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And Profit

BY BOB MACKIN JR.

ANCOUVER: Rana Vig doesn't like it when you call *Mehfil* magazine an ethnic publication. Never mind that the news and lifestyle magazine he publishes is targeted to one of the country's fastest-growing and most affluent ethnic marketplaces.

Instead, he refers to it as a maga-zine that just happens to have Indo-Canadians as its prime target. Vig, an entrepreneur who is a rookie in the magazine industry, says ethnic newspapers and magazines have a reputation for poor quality. Tradi-tionally, says Vig, these publications haven't spent the time or the resources to get real editorial. And the incestuous relationship between advertising and editorial on many ethnic publications has also tarnished their image. Now, with the help of a \$100,000

investment from his family, Vig's challenge is to show that Mehfil (an Urdu term meaning "gathering") can compare favorably with general-interest publications.

The bi-monthly, glossy magazine debuted in April in B.C., with a circulation of 20,000. The 40-page premiere issue featured political news from India, a feature article on the Indo-Canadian editor of TV Week magazine, Hardip Randhawa, and a profile of Bhangra recording

artist Apache Indian.
In its second issue, Paul Dusanj, owner of the Superstar sports footwear chain in B.C., is profiled. Topics addressed include Indians reclaiming property in Uganda and arranged marriages.

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MARKETING

MARKETING

July 19, 1993



Targeting Indo-Canadians

Vig says that the magazine is skewed to the under-40 set. As the name implies, it is intended to be a gathering of ideas from all parts of the Indo-Canadian community. Its editorial stand is non-political and non-sectarian. The editorial is broad-based, appealing to first-generation Indians, who still want ties to the homeland, as well as to the second generation that wants to know who is successful in Canada,

"We're rare in today's market where magazines are trying to be

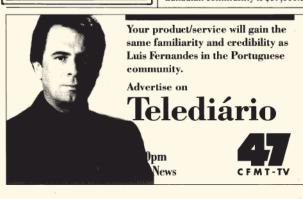


Mehfil's editor, Minto Vig, and publisher, Rana Vig

more narrowly focused," he says. Vig also is using non-traditional methods of marketing the book. More than 20,000 households containing 140,000 people of Indian descent are on a rotating controlled distribution list. Those on the list are contacted by telephone for feedback on the magazine and for subscription sales. So far, Mehfil has signed up 2,000 subscribers with two-year subscriptions for

Advertisers in the Indo-Canadian community have flocked to the publication. Now Vig hopes national advertisers will follow suit, but doesn't expect that to happen in a major way until early next year. That's when he hopes to increase Mehfil's frequency from six issues a year to eight, and expand its territory eastward to Ontario.

data indicate that more than half of Mehfil readers are between the ages of 25 to 44, and that the average household income in the Indo-Canadian community is \$59,000.□



Fairchild Claims The Airwaves For B.C.'s Chinese Community

VANCOUVER company spe-cializing in real estate devel-opment is poised to become Canada's most powerful ethnic broadcaster.

Fairchild Holdings, which has developed shopping malls, condo-miniums and office buildings in Greater Vancouver, became a mi-nority shareholder of Vancouver's multilingual AM radio station CJVB last year, along with four other parties.

Almost a year after that \$5.1million transaction was approved by the CRTC, Fairchild is on the

acquisition trail again. Early in July the company ap-peared before the Commission seeking approval to buy Chineselanguage specialty-pay TV service Chinavision along with minority partner TVBI, the distribution arm of Hong Kong's powerful TVB network. Fairchild offered \$9.25 million to the company's receiver for Chinavision's assets, which included a lucrative specialty pay-TV li-cence that it uses to broadcast in Toronto, Vancouver, Edmonton

and Calgary.
This fall, Fairchild is likely to make two more appearances be-fore the Commission. The first will be to apply for permission to buy another TV property-Vancouver's Cathay International TV.

According to executive vice-president Kenneth Kwan, Fairchild's interest in owning electronic media outlets stems from president Thomas Fung's previous involvement in film production and advertising in his native Hong Kong. "We feel strongly that as a

long-term investment it is justifiable for us," Kwan says. "The com-munity has put a lot of work into creating such a unilingual national service (Chinavision). We're not trying to be heroic, but the community doesn't want to see Chin-avision go to oblivion."

Chinavision, which has been the subject of a great deal of controver-sy, was licensed by the CRTC in 1984 and serves 25,000 subscribers. In January, 1992, a receiver was

The community has put a lot of work into creating a unilingual national service. We're not trying to be heroic, but the community doesn't want to see Chinavision go to oblivion 🔵

appointed when the company, owned by Francis Cheung, defaulted on a \$1.6-million loan from Toronto lawyer Richard Ling. Ling had given Chinavision a cash

infusion to keep it on the air.
A number of bidders lined up, including Ling, in hopes of acquiring the ailing company. Fairchild should have a decision from the receiver within weeks of its fall hearing to purchase Cathay.

Kwan says if Fairchild is successful on both fronts, both Cathay and Chinavision's Vancouver outlet will remain open as part of a rationalization program. Although details have yet to be worked out, the rationalization may involve sharing of some resources and facilities, as well as a clear differenti-

ation of programming.

With reduced overhead, cost sharing, more efficiency in local programming, and better buying power in program supplies, Kwan is confident that operating both stations under one ownership can

Fairchild will likely make another appearance before the CRTC in late fall, along with its partners in CJVB. A group of the station's former employees will be seeking approval to buy CHQM-AM from CHUM, Toronto, and turn it into a multilingual station. The group is headed by Hanson Lau, whose nightly Overseas Chinese Voice (OCV) program was a mainstay of CJVB for nearly two decades.

OCV's contract with CJVB was not renewed earlier this year, so Lau took OCV across town to the easylistening station. Lau won't discuss his group's plans if the application is approved, although the addition of a morning drive show in Cantonese is almost definite.

For his part, Kwan says that Fairchild and its CJVB partners are waiting until the application's hearing is scheduled before deciding on their next move. He says it is questionable whether the Vancouver market can support two multi-lingual stations.□

Diversity

CONTINUED FROM P. 13

"bringing a sensibility to media that didn't really exist in Canada. He didn't think of himself as the same as the people he saw when he turned on the TV set."

Once he got his own station, Znaimer broke the old mold, hiring reporters and other on-air staff of Italian, West Indian, Ko-rean, Ukrainian, East Indian and many other origins. In keeping with his belief that television should be democratized, he recruited many employees from non-traditional backgrounds, in secretaries into TV personalities. Several members of the ethnic talent pool he built up have since gone on to jobs with other stations in Toronto and elsewhere.

In the station's early days, Znaimer's approach attracted some opposition, says Smith. She recalls receiving hostile letters after the hiring of Citypulse crime reporter Jojo Chintoh. "Not only was he a black man, but he had an unusual name and accent," says Smith. "In some ways, it jolted a lot of people who probably didn't think of themselves as racists but who were uncomfortable with hearing accents on the air.'

She says attitudes have changed a lot since then, and Torontonians are now accustomed to seeing a lot of different

kinds of people on TV. Attitudes among the managers of other stations have changed as well, she says, although their actual performance in recruiting ethnic staff hasn't kept pace with the changes in the city's ethnic makeup.

Smith says that doing better will require actively training and recruiting people from ethnic and visible minority back-grounds. "It doesn't just happen on its own through the normal system, because in terms of who applies (for jobs at stations) the

mass are white WASPs," she says.
Industry observer Peter Desbarats, dean of the school of journalism at the University of West-ern Ontario in London, says very slow, despite the progressive image it likes to present. "You just have to witness how long it took women to penetrate news-rooms," he says. "It's taken about 40 years, and they still aren't in the executive suites in any great numbers."

Another factor slowing the entry of ethnic people into TV jobs has been the recession, during which the number of new openings has dwindled. As well, says Desbarats, in some ethnic com-munities journalism jobs are not rated very highly, because in their country of origin reporters are horribly underpaid, have a low social status and are seen as agents of government propa-

But these attitudes tend to

change as ethnic communities grow and become more estab-lished. And the progress at CITY, CFMT and CBLT has shown that the barriers to recruiting ethnic staff can be surmounted.

Desbarats says CITY's approach, while it may be based on Znaimer's vision of democratizing television, also makes good business sense. That's because the station's core audience of younger, more-urban viewers is more ethnically diverse than that of other stations. "It's a good mar-keting strategy for CITY, and it fits in with their image of being close to the street," he says.

In contrast, says Desbarats, "the classic private-broadcaster mentality has been the slowest to the sharp market imperative that drives CITY and aren't subject to the political susceptibility that drives the CBC." Until very recently, says Desbarats, most of these stations hadn't identified minority márkets as important to

Desbarats says stations that have lagged in their ethnic hiring should ponder the fact that more than half of Toronto's population is already classified as ethnic (of origins outside the British Isles or France), and that a 1992 study by the Canadian Advertising Foundation forecast that non-whites will make up 45% of the city's population by 2001, just eight years from now. "Any news organization that ignores that is cutting its own throat," he says.□

ETHNIC MARKETING

Shopping Malls Cater To Growing Asian Population

■ BY MARTIN SETO

NLIKE the pain experienced by most retailers caught in the grip of recession, store owners serving Chinese communities have continued to enjoy growth.

The building of Chinese malls in Toronto and Vancouver is ample testimony that those market-places are expanding

places are expanding.

According to the 1991 Census, the Chinese populations of Vancouver and Toronto are, respectively, 167,000 and 235,000, and it is projected that those numbers will grow 5% per year.

This growth has, and will continue, to alter the retail landscape.

Historically, Chinese communities have been served through Chinatowns, which provided grocery stores, restaurants, imported foods and consumer durables. Once the centre of the community, they are today just another shopping area. Now, Chinese strip plazas and other indoor malls are alternative destinations. And these malls, usually anchored by a large seafood restaurant and a grocery store, are drawing business away from more established mainstream shopping centres.

Since Toronto's first enclosed Chinese mall, Chartwell Shopping Centre, opened its doors in 1988, more than 30 similar centres have entered the market.

But the traditional malls are fighting back. Toronto area's

Markville Shopping Centre and Scarborough Town Centre are regional malls that have recently created marketing programs aimed at the Chinese. This year, for the first time both locations held Chinese New Year celebrations.

Scarborough Town Centre also presented two Chinese Lion dances and martial arts demonstrations. Held in January, these attracted crowds of more than 2,500 per show. They were supported by advertising in *Sing Tao* and the general-audience *Scarborough Mirror*, and by a direct mail drop to 100,000 residents. All customers attending the events were given "Lucky money" envelopes—a traditional gift of money enclosed in lucky-color red envelopes. In this case, the money was a chocolate Loonie.

Markville shopping centre capitalized on 1993 being the Year of the Rooster by erecting a six-foot red rooster in its centre court. Consumers were invited to "pull a feather," giving them a chance to win various denominations of Markville Shopping Centre gift certificates. This was also supported by direct mail and newspaper advertising in local community papers.

Woodside Square, a Scarborough Town Centre competitor, is altering its store mix to boost its appeal to the Asian community. It boasts a Chinese bakery and gift



An artist's rendering of Vancouver's Aberdeen Centre

shop, and recently opened a Vietnamese noodle house and a Chinese restaurant that seats more than 300.

Market Village in Markham, Ont., held a mall promotion in February to celebrate the opening of phase two of its expansion. The mall has more than 80 shops and services that serve the area's fast-growing Chinese market. The centre is Hong Kong-financed and continues to grow while the rest of the market suffers with closures and bankruptcies.

Yaohan Supermarket, one of the Vancouver area's most recent Asian investments, positions itself as offering Canada's widest selection of Oriental food. Officials of the Japanese-owned store said they were overwhelmed by several thousand shoppers during opening day celebrations June 17, 1993. The 350-space parking lot overflowed, and police were brought in control crowds and car traffic.

Vancouver's Fairchild Holdings joined the trend when it opened the \$20-million Aberdeen Centre in 1990. As many as 5,000 people a day visit the centre's 60 shops and restaurants, as well as its 24-lane bowling alley and Chinese cinema. Kenneth Kwan, Fairchild's executive vice-president, says the mall was conceived five years ago to fill the need for an indoor mall catering to the Asian community. Last year, Fairchild built a sequel, the Parker Place Mall, a \$40-million development with 100 stores.

The Chinese market may provide the most obvious example due to the sheer size and growth of the community. But other ethnic communities are also being pitched.

Toronto-based Hakim Optical, a 60-store chain serving Southern Ontario, Halifax and Florida, recently conducted a test in Toronto's Portuguese market. It placed ads in Portuguese newspapers over a three-week period with a special offer to track response. Test results indicate that advertising is not enough to attract the community. The company has decided that Portuguese-speaking opticians and sales staff are also needed.

For mass marketers such as Hakim, it is also important that other ethnic groups continue to be marketed in order to avoid accusations of favoritism. Shawn Hisko, vice-president of advertising for Hakim Optical, says that when the company pursues an ethnic program, more than one ethnic market is targeted at a time.

Ethnic marketing is really just a new spin on the general serve-the-customer principle. The only difference from traditional marketing thinking is knowing that the customer base is not a homogeneous group but a diversity of cultures.

MARTIN SETO is president and creative director of the Reflex Marketing Group, Toronto.

The Chinese Market: A Sleeping Dragon For Advertisers

BY DOUGLAS BELL

SK any Canadian marketer with a pulse: Chinese Canadians are the proverbial key to Fort Knox.

Convince the fastest-growing immigrant group in the nation (33,000 people from Hong Kong arrived in Canada last year alone) that you've got what they need, and the gates of consumer heaven will swing wide in your favor.

The numbers speak for themselves. A consumer preference study conducted by DJC Research, Toronto shows that the average Chinese Canadian consumer has a higher income than the general population (household income, \$47,900, compared with \$46,814; personal income, \$28,900 compared with \$26,070), is better educated (60% with college and university degrees, compared with 46%), is less likely to be unemployed (8% versus 11%), and is significantly younger than the general population (the mean age for

Chinese Canadians is 35; for Canadians as a whole, 44).

Kenneth Kong, retail marketing and sales manager for the Metro Toronto operations of Royal Bank, a company consistently ranked number one in serving the Asian population among Chinese Canadians surveyed by Toronto paper Sing Tao, says the Chinese-speaking market is very sophisticated when it comes to shopping financial services.

A study of the consumer response to its three-year print and TV campaign tells the Royal that the Chinese-speaking population is quicker to invest in a wide range of financial offerings, relative to some other groups.

Consequently, this year's print campaign evolved beyond image advertising designed to appeal to the Chinese interest in safe, stable and secure financial services such as mortgages and savings accounts. It now highlights more mature in-

struments such as mutual funds

While the Royal Bank is already into the second generation of market research, examining and refining an already successful marketing campaign, others are only beginning to explore how to tap this potential windfall. Lynn Laroche, a marketing manager with the Royal Canadian Mint, is currently sifting through research which examines the media-buying habits of Chinese Canadians. It launched the research in an effort to refine a marketing strategy for the mint's 24-karat gold bullion Maple Leaf coins, which is failing in the broad-based Canadian marketplace. Curiously, although the product has not taken off in general, it has been sold successfully in the Asian market.

The mint wants to know why. Laroche offers two theories. First, for Asians—especially Hong Kong Chinese—the bullion coins appeal to their propensity for having hard assets. Secondly, Asians put a lot more stock in bullion than most Canadians because gold symbolizes prosperity, security and good luck.

While marketing to a superstition may seem rather fanciful, the tack seems to work, and has been taken up by many advertisers.

The Royal Bank, for example, partly attributes the success of its financial hotline for Chinese customers to the fact that it liberally uses the digits 3 and 8, which to the Chinese, Kong says, indicate, respectively, liveliness and prosperity

In considering adapting English names or ad copy to the Chinese market, be careful of the traps literal translation represents, says Christine Lewis, director of personal markets for North America Life. She recalls that before pushing Chinese print ads out the door into specialty publications Mandarin Home and Ming Pao, its agency Terry O Communications, Toronto, warned that the literal translation of the company's name—"Bo Mei"—could be taken to mean "not fulfilling." Hardly the fit a financial services company is after. The name was changed to "Ga Mei," roughly meaning "Canada and America Life," and "added value."

One enterprise neatly placed to take advantage of Chinese cultural norms in the Canadian market is the cellular phone industry.

Cantel marketing vice-president Wayne McCulloch says that as far back as 1985, the company has actively sought dealers familiar with the Chinese Canadian market. Cantel relies on individual dealer networks using local print advertising to get the word out. McCulloch says the company's "powerful success" serving this market (he would not elaborate with figures) has a lot to do with the fact that the Chinese prefer cellular phones to answering machines. "Just try to find a Chinese Canadian with an answering matherical state of the company of

chine in their home," he says.

Henry Chow, a Toronto-area
Cantel dealer, confirms McCulloch's analysis. "Unlike Canadians, Hong Kong people are willing
to do business anytime—I mean

how hard can it be to answer a phone? As long as they're making money, they don't care," he says.

As for marketing strategies, Chow keeps it simple. "Chinese don't care about warranties, as long as they trust the person who's selling them the equipment. Beyond that, the issue is price and premiums."

Chow advertises in Toronto's Chinese daily Sing Tao twice a month, since his research indicates that the majority of Chinese Canadians do not look at the paper every day. Without home delivery, most read Sing Tao on the weekend (when circulation doubles from 25,000 to 50,000).

Despite the reported successes, there are those that see throwing money at the ethnic marketplace

as an unnecessary expenditure.
Randy Vogel, head of brand
marketing for Smith Kline Beecham's fruit drink Ribena, says
that the Canadian firm put a
"nominal sum, less than \$50,000,"
into advertising Ribena as a health
product in local Chinese publications. But the campaign stumbled,
almost before it got out of the gate.
A cost-cutting priority put it on the
block, and it was gone after only
two months.

"Frankly, it was a case of, 'Let's try this and see what happens.' Because it was cut off so early, we got no sense of the impact."

Given the huge potential the market represents, Ribena may live to regret pulling out as soon as it did D

DOUGLAS BELL is a Toronto-based freelance writer.

