

# DON'T GIVE ME JUST ONE

## How Ethnicity Trends Affect Gift-Giving in Canada By Ian Gordon

Many Chinese people who receive a single gift would really prefer a second. This is not being ungrateful but rather an issue of a culture where odd numbers are considered unlucky. Here is just one instance of opportunities gift retailers and suppliers might consider as they cater to customers in an increasingly diverse Canadian marketplace. The question managers often ask is whether there is sufficient economic potential from specific market segments to warrant focused attention in areas such as packaging, promoting and selling gifts. This article discusses changes in Canadian demographics, and concentrates on immigration, culture and language changes for their implications to gift suppliers.

### A New Canada

A more ethnically diverse Canada has emerged and it offers new marketing opportunities to alert businesses. Almost one in five Canadians were born outside Canada<sup>1</sup>; there are over 5.4 million immigrants, 4 million of whom reside in Ontario and British Columbia. In these provinces there is greater concentration of immigrants than the national average, with more than 26% of the provincial population being foreign-born.<sup>2</sup> In some cities, immigrants make up an even greater proportion of the population, as suggested by Chart 1 that highlights immigrants in 10 cities where the proportion is highest. In Toronto, for example,

immigrants comprise 44% of the population and in Vancouver, 38%, and in both these cities immigrants have become a significantly larger proportion than 10 years previously. Increasingly, immigrants have the potential to make their economic power felt in the giftware industry not just in terms of their purchasing power but also in respect of owning retail stores and giftware suppliers. (See Chart 1)

### A Diverse Canada

While the very early immigrants to Canada came primarily from Europe, recent immigrants are from all over the world. For example, as a percentage of all immigrants to Canada, there are now almost as many people born in Asia as in Europe. Chart 2 describes the regions (or countries) in which immigrants to Canada were born. Immigration to specific provinces differs from national averages. Over 95% of all immigrants have located in four provinces: Ontario (56% of immigrants), British Columbia (19%), Quebec (13%) and Alberta (8%). Chart 3 describes immigrants in these provinces and shows the significance of immigrants from Europe and Asia in all provinces, with immigrants born in Asia more highly represented in British Columbia, and Quebec having proportionately more immigrants born in Africa, the Caribbean and Central and South America. (See Charts 2 & 3)

### Many Languages

English and French are obviously the predominant official languages in Canada – 59% of the population speak English, 23% French. More people have as their mother tongue non-official languages than French in all provinces west of Quebec. In B.C. the difference is particularly pronounced, with 25% of the provincial population having a non-official language as their mother tongue (over 8% speak Chinese languages such as Cantonese and Mandarin), compared with about 1% French. In Ontario, 24% of the population has non-official languages as mother tongues such as Chinese languages (4%), Italian (3%) and many others. (Chart 4 provides detail.)

In some cities, the differences are magnified further. In Toronto, for example, 40% of the population have a mother tongue other than English or French. In Vancouver, the comparable percentage is 38%. In Montreal, a combined 19% of the population have a non-official language as their mother tongue; although this is more than English (12%), no single mother tongue exceeds that of English. While most business people communicate in an official language, customers may be more inclined to consider products where labels and instructions are in their mother tongue and recognize cultural differences, where appropriate.

CHART 1: PERCENTAGE OF IMMIGRANT POPULATION IN CENSUS METROPOLITAN AREAS



CHART 2: IMMIGRANTS BY COUNTRY OR REGION OF BIRTH – CANADA

SOURCE: STATISTICS CANADA, CENSUS OF THE POPULATION, 2001.

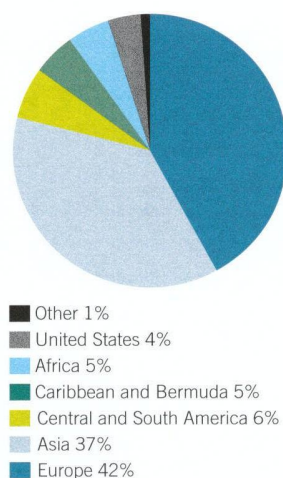
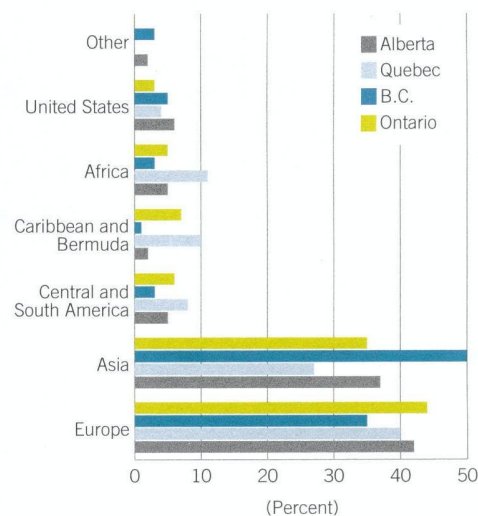


CHART 3: IMMIGRANTS IN FOUR PROVINCES WHERE MOST IMMIGRANTS HAVE LOCATED

SOURCE: STATISTICS CANADA, CENSUS OF THE POPULATION, 2001.





### Diverse Ethnic Origins

In addition to its impact on mother tongues, changing demographics has affected the ethnic make-up of Canada. While nearly 12 million Canadians consider themselves "Canadian," there are sizeable groups of people with different or additional ethnic origins, such as over 1 million Germans, Italians, Chinese and Ukrainians, in addition to large segments identifying themselves as of English, French, Scottish and Irish ethnic origin. As suggested by Chart 5, specific market segments may merit focused marketing plans and giftware businesses should be sensitive to the ethnic differences and the associated purchase preferences of retailers and end-customers. For example, many cultures pay attention to luck (or its lack) when choosing gifts but the manifestations vary. For reasons considered unlucky, Chinese Canadians prefer not to wrap gifts in black and white paper, and avoid giving clocks as gifts. Chinese Canadians pay attention to feng shui when buying decorations and other items that are thought to improve positive energy. Russian Canadians do not typically give cutlery as gifts, especially not knives. And some Jamaican Canadians perceive that bad luck comes in threes and consider this in gift giving. (See Chart 5)

### Major Growth Expected

It is likely that Toronto, Vancouver and Montreal will continue to be the preferred locations for most minorities, and their numbers will grow significantly. According to Statistics Canada, 62% of the increased number of visible minorities between now and 2017 will be located in these three cities. Chinese and South Asian minorities (people who have origins in countries such as India, Pakistan and Sri Lanka) will comprise the majority of the increased number of visible minorities in Toronto and Vancouver, as described in the following charts. In Montreal, the growth in visible minorities between

now and 2017 will be comprised mostly Arabs, blacks, South Asians and Chinese. (See Chart 6)

### Concluding Comments

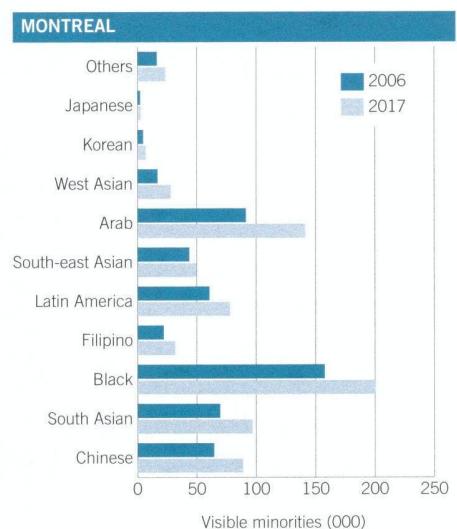
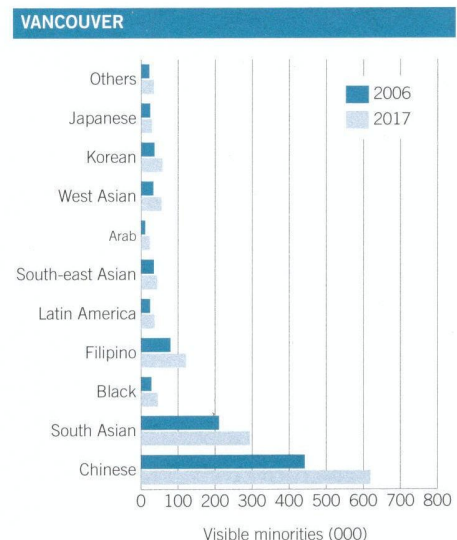
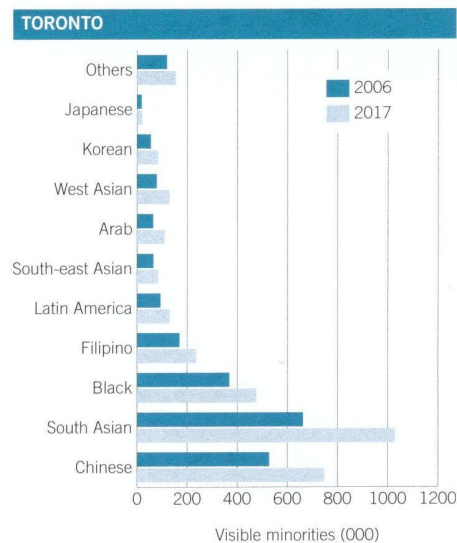
Demography, it is often said, is destiny. That is, while the future for businesses is generally uncertain, one aspect of the future can be assumed: today's population will assuredly be tomorrow's customers and immigrants will swell these numbers. Opportunities remain for many businesses to think about this country not as a mass market to be served in aggregate but as regions and cities where customers reside who are distinct from one another. Then suppliers can plan to cater more effectively to each market place. For giftware suppliers, this means thinking about customers' customers – the end-customers who buy from retailers – and developing specific regional product, marketing and sales plans to help retailers be more successful in their local markets. With over half the Canadian population in just ten cities, regional marketing initiatives need not be overly complex or difficult to implement. If demography is destiny, the future will belong to businesses that effectively address demographic opportunities. The alternative is for Canadian companies to use yesterday's plans to serve tomorrow's customers, and the result may be predictably bad.

*Ian Gordon is a management consultant who helps companies accelerate their profitable sales by conducting strategy, marketing and sales planning, and research assignments. He is the author of books on customer relationships and competition, including Relationship Marketing, Competitor Targeting and Beat the Competition, and editions of Ernst & Young's authoritative publication, Tomorrow's Customers in Canada. (Email: gordonib@aol.com)*

1) In 2001, the most recent year for which Statistics Canada census data are available, 18.4% of the Canadian population were born outside of Canada, compared to 16.1% in 1991.  
2) Statistics Canada, Census of Population, 2001

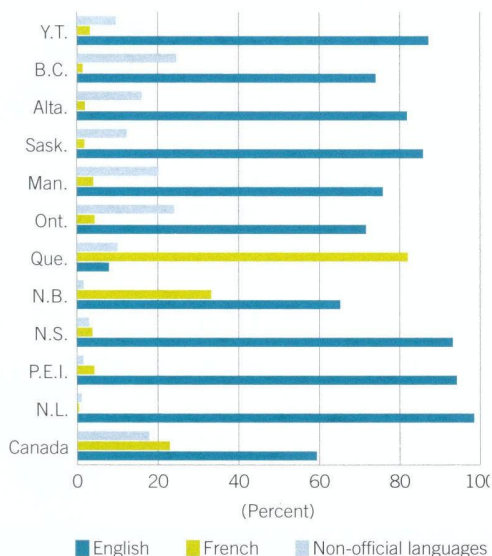
**CHART 6: PROJECTED POPULATIONS OF TORONTO, VANCOUVER AND MONTREAL – 2017**

SOURCE FOR BELOW THREE CHARTS: STATISTICS CANADA CATALOGUE 91-541-XIE; SCENARIO C.



**CHART 4: MOTHER TONGUE OF CANADIANS, BY PROVINCE**

SOURCE: STATISTICS CANADA, CENSUS OF THE POPULATION, 2001.



**CHART 5: ETHNIC ORIGINS OF CANADIANS**

SOURCE: STATISTICS CANADA, CENSUS OF THE POPULATION, 2001.

