

Language Matters

The commercial opportunities language services presents to Australian businesses



**Language
Loop**

**Australia's leading language
services provider**

Languageloop.com.au

Foreword

Welcome to our first Language Matters report which provides fresh insights into Australia's ever-evolving cultural DNA. We highlight the unique and substantial opportunities our growing migrant population presents, based on our latest research into migrant consumer habits.

This report includes:

1. New research that reveals the enormous commercial benefits that businesses can realise immediately by providing language services. We surveyed a representative sample of 3,000 multilingual consumers (of the five million+ Australians who speak a language other than English).
2. A comprehensive range of supporting third party data and analysis from various sources including the Australian Bureau of Statistics (ABS), The World Economic Forum, Economist Intelligence Unit (EIU) and the Organisation for Economic Coordination and Development (OECD), which corroborates the increasing need for a multicultural and multilingual approach for all Australian products and services.
3. The crucial role that language plays for consumers, as well as new regulatory changes to essential services.

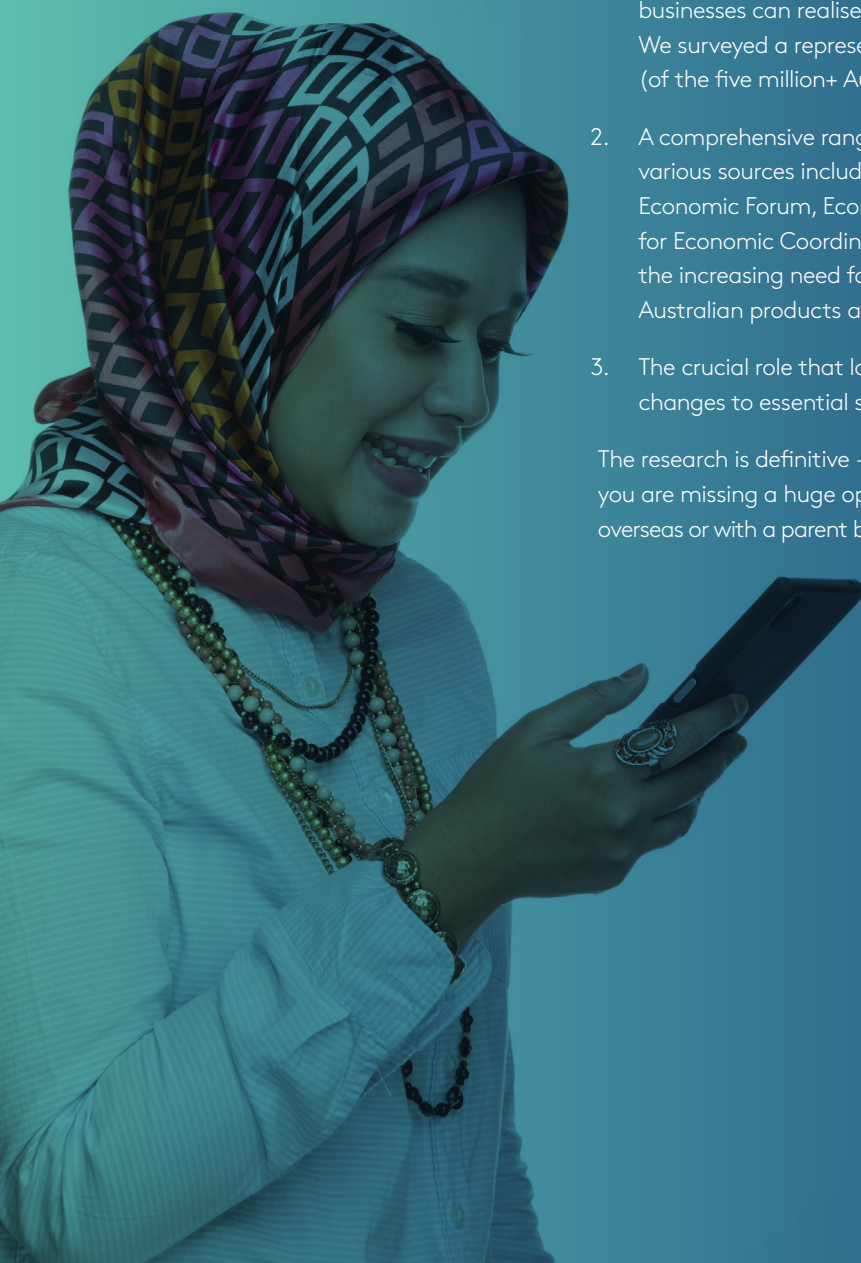
The research is definitive - if you are only engaging with your customers in English you are missing a huge opportunity. With 49 per cent of Australians either born overseas or with a parent born overseas, you are simply not meeting their needs if

you are not talking their language. Businesses so often strive for personalisation and language is the foundation of personalisation - so without this core strategic element, businesses will never truly know their customers and the benefits that derive from engaging in their preferred language.

Do this and you will reap significant rewards—rewards that translate to revenue—more satisfied and more loyal customers, who are more likely to purchase additional products/services—reducing your cost to serve and acquire. We look forward to working with you to improve your customer's experience.

Au revoir,

Elizabeth Compton
CEO, LanguageLoop





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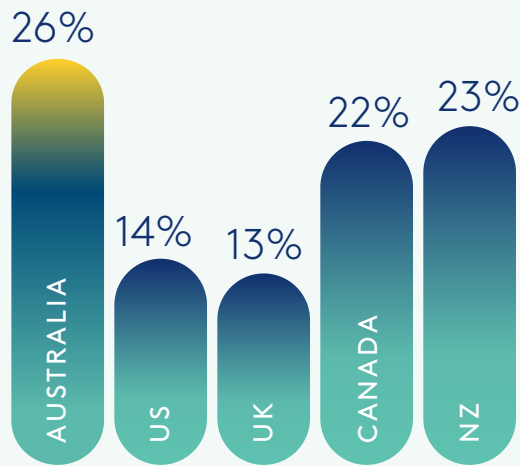
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Australia's Cultural Diversity Facts

Australia is more culturally diverse than any other country on the planet. So why do the majority of businesses continue to only engage with their customers in English?

The 2016 ABS Census confirmed that Australia is now more diverse than the United States (14 per cent), Canada (22 per cent), New Zealand (23 per cent) and the United Kingdom (13 per cent). In fact, overseas migration is now the main driver of Australia's population growth, accounting for over 55 per cent of Australia's population increase since 2001. Our overseas-born resident population now equates to 26 per cent of our total population—one of the highest percentages in the world - according to the Australian Bureau of Statistics' (ABS) Migration Report (April 2019).

Percentage Of Population Born Overseas



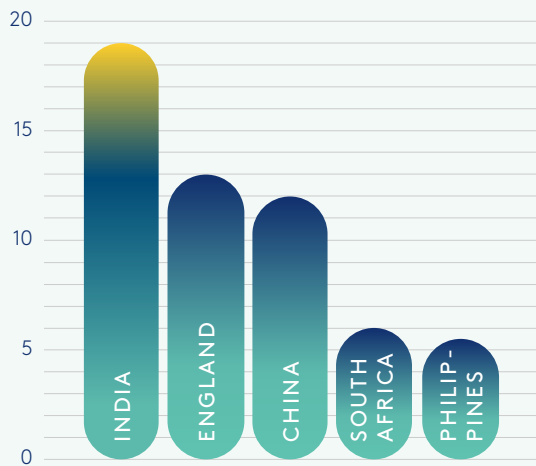
Australian Bureau of Statistics Migration Report (April 2019).

China has recently surpassed the United Kingdom as Australia's primary source of permanent migrants in 2010–11. Since then, China and India have continued to provide the highest number of permanent migrants.

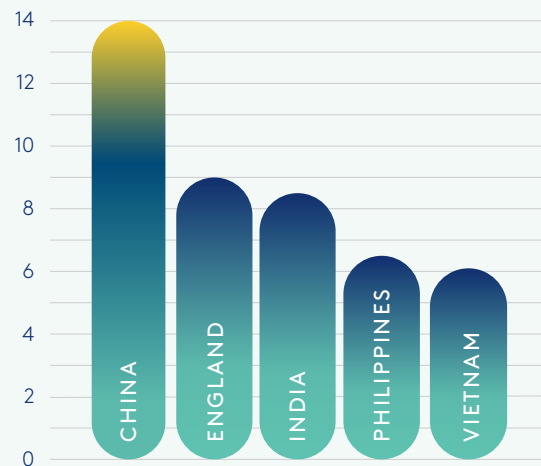


Top countries of birth for migrants in 2016, who arrived in Australia between 1 January 2000 and 9 August 2016.

Country of birth for skilled migrants



Country of birth for family migrants



Australian Bureau of Statistics Migration Report (April 2019).

Over the last decade there has been a large increase in the number of people who do not speak English as their first language. The latest 2016 Census shows that 21 per cent of our population now speaks a language other than English at home.

Today, Australians speak over 300 languages besides English, with the top 10 identified as Mandarin, Arabic, Cantonese, Vietnamese, Italian, Greek, Tagalog/Filipino, Hindi, Spanish and Punjabi. With 40 per cent of Australian migrants born in China and India, Australia has 1.3 million Chinese speakers alone.

Australia's Top Ten Languages Besides English (in order)

1. Mandarin
2. Arabic
3. Cantonese
4. Vietnamese
5. Italian
6. Greek
7. Tagalog/Filipino
8. Hindi
9. Spanish
10. Punjabi



Economic Overview

The economic contribution of multilingual migrants should not be underestimated. As we think about rebuilding the economy from the significant impacts of COVID-19, the topic of migration often leads to common misconceptions.

However, Australia's migrant taxpayers generated \$112.3 billion in total personal income in 2016-17 alone, according to the ABS. In fact, the median employee income of migrant Australian taxpayers is higher than all other Australian taxpayers, according to the ABS 'Personal Income of Migrants, Australia, 2016-17' report.

The 2016 Australian Census and Migrants Integrated Dataset also revealed that about 54 per cent of permanent migrants aged 18 years and older were buying or owned their own home.

With migrants from India generating \$18 billion in taxable income, Chinese migrants generating \$9 billion and migrants of Filipino descent generating \$5.7 billion in 2016-2017, economists forecast migrants will contribute an estimated \$1.6 trillion to the Australian economy by 2050.

Therefore, the opportunity for revenue growth amongst this vast contingent of our population is immense.

The World Economic Forum produced data in association with the Economic Intelligence Unit in 2017 to reveal that migrants lift the standard of living by 0.1 per cent of GDP per capita, raise the workforce participation rate, and increase productivity by 10 per cent. Further to this, millennials form the largest proportion of Chinese migrants in OECD countries, of which over two-thirds are secondary and tertiary-educated, thereby fuelling the knowledge economy in each host country.

The most commonly held occupations of skilled migrant employees are:

- Business and Systems Analysts
- Programmers
- Midwifery and Nursing Professionals
- Accountants, Auditors and Company Secretaries
- Medical practitioners
- ICT Managers
- Engineering Professionals
- Stationary Plant Operators
- Construction, Distribution and Production Managers.

Humanitarian migrants contribute millions of dollars to the Australian economy

According to the ABS 'Personal Income of Migrants 2016-2017' report, the economic contribution of refugees via taxable income is more than considerable and far outweighs any disadvantages. In 2016-17,

humanitarian migrants earned \$2.9 billion in taxable employee income.

- Those born in Afghanistan reported the highest proportion of income at \$486 million, followed by the Sudan (\$445 million).
- The median employee income for male refugees aged 35 to 44 years is comparable to the average native-born Australian (circa \$43,000 per annum).

- Some of the highest median employee incomes in positions held by refugee migrants included Medical Practitioners (median annual income of \$111,873), ICT Managers (\$92,229), Defence force members, fire fighters and police (\$75,267) and Business and Systems Analysts, and Programmers (\$67,352).

The Commercial Opportunities

Our research highlights the enormous opportunities for business.

In an environment where it is very hard for businesses to differentiate themselves in a crowded market, looking after multilingual customers is one clear strategy where businesses can immediately gain competitive advantage.

Given the overwhelming data and diversity of our population it seems astounding that established businesses still treat language services as an afterthought, relying on ad hoc solutions such as scrambling around for a bi-lingual staff member who may happen to speak another language. Our population statistics confirm that language is in fact critical to how a business will grow and thrive. With most businesses striving for personalisation to deliver

services that are perfectly matched to their customers, surely language is the foundation of personalisation. LanguageLoop’s research amongst Australian migrants revealed their willingness to buy, pay more, recommend and stay loyal to businesses that cater to their language preferences, irrespective of their level of English language proficiency. The appetite for multilingual customer services is too compelling for organisations to ignore.

Our research highlighted multilingual consumer behaviour



90%

Would **recommend** a business that offered their customer services in multiple languages to family, friends and the wider community.



74%

Would be more **loyal** to an Australian business that could talk to them in their own language.



74%

Would **give their custom** to an Australian business on the basis that they or a family member could interact in their own language.



60%

Believed that being able to talk to a business in their own language is **as important as cost.**



74%

Would **buy more** services or products from a business if they could deal with them in their own language.

LanguageLoop research results based on 3,000 multilingual respondents (Oct 2019).

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A large number of AGL's customers have either a low proficiency of English or speak multiple languages. Our number one priority is to ensure that every single one of our customers receives the highest standard of customer service in any language.

Anthony Sinclair
Head of Customer Solutions at
AGL Energy Ltd

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I was born and raised in Italy but moved to Victoria in 2008 after meeting my Australian husband. I am fluent in English, however it would change my life in Australia if I were able to converse with businesses in my own language too. It would undoubtedly make me more loyal to any company who showed me that level of respect and courtesy.

Angela Pivillico
Mother of four, Baxter, VIC

Loyalty Leads To Profit

- Customer experience led businesses have 1.7 times higher customer retention, according to global market research consultancy Forrester.
- Loyal customers (those who support a brand over time) spend 67 per cent more than new customers, according to the 2019 Edelman Trust Barometer.
- Customer experience is set to overtake price and product as the key brand differentiator by the end of 2020 according to a study by experience management firm Walker.



Reaching Your Multilingual Customers

How Australian businesses can speak to their multilingual customers

Sharing a language builds trust and with trust comes loyalty. There are several ways to engage and connect with your multilingual customers. Translating your website, resolving customer enquiries through a 24/7 call centre interpreting service, enabling self-service multilingual chatbots, translating email newsletters, adverts and surveys, and in-language SMS payment reminders.

All these customer service options, combined with technology, can deliver a vastly improved service and streamline interactions for both customers and staff. You should be able to connect and engage with all your customers in any language, across any channel 24/7—or at least offer the same level of service as to English speaking customers.

How to deliver seamless in-language omnichannel solutions



The latest Artificial Intelligence (AI) technology in language services is also an integral part of a company’s digital transformation – growing revenue across any channel, in any language, on any device. Chatbots, video and telephone solutions, in even just the 10 most common languages, opens business up to another three billion+ people worldwide—an amazing opportunity for Australian companies seeking global customer bases or expanding into ecommerce.

Successful commercial adopters of language services utilise a range of technological innovations including video interpreting and chatbots as well as more traditional methods such as telephone interpreters and translations for essential marketing and customer services literature.

Our research identifies how businesses can improve their customer experience



99%

99 per cent asking for Australian businesses to introduce language services to better meet their needs.



66%

Two thirds (66 per cent) highlighted the huge benefit of telephone interpreters during interactions with commercial organisations such as banks and utility providers.



52%

Over half (52 per cent) would like the option of a face-to-face interpreter when required.



55%

55 per cent appreciate translated web material from businesses.



36%

36 per cent see a future for real-time video conversations with interpreters on their mobile devices.



36%

36 per cent of survey respondents would interact with real-time chatbots in their own language.



44%

44 per cent think Australian businesses would gain their loyalty by utilising translated SMS messages.

Catering To Your Clients

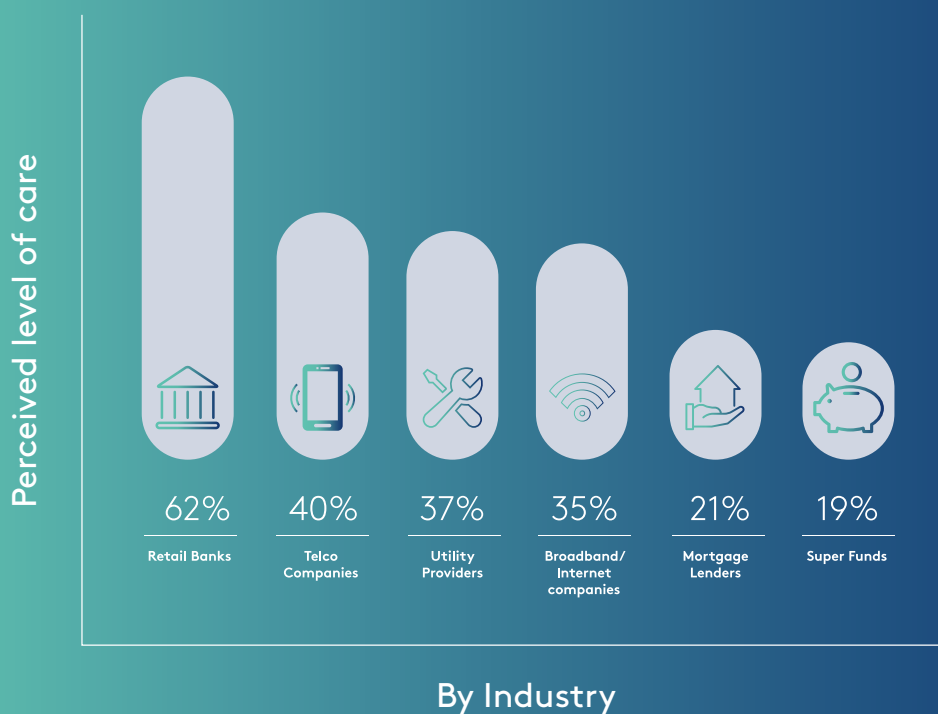
Australian industries have a way to go

In 2020, the Banking Code of Practice and the General Insurance Code of Practice set new standards for businesses to provide inclusive and accessible services for people from non-English speaking backgrounds or Indigenous communities. Many financial institutions are scrambling to provide language services to meet the Codes.

Despite the compelling migrant population stats, changes to mandatory customer accessibility requirements, and indisputable evidence demonstrating consumer appetite, the majority of key industries are still not fully capitalising on the opportunity to secure the valuable migrant dollar.

LanguageLoop asked migrants to rank Australian industries in terms of how well they catered to multilingual customers and found confidence levels were highest for Retail Banks and lowest for Super funds.

Perceived level of care delivered to multilingual customers



LanguageLoop research results based on 3,000 multilingual respondents (Oct 2019).

Complex Discussions

In some sectors customer enquiries typically involve reasonably complex discussions regarding contracts, product disclosure statements and other financial or technical scenarios that are often hard to clearly communicate or understand even between two native English speakers.

A typical 'Customer Disclosure Statement and Charter' from an energy provider is sufficiently complex that even English speakers need to check and double check what they are signing up to. For those with English as a second language, this process can be incredibly daunting and potentially result in a customer not choosing the most appropriate plan or product.

English speakers admit to struggling with superannuation terms

A survey from Suncorp Life in 2011 revealed that millions of Australians nearing retirement age were confused by basic superannuation terminology.

Very few Australians aged between 50 and 64 knew the definitions of the terms 'transition to retirement', 'commutation' or 'preserved benefit'.

Suncorp Life Executive General Manager David Carter said the survey confirmed "the superannuation industry needs to more readily communicate in plain English with its customers".

Now imagine how many Australians who speak English as a second language understood.

Sharing a language builds trust and with trust comes loyalty. That's why leading businesses and government bodies choose to partner with us to bridge this language barrier.

Let us help you speak to your customers in their language so you can be fluent in the most important language of all - great customer experience.

Mortgage Statement

Utility Statement

Superannuation
Disclosure Statement



The Final Word

Australia's population will only continue to become more and more culturally, and therefore linguistically, diverse every year. Migrants are already a vast contingent of the average Australian business' customer base, and this will continue full force for decades to come.

Rather than viewing language differences as a hindrance to good customer service, this actually presents enormous opportunities for early adopters to cement immediate competitor advantage. Multilingual consumers are eager to be recognised, and will show their loyalty to companies that take the nominal effort to look after them accordingly.

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Salamat

Gràcies

Tak

Grazie

благодарность

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Gracias

Merci

ਧੰਨਵਾਦ

谢谢

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Kiitos

ありがとう

Diolch

Stay In The Loop

About LanguageLoop

LanguageLoop is Australia's leading language services business and only full-service language provider. LanguageLoop's extensive network of over 3,000 interpreters and translators speak over 180 languages.

With over 40 years' experience, LanguageLoop is trusted by Australia's state and federal governments and leading brands including AGL, Energy Australia, The Westpac Group, IAG and others. Every year, LanguageLoop helps organisations connect with millions of non-English speakers through its extensive range of services including on-site, telephone and on-demand video interpreting, translations, 24/7 multilingual chatbots and other digital language solutions.

For more information visit [languageloop.com.au](https://www.languageloop.com.au)

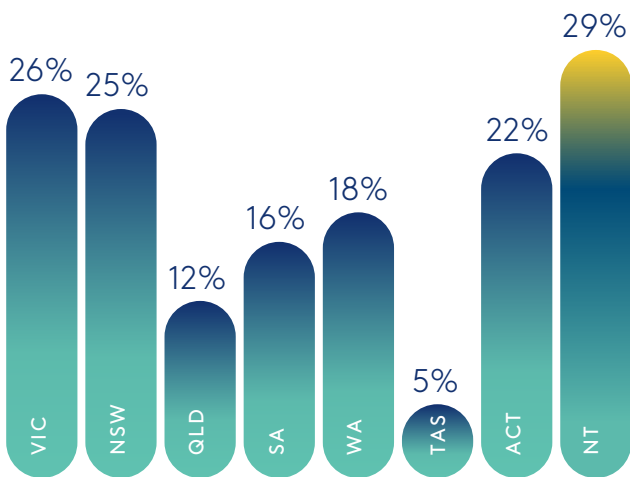
For more information about LanguageLoop's corporate services please email sales@languageloop.com.au or call our Head Office on 03 9280 1941.

For media enquiries please contact media@languageloop.com.au

APPENDIX

State & Territory Analysis

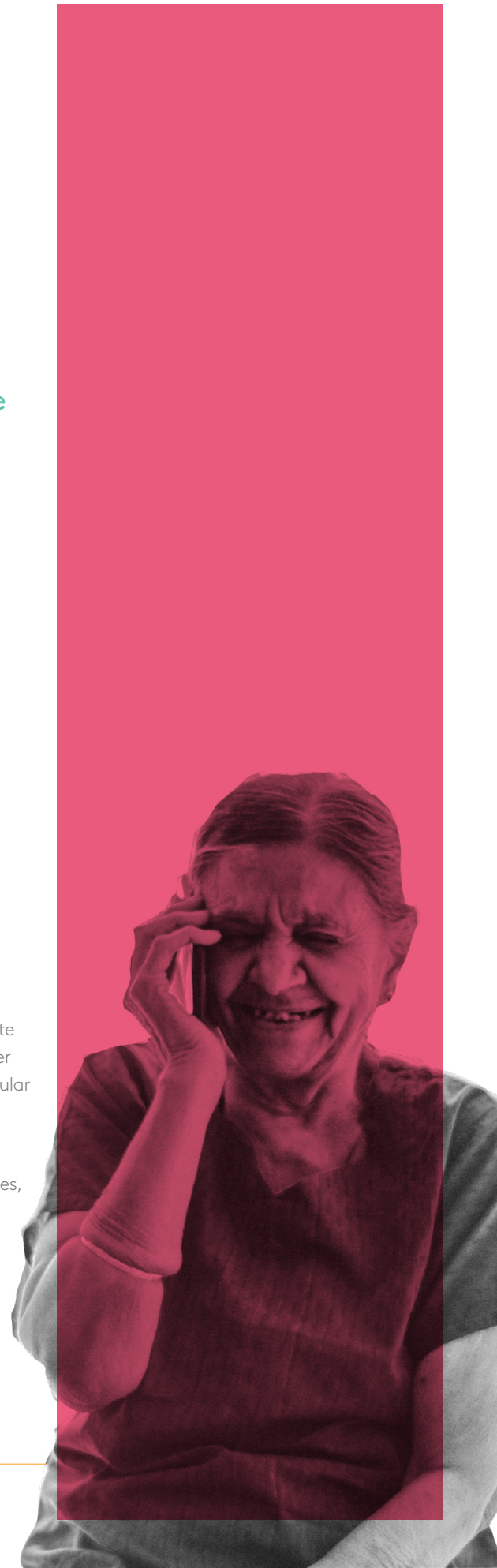
Around a quarter of residents in Victoria (26 per cent), New South Wales (25 per cent) and the Australian Capital Territory (22 per cent) speak another language besides English at home. The Northern Territory has the highest percentage of multilinguals or non-English speakers at 29 per cent.



ABS Census of Population and Housing (2016).

The most commonly spoken language besides English is Mandarin in every State except the Northern Territory, where Indigenous Languages dominate any other alternative to English, and South Australia where Italian remains the most popular second language.

Victoria, NSW and the ACT have higher percentages of Mandarin speakers than the Australian average. Western Australia is dominated by Asian languages, whereas Tasmania has five European languages (German, Greek, Italian, Spanish and Dutch) in its Top 10 after English. Italian speakers mainly reside in South Australia, where they outnumber the national average.



Top 10 languages other than English spoken across Australian States

	VIC	NSW	QLD	SA	WA	TAS	ACT	NT
1	Mandarin	Mandarin	Mandarin	Italian	Mandarin	Mandarin	Mandarin	Australian Indigenous languages
2	Italian	Arabic	Filipino/Tagalong	Mandarin	Italian	Nepali	Vietnamese	Filipino/Tagalong
3	Greek	Cantonese	Vietnamese	Greek	Filipino/Tagalong	German	Cantonese	Greek
4	Vietnamese	Vietnamese	Cantonese	Vietnamese	Vietnamese	Greek	Hindi	Mandarin
5	Arabic	Greek	Spanish	Persian/Dari	Cantonese	Italian	Spanish	Malaysian
6	Cantonese	Italian	Italian	Cantonese	Afrikaans	Cantonese	Italian	Nepali
7	Punjabi	Filipino/Tagalong	Korean	Filipino/Tagalong	Arabic	Filipino/Tagalong	Arabic	Vietnamese
8	Hindi	Hindi	Hindi	Punjabi	Punjabi	Spanish	Filipino/Tagalong	Indonesian
9	Filipino/Tagalong	Spanish	Punjabi	Arabic	Persian/Dari	Dutch	Greek	Thai
10	Persian/Dari	Korean	Japanese	Hindi	Indonesian	Persian/Dari	Korean	Hindi

2016 ABS Census of Population and Housing

Indigenous Languages

Australian Indigenous languages represent cultural identity, development and reconciliation. At the time of European settlement in 1788 it is estimated that there were between 200 and 300 distinct Indigenous Australian languages, including 800 dialectal varieties, spoken on the continent.

As Australia's only full language service provider we also deliver indigenous language services





Australia's leading
language services provider

Connect with us.

03 9280 1941

sales@languageloop.com.au

Languageloop.com.au