



ocean

Building relationships with Chinese immigrants

Insights for NZI

Why our focus on Chinese immigrants

New Zealand is fast becoming an increasingly more diverse and multi-cultural society. Asian ethnic groups make up 12% of New Zealand's population and the largest Asian ethnic group is Chinese.

To be a progressive brand, you need to really know your customers to capture their hearts and minds.

Our insights focus on Chinese people born overseas because they have a distinctive mindset and lifestyle connected to their original Chinese background.

These insights draw on information from a series of our one-to-one interviews and desk research to give you a better understanding of Chinese immigrants in New Zealand.

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 - 2. Attitudes to insurance**
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1. A look at profile and lifestyle

Who lives where?

The largest Asian ethnic group

171,411 New Zealand residents are Chinese, an increase of **63%** since 2001. Chinese make up **4.3%** of New Zealanders, **36.3%** of the Asian ethnic group.

Auckland region as main residence area

69% of Chinese immigrants live in the Auckland region, the majority in Howick, Albert-Eden, and Kaipatiki areas.

Most of them from China

73.4% were born overseas. Among those, **96.6%** were born in mainland China.

More and more private wealth comes from China

China's private wealth reached US\$22 trillion in 2013 and will grow to US\$40 trillion by 2018. Nearly half of wealthy Chinese in mainland China planned to have moved abroad by 2019.

What is their typical profile and lifestyle?

High education level

33.7% of Chinese immigrants have a bachelor's or higher degree, compared with 20% in the total New Zealand population.

Closer family links

23.9% of them live as an extended family, much higher than 11.7% for the total New Zealand population.

Fewer are religious

63.1% say they have no religion, compared with 41.9% in the total New Zealand population.

Fewer smokers

8.5% say they are regular smokers, much less than 15.1% in the total New Zealand population.

Introducing some typical personas



Melody Wu
New Zealand upbringing

- 25, arrived in New Zealand at the age of ten with her parents
- A 50/50 mix of Chinese and Western culture background
- Works in a bank in Auckland



Ann Chen
long-term immigrant

- 52, living in New Zealand for 20 years
- Operates multiple family businesses, including a restaurant and trading consulting company
- Good local network



Jack Zheng
overseas investor

- 48, came to New Zealand 2 years ago through the investment immigration programme
- Owns three properties in Auckland
- Travels between China and New Zealand to run his business



Vicky Huang
medium-term immigrant

- 31, came to New Zealand 12 years ago to study
- Used to work for corporates, now is planning a family business with her husband
- Lives in East Auckland



Peter and Lucy Yang
business immigrants

- 36 and 33, came to NZ with their 3-year-old son 3 years ago as business immigrants
- Sold their property in Beijing and bought a motel business in the South Island



Frank Jiang
new, skilled migrant

- 28, arrived in New Zealand 2 years ago with a working-holiday visa
- Works in Wellington as an IT engineer in an SME



Yong Han
middle-aged chef

- 45, living in New Zealand for 8 years, got his permanent residency one year ago
- Works in a restaurant in Wellington central and lives with his family in Tawa



Vivian Zhang
overseas student

- 22, came to Auckland 3 years ago to study for her bachelor's degree
- Plans to find a job as an accountant in New Zealand after graduating



Youwei and Ping Liu
empty-nesters

- 65 and 69, moved to NZ 8 years ago for a family reunion with their daughter
- Their daughter and her husband live and work in Australia

2. Attitudes to insurance

How do Chinese immigrants prefer to manage their money?

More savings, less debt

“I don’t like to rely on debt for my spending. I barely have any debt. I will only borrow money from banks for my mortgage.” *Melody Wu, New Zealand upbringing*

Prefer to own property

“No matter where we go, we consider buying a house to really settle down.” *Peter and Lucy Yang, business immigrants*

“ I bought my first home within the first week I arrived in Auckland. Now I own three houses around Auckland.” *Jack Zheng, overseas investor*

More

Mainland China has more than double the savings rate of the international average. Because access to finance and government welfare is limited, people need to save for their healthcare, housing, and education.

Being frugal is a traditional Chinese virtue.

In New Zealand, the Chinese community also have a higher intention than other ethnic groups to save money.

How do Chinese immigrants view insurance?

New immigrants from mainland China are influenced by the negative experiences of the insurance industry in their homeland. They usually won't consider buying insurance if it's not compulsory.

“We only buy business insurance because it's compulsory.”
Peter and Lucy Yang, business immigrants

Immigrants who've been living in New Zealand for more than 3 years tend to have a more positive impression of the insurance industry.

“I feel my mindset is now quite similar to Kiwis', and I think having insurance is indispensable in my life.” *Vicky Huang, medium-term immigrant*

Other areas, like Taiwan or Hong Kong, have a relatively more mature insurance environment. Immigrants from these areas have more trust in insurance.

More

The insurance industry in mainland China is notoriously unreliable, creating distrust and frustration for customers.

Most people have some experience of:

- Pushy, dishonest salespeople and brokers
- Complex terms and conditions
- Difficulty in making claims
- Weak regulatory bodies



Why do many people not buy insurance in mainland China?

Insurance premiums in mainland China make up only 3% of its GDP, compared with 12% in other developed countries. Why?

- **Traditional mindset**

Chinese maintain close family links to manage financial risk: children support their elderly parents, and the extended family helps a family in need.

- **Short-term benefits**

Over the last 30 years, mainland China has experienced massive economic and political change. To avoid long-term financial uncertainty, people prefer the financial return on investment insurance products rather than pure risk insurance products.

- **Slow development of the insurance industry in mainland China**

People in Hong Kong and Taiwan have similar traditional mindsets to people in China, but they buy more insurance than the world average because of their more developed insurance industries. Developing and managing the Chinese insurance industry could help change attitudes in mainland China.

What are Chinese immigrants' views on dealing with banks and brokers?

Immigrants don't mind dealing with banks or brokers because they think it will simplify the decision-making process and making claims

"I don't really want to know what insurance company is behind my bank. I just want the bank staff to sort it out for me, so that I don't need to talk to a different person." *Melody Wu, New Zealand upbringing*

"I think I can trust my broker. The price and terms are more or less the same and I don't bother handling it myself." *Vicky Huang, medium-term immigrant*

When immigrants first arrive or start up a business, they usually accept their bank's offer.

"When I opened my business account, my bank recommended some insurance to me. I just accepted it without thinking too much." *Peter and Lucy Yang, business immigrants*

Which types of insurance do Chinese immigrants buy and how?



Melody Wu
New Zealand upbringing

- Car insurance
- Other types of insurance are mainly handled by parents
- Influenced by friends' claim experience



Ann Chen
long-term immigrant

- Family, home and business insurance
- Gives suggestions to friends about which broker to go to
- Gets discount from banks for being a long-term client



Jack Zheng
overseas investor

- Car, home, travel insurance
- Will consider business, health insurance when having more time and investment in New Zealand
- Values personalised service, time efficiency



Vicky Huang
medium-term immigrant

- Car, health, home, contents insurance
- Will buy business insurance when starting up the family business
- Trusts brokers and listens to friends' recommendations



Peter and Lucy Yang
business immigrants

- Business, car insurance
- Will consider health insurance when income improves
- Takes advice from the bank when setting up a business account



Frank Jiang
new skilled migrant

- Car insurance
- Will buy home insurance when buying his first home
- Searches for online comments



Yong Han
middle-aged chef

- Car, home insurance
- Wants to have health insurance but hesitates because of existing health problems
- Talks to Chinese-speaking brokers advertising in Chinese newspapers



Vivian Zhang
overseas student

- Student insurance
- Took the offer from college but is considering switching to a lower-priced insurer suggested by fellow students



Youwei and Ping Liu
empty-nesters

- Car, travel insurance
- Health insurance too expensive and their age is outside of some insurers' cover range

Who are NZI's potential customers?



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3. Communication preferences

How do Chinese immigrants prefer to be communicated with?

The need for language help varies. However, most immigrants agree that they prefer the comfort of talking to Chinese-speaking staff or brokers.

“I have no problem talking and reading in English, but I still feel better if a company has Chinese-speaking staff or a hotline, like ANZ’s and Spark’s.” *Ann Chen, long-term immigrant*

“It is still easier and faster for me to receive information in Chinese. Of course, the translation needs to be accurate.” *Vicky Huang, medium-term immigrant*

But immigrants don’t want to be treated in the ‘Chinese way’, which is too flexible and doesn’t always follow the rules.

“I don’t like the ‘Chinese way’ of doing business. I like the Western way, which is more principled.” *Peter and Lucy Yang, business immigrants*

“A lot of boasting, too much personal relationship is involved.” *Frank Jiang, new-arrival technician*

What are Chinese immigrants looking for from brands?

Some people care about the practical consumer benefits of a brand, such as Chinese language services.

“I will tend to turn to a brand with Chinese staff in their branches, like AML.” *Yong Han, middle-aged chef*

Immigrants who've lived in New Zealand for more than 5 years, especially those who arrived at a young age, care more about whether a brand supports the Chinese community.

“I get a very positive impression about a company that does charity work in the Chinese community. I remember one company donating money for a seriously injured Chinese.” *Melody Wu, New Zealand upbringing*

“Some companies employ more Chinese staff than others. This is a contribution to the Chinese community.” *Vicky Huang, medium-term immigrant*

The banking sector is well advanced in communicating with Chinese customers

ANZ is the leading example.

Chinese web page



Chinese New Year campaign



Chinese ad



Chinese staff



Chinese hotline



Chinese online video



NZI's partners are also proactively approaching Chinese immigrants

ASB



BNZ



Crombie Lockwood



What are the media preferences?

Chinese-language media outweighs English-language media

Chinese-language media

Website



Portal and forum in NZ



Portal in China



Zhihu: Online community



Portal in China



Portal in China

Social media



MicroBlog in China



Chatting app

TV and radio



NZ local Chinese channel



International channel of
China Central TV



NZ local Chinese radio

Newspaper



NZ local Chinese newspaper

English-language media



4. Starting to build a Chinese consumer strategy

A 3-step plan

1. Clarify and coordinate NZI's approach
2. Work with your partners
3. Become an expert on your Chinese consumer

1. Clarify and coordinate NZI's approach

- **Clarify what you want to achieve. What does success look like?**
- **Coordinate and communicate with other IAG brands. What do they plan to do for the Chinese community?**

2. Work with your partners

- **Leverage your banking and broker partners' connections and experiences with consumers. How can you get better results from less input?**
- **Give your partners a reason to recommend NZI over other insurers. Have you tailored your products and services for the target audience?**

3. Become an expert on your Chinese consumer

- **Focus on the most valuable consumer segments. What drives their decision-making?**
- **Accumulate insights from ongoing research. Do you know what you need to know about this growing market?**

Appendix: More about our typical personas

For our interviews, we selected 20 Chinese immigrants from different age groups, in different residential areas, and with different personal backgrounds. We divided our interviewees into segments and built up the nine typical personas described in this report.

Melody Wu

New Zealand upbringing



Profile:

- 25, single.
- Arrived in New Zealand 15 years ago with her parents when she was ten.
- Has a masters degree, and just started working in a bank in Auckland.
- Speaks both Chinese and English fluently. English writing is better than Chinese.
- Has a 50/50 mix of Chinese and non-Chinese personal friends.
- Considers herself very Kiwi in lifestyle and values, but also holds some traditional Chinese values.

“I grew up with New Zealand-born kids and feel we are similar in most respects. But I also feel I am quite Chinese in some ways. I don’t like partying and drinking all night long. I don’t like to rely on debt for my spending.”

Reading and writing in English is easier for me than in Chinese. But my parents don’t like me speaking English at home or mixing English and Chinese words into a sentence.

I feel I am quite different from new immigrants. They are more concerned with their permanent residency status and personal incomes, rather than our community and environment.”

Ann Chen

long-term immigrant



Profile:

- 52, married with two children in college.
- Living in New Zealand for 20 years.
- Used to work for a government department. Now operates multiple family businesses, including a restaurant and an trading consulting company.
- Has good networks in New Zealand and China. Knows the different ways of doing things in both countries.

“About half of my business partners and personal friends are Chinese.

I think our way of educating our children is quite western. Both of my two children are overseas, working or studying. We respect their opinions and choices.

I work at home on my international trading business. It's not so busy. We worked too hard when we were younger. It's time to take care of our health and wellbeing.”

Jack Zheng overseas investor



Profile:

- 48, came to New Zealand 2 years ago through the investment immigration programme.
- Other family have moved to live here as well. He travels between China and NZ to take care of his business in China.
- Invested in three properties in Auckland. Plans to invest more in farming and real estate in the future.
- Has good network in China. Building his business connections in New Zealand.

“Farming is a very promising industry in China now. I believe we can find good opportunities with the farming resource in New Zealand and our capital resource in China.

It is not the best time to buy properties in Auckland now. I am looking at Christchurch.

To live, I think only Auckland is acceptable. Other New Zealand cities are not as international.

I think I will have more time in New Zealand in the future, not only for business but for family.”

Vicky Huang medium-term immigrant



Profile:

- 31, came to New Zealand 12 years ago to study and met her husband as a student.
- Used to work for corporates and agencies as a designer. Stopped working after having her son.
- Starting a furniture retail business with her husband. He still works for a company, but will focus on the family business if it goes well.
- Lives in Howick, East Auckland.

“We don’t want to work for others any more. It’s time to start our own business.

My husband and I are both professionals, but there is still a lot to learn about starting a business. We will sort it out.

My son is two years old now. My parents and my husband’s parents take turns to live with us to help. But we insist on our way of taking care of our baby, which is quite close to the western way.”

Peter and Lucy Yang business immigrants



Profile:

- 36 and 33, came to New Zealand through the business immigration programme 3 years ago.
- Moved to New Zealand mainly for the lifestyle and education opportunities for their son.
- Used to work as middle managers in companies in Beijing. They are typical middle-class, working Chinese.
- Sold their property in Beijing for around 1 million NZD. Used the capital to move and start up in New Zealand.
- Currently operating their own motel business in the South Island.

“Our attitude to life has changed a lot since our son was born. We don’t want to live in the busy, crowded big cities like Beijing anymore.

We used to work as professionals and managers. It was a big shift when we started our own business in here. But we’ve got through the toughest time already.

Our son is five years old now. We’re looking for a community with a better primary school. We would sell our motel business, if necessary.”

Frank Jiang

new, skilled migrant



Profile:

- 28, arrived in New Zealand 2 years ago on a working-holiday visa, then applied for a skilled-migrant visa.
- Works in Wellington as an IT engineer in an SME.
- Just changed job and got a 20% salary increase.
- Used to live and work in Shenzhen, China, before he moved to New Zealand with 3 years IT work experience.
- Single, but already plans to buy his own home.

“Working as an IT engineer in China is exhausting. In New Zealand, it’s much better. And finding an IT job here is not difficult.

Considering the cost of living here, I don’t really earn more than in China. But I feel I have a much better work-life balance here.

I rent a room not far from my work. I plan to buy my own apartment or house within two years. My parents may come to New Zealand in the future.”

Yong Han middle-aged chef



Profile:

- 45, married with three children.
- Has been living in New Zealand for 8 years, and got permanent residency one year ago.
- Works in a restaurant in Wellington central and lives with his family in Tawa.
- Doesn't speak good English but enough for communicating at work.

“I earn much more in New Zealand than in China, but feeding a family with three kids is not easy.

I haven't bought my own house yet. I rent a five-bedroom house for family living. To save more money and increase my income, I rent out two rooms to tenants.

I think I've got used to everything here. You don't need to speak fluent English. In the local Chinese newspaper, you can find all sorts of services from Chinese.”

Vivian Zhang overseas student



Profile:

- 22, came to Auckland 3 years ago to study for her bachelor's degree.
- Works part time as an intern in an SME.
- Plans to find a job as an accountant in New Zealand after graduating.
- Comes from a middle-class family in Suzhou, a second-tier city in China.

“The main reason my family chose New Zealand for my overseas study is because it's easier for immigration.

It's not so easy to find a job as a fresh graduate. I've seen some friends graduate and not get a job. I work as an intern for a small company for free, just to get some work experience.

My family pays for my expenses here. They don't want me to worry about money, but I still try to save. I plan to buy a second-hand car with my own earnings.”

Youwei and Ping Liu empty-nesters



Profile:

- 65 and 69
- Eight years ago, retired from teaching in China and moved to New Zealand for a family reunion with their daughter.
- Their daughter left New Zealand to work in Australia five years ago. She now lives with her husband in Brisbane, and sees her parents once or twice a year.
- Youwei and Ping live in their own home in the North Shore, Auckland.
- Only Ping speaks basic English. They need translation help for visiting the doctor and for other public services.
- Most of their friends in NZ are Chinese.

“We have some friends here, but we still feel quite lonely.

We live quite independently, which is different from people our age in China. This makes us feel younger. We don't feel we need to be taken care of yet.

Maybe we will move to live with our daughter in five years.

We don't feel we have too many problems not speaking English. We contact Chinese suppliers for household services. We watch TV programmes in Chinese. If we need to see a doctor, we have the telephone translation aid.”

Ocean Design New Zealand

Ocean Design is an independent, New Zealand-owned creative company based in Wellington. We partner with established and emerging businesses to design and transform their brands and brand experiences.

For over 25 years, we've helped businesses thrive in a changing world by achieving more meaningful connections with their customers.

Fay Nie Brand Strategist

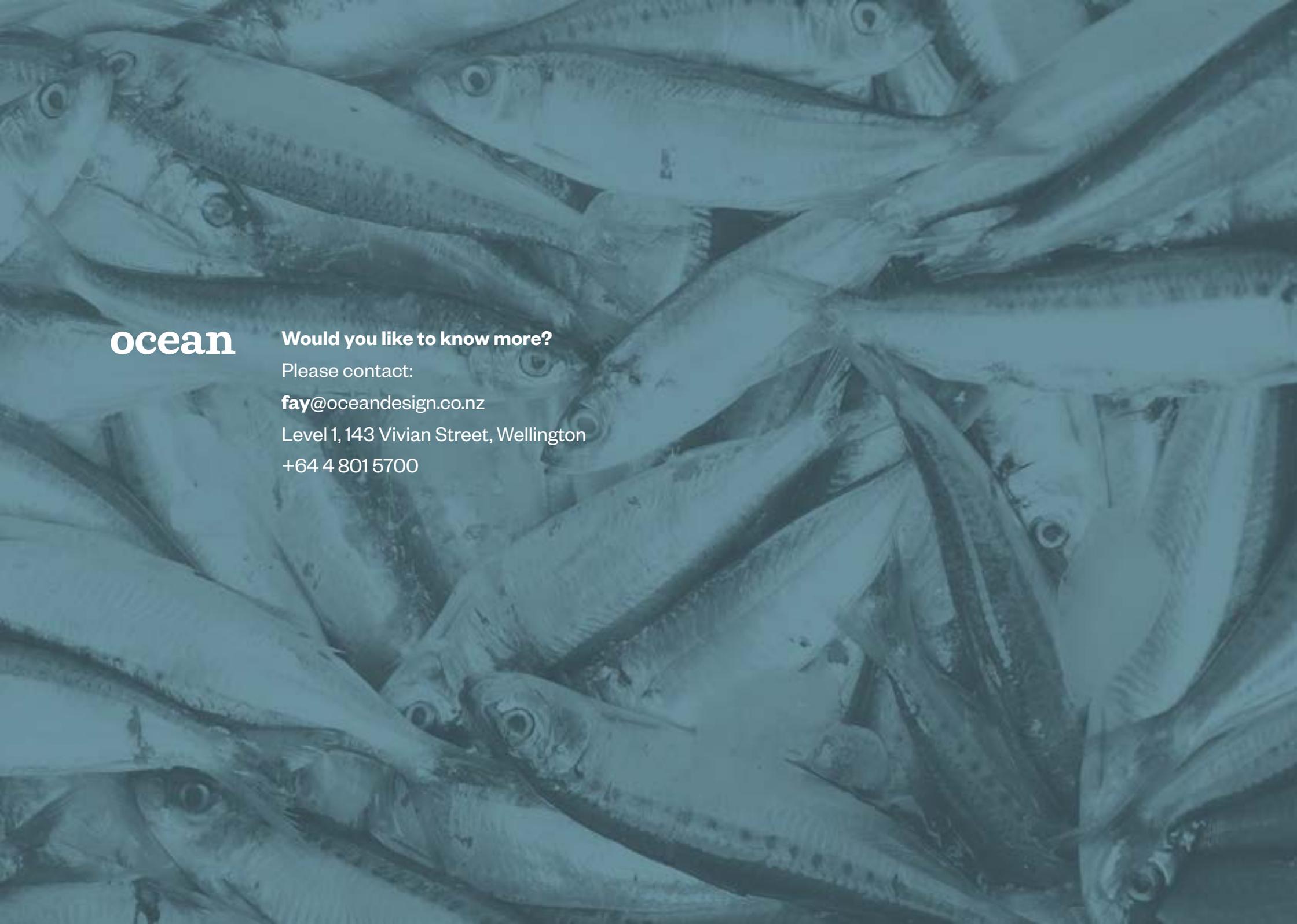
Fay has a rare ability to align brand strategy to business strategy.

She believes that combining highly logical and creative thinking is key for developing a brand strategy that is both on target and compelling.

Fay's approach is to generate in-depth insights and then to work closely with the creative team to develop a competitive brand strategy.

Clients Fay has worked with include Volkswagen, Audi, Financial Times, Fisher & Paykel, Bottega Veneta, Sinopec, Air China, and OPPO.





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Would you like to know more?

Please contact:

fay@oceandesign.co.nz

Level 1, 143 Vivian Street, Wellington

+64 4 8015700