good credit history. The bank's financial education platform, 'My Money Matters,' offers articles and resources on financial planning, debt management, starting a business, and understanding banking concepts and terms in Canada. Recognizing the importance of customer education, RBC branches organize advice events where newcomer customers can receive guidance on financial matters, investment, and taxation, and have their questions answered by financial advisors.

Moreover, RBC has established newcomer meeting places, such as the branch format in strategic locations like Brampton, focusing on providing advice beyond banking, including finding schools for children and resuming best practices.



TD Bank excels in ethnic marketing by developing commercials and communications that resonate with the lifestyles and interests of newcomers. Notably, TD strategically placed commercials during the 2023 Cricket World Cup broadcast in Canada to appeal to the large South Asian population.



# 5 EASY STEPS TO WIN OVER NEWCOMER CUSTOMERS FOR YOUR BUSINESS

Targeting newcomers to Canada is a significant opportunity for small and medium enterprises. It can be effectively achieved through quick and low-budget execution tactics, which do not require large investments or long execution timelines.

1

**Presence in multiple digital channels:** The social media behaviour of newcomers is quite different from Canadians. To effectively engage with newcomers, you should establish a robust presence across various social media platforms commonly used by this demographic. Platforms like Facebook, WeChat, Instagram, Viber, and Telegram offer opportunities for direct communication, engagement, and targeted advertising, allowing businesses to connect with newcomers in a more personalized and accessible manner.

2

**Communication from spokespersons:** Newcomers tend to trust information and recommendations coming from individuals within their communities. Therefore, organizations can enhance their credibility and reach by leveraging ambassadors or spokespersons from the same cultural background as their target audience. These representatives can effectively communicate the value proposition of the organization and build trust among newcomers, facilitating stronger connections and brand loyalty.

3

**Presence in strategic cultural clusters:** Establishing a physical presence in strategic cultural clusters such as Scarborough, Mississauga, Brampton, and the Danforth in Toronto enables organizations to directly engage with local newcomer communities. By understanding the unique needs and preferences of these communities, businesses can tailor their products, services, and marketing strategies to better resonate with newcomers in these areas, fostering stronger relationships and brand affinity.

4

**Referral programs:** Word-of-mouth marketing remains a powerful tool for reaching and acquiring newcomer customers. Implementing referral programs incentivizes existing customers or community members to recommend the organization to their peers, family, and friends within the newcomer community. This approach not only helps generate positive word-of-mouth but also fosters a sense of belonging and trust, driving customer acquisition and retention.

5

**Revamp hiring practices:** Diversifying the workforce by actively recruiting and hiring newcomers can bring valuable perspectives, skills, and cultural insights to your organization. Not only will your organization have a more inclusive and diverse workplace culture, but will also be able to better understand and serve the needs of newcomer customers. By embracing diversity in hiring practices, businesses can tap into the talent pool within newcomer communities while simultaneously expanding their customer base and market reach.

# 5 TACTICS TO INSTANTLY IMPROVE YOUR NEWCOMER STRATEGY

For large organizations with existing newcomer strategies, there lies a massive opportunity to go beyond the basic strategies, which is an opportunity to become a leader in inclusivity and cultural competence. This differentiation can be achieved by going further than the existing strategies in the market.

1

**Hyperlocal marketing:** This strategy involves tailoring marketing efforts to specific neighbourhoods or regions, acknowledging their unique characteristics and needs. Equipping stores and branches with diverse support staff who reflect the local community fosters trust and understanding among newcomers. Matching advisors to customers based on ethnicity enhances personalization and strengthens connections, allowing your organization to better serve the diverse needs of their customers within each locality.

2

**Impactful partnerships:** Forming impactful partnerships with community organizations and startups that cater to newcomers, such as Achev, TRIEC, and Newcomer Women's Services Toronto, can significantly enhance brand awareness and credibility among newcomers. Collaborating with these organizations allows your organization to tap into existing networks and resources, gaining valuable insights and reaching newcomers at critical touchpoints in their journey to Canada.

3

**End-to-end lifecycle marketing:** Implementing end-to-end lifecycle marketing entails understanding and anticipating the journey of newcomers in Canada, from their initial arrival to various life milestones. By mapping out this journey, your organization can tailor products, services, and communications to meet the evolving needs of newcomers at each stage. This proactive approach enables organizations to build lasting relationships with newcomers, providing support and guidance throughout their integration process into Canadian society.

4

**Going beyond the basics:** To provide a holistic and personalized experience for newcomers, your organization must ramp up its existing capabilities. Incorporating inclusiveness in distribution channels, communications, customer support, website and communications can lead to more effective engagement and acquisition of newcomer customers. Executing these strategies will help your organization to stand out from the existing competition in the industry.

5

**Diverse leadership:** Embracing diversity within the leadership team by including newcomers can foster innovation, creativity, and cultural sensitivity within the organization. Having newcomers in leadership positions brings unique perspectives and insights into the decision-making process, enabling your organization to better understand and execute newcomer strategies effectively. Moreover, diverse leadership reflects the organization's commitment to inclusivity and fosters a welcoming environment for both employees and customers alike.

# CONCLUSION



The newcomer opportunity in Canada is a lucrative market for businesses across various sectors. With a growing population fueled by immigration trends, newcomers represent a diverse and expanding customer base with significant purchasing power and long-term potential. Understanding and addressing the unique needs and preferences of newcomers are critical for businesses to gain a competitive edge and drive growth and sustainability in the Canadian market. By leveraging strategic partnerships, customizing products and services, engaging in community initiatives, and embracing diverse leadership, organizations can effectively serve and connect with newcomer communities, fostering lasting relationships and achieving success in this burgeoning market landscape. As businesses continue to innovate and adapt their strategies to meet the evolving needs of newcomers, they stand poised to capitalize on this opportunity and make a meaningful impact on the lives of newcomers to Canada.