



Missing out:

The business case for customer diversity

February 2017

Foreword

The Australian Human Rights Commission is very pleased to launch *Missing out: The business case for customer diversity* in partnership with Deloitte Australia.

Equality, fairness and respect are fundamental values in our community and core tenets of our human rights and discrimination laws. It is well understood by leading organisations that promoting equality and valuing employee diversity in workplaces makes good business sense. So it came as something of a surprise to learn that the case for extending these values to customers had not been articulated and the experiences and expectations of diverse customers were not well understood.

Around 28 per cent of complaints received by the Commission in 2015-16 allege discrimination in provision of goods and services based on characteristics such as sex, age, race, disability, sexual orientation and gender identity. Given this, the apparent knowledge gap concerning diverse customers seemed to present some obvious risks, as well as indicating significant missed opportunity.

This innovative research aims to address this gap. *Missing out* highlights the benefits of treating customer diversity and inclusion as a strategic priority. Further, it articulates a way forward for those organisations seeking to take advantage of a proactive approach beyond ensuring compliance with discrimination laws.

We wish to thank our partners Qantas, QBE, SBS and Westpac Group. It requires maturity and foresight to align with new research that challenges organisations to do business differently and we greatly value their generous support.



Gillian Triggs
President of the Australian Human Rights Commission

For successful businesses the customer is central to all that they do, and the research contained within *Missing out: The business case for customer diversity* will be invaluable to any organisation wanting to benefit from taking a customer-centric approach. It will help them to ensure they are adjusting their product set and modifying their services to reflect the needs and wants of diverse customers.

In an age of social media where supporters and detractors can make or break any sales campaign, it is perhaps more true now than ever, that customers are using their individual purchasing power to endorse organisations which fit with their personal moral codes and who actively support causes that are important to them.

A big question for any organisation is can they afford to ignore their diverse customers and in doing so, is there a hidden impact which accumulates over time?

Customers in the modern day are not homogenous and when organisations go out of their way to meet the needs of their diverse customers – whether they be women, identify as LGBTI or have a disability – the research shows that these organisations are rewarded with stalwart supporters who return for repeat business and actively campaign within their communities on behalf of that organisation.

I am thankful to the Australian Human Rights Commission for their partnership in the development of *Missing out: The business case for customer diversity*. Praise too for our partner organisations Qantas Airways, QBE Insurance, SBS and Westpac whose insights were instrumental in the development of this research.

And kudos to our own leaders, Juliet Bourke and Jenny Wilson for having the foresight to undertake this cutting-edge research and then to make sense of the trends in such a compelling way.

It is only through partnerships such as these that we can jointly shift the national dialog and ensure that the needs of Australia's sophisticated, empowered and diverse community are met.



Cindy Hook
Chief Executive Officer, Deloitte Australia

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Introduction

From the moment we wake up, until the moment we go to sleep, our daily lives are a kaleidoscope of customer interactions.

As soon as we open our eyes, we see reminders of previous customer moments: the bedroom furniture we once chose, our clothes and our breakfast options. And as we open our front door, we step into a whole new set. We check our phones, we buy our coffee, we visit the gym, we catch the bus, or ferry or train, we surf the net.... And when we return home to collapse in front of the TV, we engage in a whole lot more.

Media, housing, transport, food, household goods, healthcare, clothes, banking, insurance... there are literally hundreds of millions of customer interactions occurring across Australia each day. And almost all of these represent a customer's choice, with organisations vying for a share of the customer wallet.

But times are changing: the size of the prize has increased dramatically and competition is fiercer. Why? Because customers are spending more (Australians spent an all-time high of \$25.2 billion on retail in September 2016¹) and their choices have increased exponentially in a globally accessible marketplace². Plus the rise of social media has seen the balance of power shift from organisations to customers.

The response? 'Customer centricity' has become the new mantra. More than a fresh look at branding and product design, Chief Marketing Officers are homing in on the 'customer experience'. Raising important questions for an organisation like: Is it clear what the brand stands for? Do the services and products match the brand's promise for customers? And is the customer experience creating advocates or detractors?

These questions are logical and smart, but is there more to understanding – and thus improving – the customer experience, particularly as customers become much more diverse?

¹ABS (2016) Retail Trade, Australia, September 2016. 8501.0. 'Consumer Spending in Australia increased to \$234,141 AUD Million in the second quarter of 2016 from \$233,240 AUD Million in the first quarter of 2016. Consumer Spending in Australia averaged \$10,8305.44 AUD Million from 1959 until 2016, reaching an all-time high of \$234,141 AUD Million in the second quarter of 2016 and a record low of \$3,2048 AUD Million in the third quarter of 1959': <http://www.tradingeconomics.com/australia/consumer-spending>

²Deloitte (2016) Mobile consumer survey 2016. The Australian Cut- Hyper Connectivity: Clever Consumption. <https://www2.deloitte.com/au/en/pages/technology-media-and-telecommunications/articles/mobile-consumer-survey-2016.html>



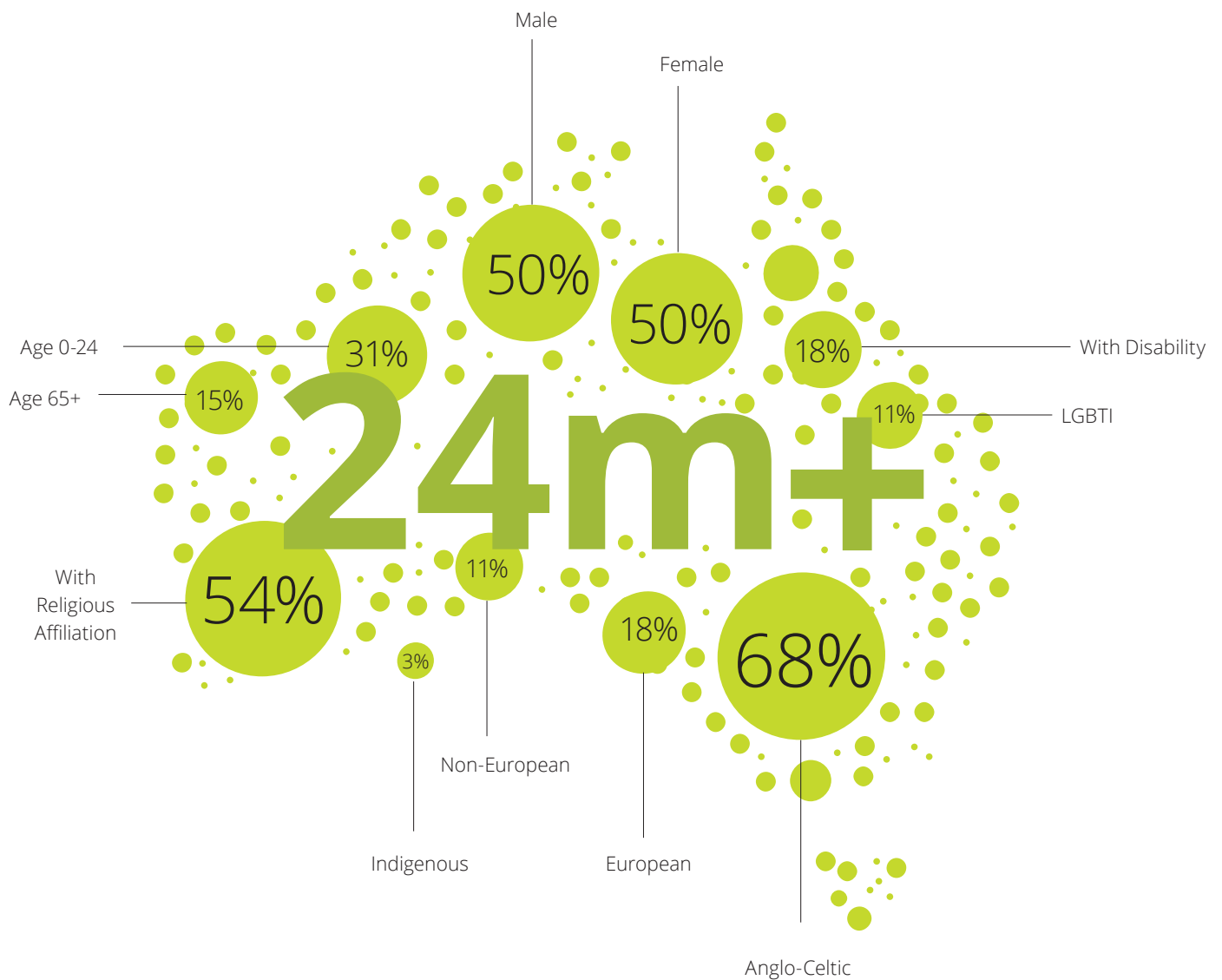
Insights from across the hallway

Across the hallway from the Marketing Department, but seemingly a world away, Human Resource Officers have been asking almost parallel questions about employee experiences. Questions like: Is the organisation attracting the best employees? Who is staying and leaving and why? Who is getting ahead? Do employees speak positively about the organisation?

But there is a critical difference.

HR has become acutely aware that employee experiences are often inconsistent. Decisions about who gets selected, developed, promoted or let go are more prone to bias than previously recognised. A plethora of catchy phrases has emerged to describe the outcomes including the Glass Ceiling, the Rainbow Ceiling and the Bamboo Ceiling. Recognising the tangible impact on the bottom line, a wave of energy has been devoted to exploring why some groups have better experiences than others. In a nutshell, HR has been concentrating on a critical question: what does it mean to be inclusive of employee diversity? HR doesn't know all the answers, but they are definitely on the scent of something transformational.

Australia at a glance



Sources

ABS

<http://www.abs.gov.au/ausstats/abs@.nsf/mf/4430.0>

<http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/3101.0Jun%202016?OpenDocument>

Face the Facts/ABS

<https://www.humanrights.gov.au/face-facts-lesbian-gay-bisexual-trans-and-intersex-people#fn1>

Leading for Change

<https://www.humanrights.gov.au/our-work/race-discrimination/publications/leading-change-blueprint-cultural-diversity-and-inclusive>

ABS (2011) Census Fact Sheet: Religion

[http://www.abs.gov.au/websitedbs/censushome.nsf/home/mediafactsheetsfirst/\\$file/Census-factsheet-religion.doc](http://www.abs.gov.au/websitedbs/censushome.nsf/home/mediafactsheetsfirst/$file/Census-factsheet-religion.doc)

The big question

Could emerging insights about diverse employees apply to the world of customers?
Could they help organisations to...



Protect

Retain existing customers in a chosen segment and increase advocacy by enhancing the customer experience?



Differentiate

Access more customers in a chosen segment through positive brand differentiation?



Grow

Identify new customers and business opportunities by understanding the buying patterns of historically misunderstood and/or underserved diverse groups?

'Missing out' helps answer these questions by analysing perceptions and experiences of customers in the Australian marketplace through the lens of diversity and inclusion. Based on a survey of more than 1,200 Australians (the 'Customer Diversity Survey') along with interviews, focus groups and a literature review, the research identified five key findings:

Findings at a glance



Finding 1

A threshold issue

Ensuring all customers are treated with basic levels of respect and fairness is not viewed as high a strategic priority as expected. Only

1 in 2

customers surveyed agreed that ensuring all customers are treated respectfully is a priority for organisations.

Less than half of those surveyed (41%) believe that organisations treat customers respectfully, regardless of their personal characteristics.



Finding 2

Different experiences (and not in a good way)

Similar to the experiences for diverse employees, customer experiences are better for some and worse for others based on an irrelevant personal characteristic.

Surveyed customers from Non Anglo-Celtic backgrounds, with a disability or identifying as lesbian, gay or bisexual were significantly more likely to say that they had experienced discrimination by one or more of the organisations they interacted with in the last 12 months.

Negative customer stories reveal a combination of overt stereotypes and unconscious biases, combined with a lack of awareness and/or focus, which create subtle (and, in some cases, not so subtle) acts of exclusion.



Finding 3

Misunderstood and underserved

Diverse customer groups are more likely to represent a lost sale, with far too many reporting that organisations do not provide the products or services they need.

1 in 3

surveyed customers from Indigenous or Non-European backgrounds, and people with a disability, and nearly

1 in 2

customers who identify as lesbian, gay or bisexual and people who practice a noticeable Faith (42%), say their customer needs were often unmet over the past 12 months.

Despite this, the majority of these customers (80% or more) often do not provide feedback to organisations about how to better meet their needs, suggesting information gaps.



Finding 4

Abandon, avoid and detract

If diverse customers are not treated respectfully or fairly as a person, they are much more likely to just walk away. Plus a lack of organisational support for diversity/equality triggers some diverse customers to actively dissuade others from using the organisation's products or services.

1 in 5

surveyed customers ceased a transaction in the past 12 months because they were not treated respectfully or fairly, and

1 in 3

ceased a transaction in the past 12 months (because they were not treated respectfully or fairly), if they were from an Indigenous background, identifying as lesbian, gay or bisexual, with a disability or who practice a noticeable Faith.

Surveyed customers from an Indigenous background, with a disability or identifying as lesbian, gay or bisexual were **x 3** as likely to avoid an organisation and twice as likely to dissuade others because of an organisation's negative diversity reputation.



Finding 5

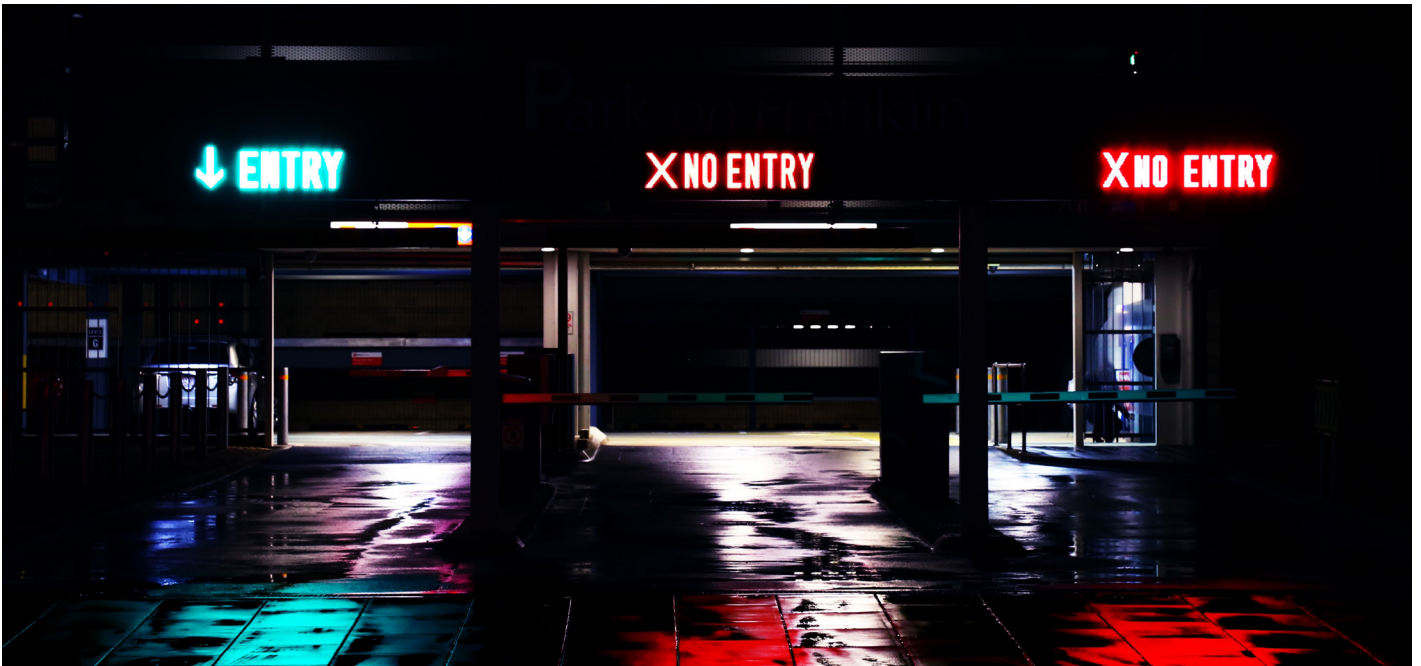
Extra selling power

There's extra selling power in communicating an organisation's commitment to equality, beyond the target diversity group.

1 in 2

customers surveyed who identify as lesbian, gay or bisexual or who practice a noticeable Faith, say that their buying choices were positively influenced in the last 12 months by an organisation's reputation as supportive of gender equality, marriage equality, people with a disability, older people or cultural diversity.

Surveyed customers who identify as lesbian, gay or bisexual or who practice a noticeable Faith, were about twice as likely as comparator groups to recommend an organisation to another person based on its reputation as supportive of gender equality, marriage equality, people with a disability, older people or cultural diversity.



Part A of *Missing out* deep dives into each of these five findings. Overlayed with the demographic shifts and the purchasing power of specific groups in Australia, it tells a story of hidden risks as well as significant opportunities for organisations.

Supplemented with examples from best practices, Part B will help organisations to make changes to improve customer experiences and reap the rewards through a greater focus on diversity and inclusion.

Two final words before we move on regarding:

- Male/female, younger/older and transgender and intersex customers
- The role of partner organisations.

Male/female, younger/older and transgender and intersex customers

One of the principal aims of the *Customer Diversity* research was to compare and contrast the experiences and expectations of people based on specific demographic characteristics, namely gender, cultural background, age, sexual orientation, disability and noticeable Faith. The data discussed in *Missing out* focus on meaningful differences between groups of customers (as revealed by the data).

What this means is that most of the findings relate to cultural background, sexual orientation, disability and noticeable Faith. Rarely is their comment about gender or age.

With respect to gender, the survey data revealed that the experiences, expectations and attitudes of male and female customers were largely consistent, and when significant differences between groups were identified, this concerned a very small number of questions only. A notable exception to this relates to ethical consumerism; with women having a significantly stronger preference towards buying goods and services from organisations that are known for their commitment to gender equality (Finding 5).

With respect to age, while there is much hype about millennial customers and grey power, few differences emerged based on these age categories. Having said that, there were a couple of significant differences between younger and older customers. Generally speaking, older customers (aged 65+ years) responded more positively to questions about their experiences than younger customers

(aged 25 years and younger). Conversely, younger customers were more vocal and active than older customers, with their buying behaviours (both positive and negative) more significantly influenced by their experiences and perceptions of diversity and inclusion. Given these trends, this report highlights age-based differences only where meaningful variances exist.

Finally, the sample sizes of transgender and intersex customers were too small to analyse for significance, but the responses indicated greater alignment with those who identified as lesbian, gay or bisexual than those who identified as heterosexual.

The role of partner organisations

This research was conducted with financial assistance and guidance from Qantas, QBE, SBS and Westpac Group. The research findings contained in *Missing out*, however, are not based on customer data from these specific organisations. Rather, the quantitative findings are based on a survey of over 1,200 individuals across Australia administered via an independent online survey panel.



Part A

Risks and opportunities



Finding 1

A threshold issue

Understanding customers is now much more of a science than art. And it needs to be. Customers have become more sophisticated, more empowered and also more distrustful of institutions. Predictably, gaining insights into spending patterns, buying preferences and emerging trends, has become a billion dollar industry.

The explicit focus on customer centricity (loosely defined as putting customers at the centre of decisions along the entire business value chain) has heightened demand for insights which relate to customers' experiences. While some have suggested that customer centricity requires an almost complete rewiring of organisational practices, there is much that can be done to enhance existing interactions without launching into holistic change. Indeed many of these changes are low cost and occur during discrete moments in the customer lifecycle.

And that is good news.

By way of example, a company specialising in glass repair and replacement services is working hard to be the preferred supplier of services to female drivers. The company identified that many of its female customers were anxious about having a 'stranger' come into their homes. Their response? Once an appointment is scheduled, an introductory email is sent to the customer containing details of the technician, including a photo, to help give the customer peace of mind. It's a simple, minimal cost strategy that helps reinforce to female customers that their needs are respected³.

Indeed one of the key findings from the *Customer Diversity* research is that paying attention to fundamentals – like whether customers are treated respectfully and fairly - measurably improves customers' experiences and significantly influences their buying decisions. Decoding 'respect' is straightforward – customers are talking about being treated with courtesy and

consideration. 'Fairness' needs clarification. In this context, customers are not using the word 'fairly' in the sense of receiving a fair price, but in the sense of being 'treated fairly as a person'. To put it another way, customers don't want to be embarrassed, rejected or discriminated against.

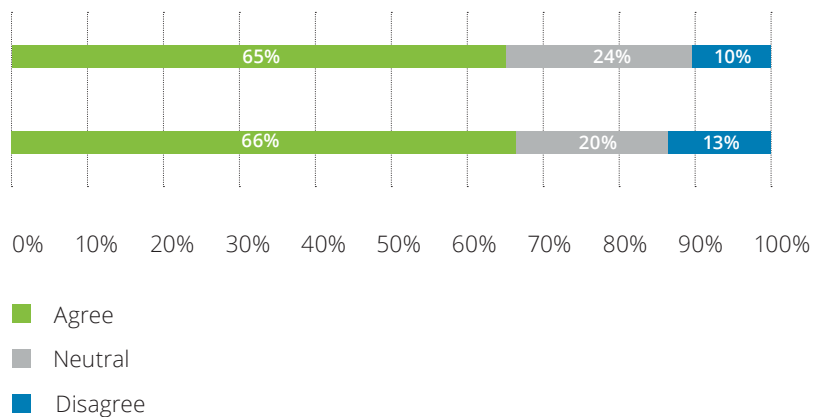
This won't be a revelation. In every interaction - from the mundane to the significant - we all expect to be treated respectfully and fairly by the organisations with which we engage. Respect and fairness are arguably the most basic behaviours underpinning good customer service and thus a hallmark of customer centric organisations.

And for the majority of us, our customer experiences are usually positive. Indeed, two-thirds of customers surveyed felt that, over the last 12 months, they were usually treated respectfully and fairly by organisations with which they interacted (see Figure 1).

Figure 1: Customer treatment - fairness and respect

As a customer, over the past 12 months, I was usually treated respectfully by organisations I interacted with

As a customer, over the past 12 months, I was usually treated fairly by organisations I interacted with



³McDonald, K. 'Crafting the Customer Experience For People Not Like You: How to Delight and Engage the Customers Your Competitors Don't Understand', 2012, John Wiley & Sons

Key finding: Only 1 in 2 surveyed agreed that ensuring all customers are treated respectfully is a priority for organisations.

Getting agreement from the final third ought not to take a huge amount of effort, especially as it is only about 1 in 10 customers who actually disagreed (the rest were neutral). But there are two things that get in the way of remedying this threshold issue: focus and diversity.

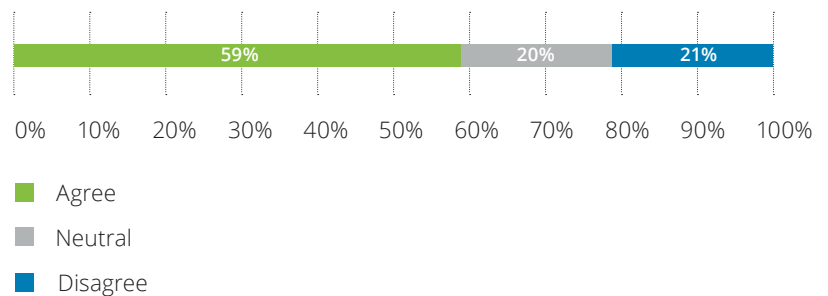
Focus

Only 1 in 2 of those surveyed agreed that ensuring all customers are treated respectfully is a priority for organisations (see Figure 2). This is a surprise given the high level of attention to customer centricity (customers are a top priority according to a 2016 survey of 1,400 CEOs around the world⁴) and the simplicity of a call for respectful and fair behaviour.



Figure 2: Organisational prioritisation of respectful treatment as perceived by customers

Generally, ensuring that all customers are treated respectfully is a priority for organisations



⁴PwC (2016) PwC's 19th Annual Global CEO Survey. What's on the minds of over 1,400 CEOs around the world? <http://www.pwc.com/gx/en/ceo-agenda/ceosurvey/2016.html>

Key finding: Less than half of those surveyed (41%) believe that organisations treat customers respectfully, regardless of their personal characteristics.

Diversity

Customers are not homogenous, and averages hide quite variable experiences across different customer groups. Insightfully, fewer than half of those surveyed (41%) agreed that organisations treat customers respectfully regardless of their personal characteristics (see Figure 3). Moreover, only 46% agreed that organisations try to understand the unique experiences and needs of diverse customers, including minority groups.

Putting these two insights together: if organisations want to lift their (customer experience) game, it would require a greater emphasis on respect and fairness per se and particular attention to diverse customers. But before jumping to remedial action, the logical question is – do these perceptions accurately reflect the experiences of diverse customers?

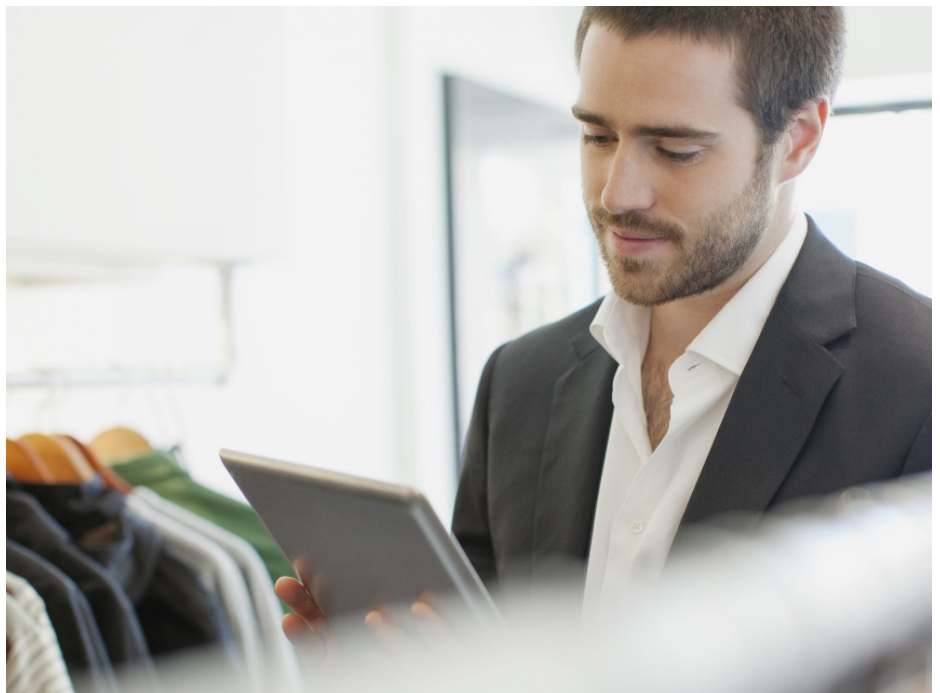
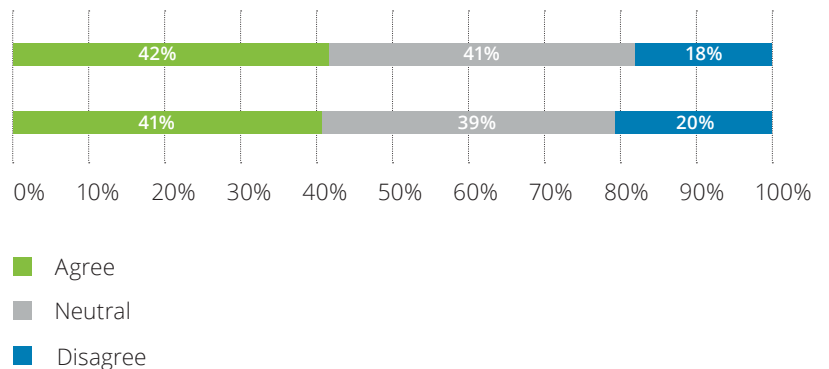


Figure 3: Perceptions of fair and respectful treatment of diverse customers by organisations

Generally, organisations treat customers respectfully regardless of their personal characteristics

Generally, organisations treat customers fairly regardless of their personal characteristics





Finding 2

Different experiences (and not in a good way)

Although Marketing Officers have a long history of segmenting customers into groups that share similar characteristics, there is perhaps more to learn by bringing the HR lens of analysis into the frame. By way of example, which customer groups feel they are treated respectfully, and which don't? And what is driving that outcome?

To answer those questions, one of the principal aims of the *Customer Diversity* research was to compare and contrast the experiences and expectations of people based on specific demographic characteristics:

1. Gender: Male, female and intersex
2. Cultural background: Anglo-Celtic, European, Indigenous and Non-European
3. Faith: Those who do and don't practice a Faith which is noticeable to others (e.g. via symbols or appearance)
4. Sexual orientation or gender identity: Heterosexual, lesbian, gay, bisexual and transgender
5. Disability: With or without a disability that affects the ability to purchase goods and services
6. Age: Different age brackets, e.g. 65+ years of age.

To segment customers into six groups is not to suggest that customers are one-dimensional, or indeed to assume that a particular characteristic (e.g. sexual orientation) is always salient to a particular member of that group (e.g. a gay customer). Rather, it is a way to look for patterns such as whether certain customer groups, or clusters of groups, have less favorable experiences than others.

So what were the results?

While expectations and experiences vary across different groups, as a rule of thumb, customer experiences are better for some groups and worse for others based on nothing more than an irrelevant personal characteristic.

More specifically, customers from 'minority' groups – such as customers with a non-Anglo Celtic background, who have a disability or who identify as Lesbian, gay or bisexual, were significantly more likely to say that, in the last 12-months, they were often treated less favorably than other customers (see Figure 4).

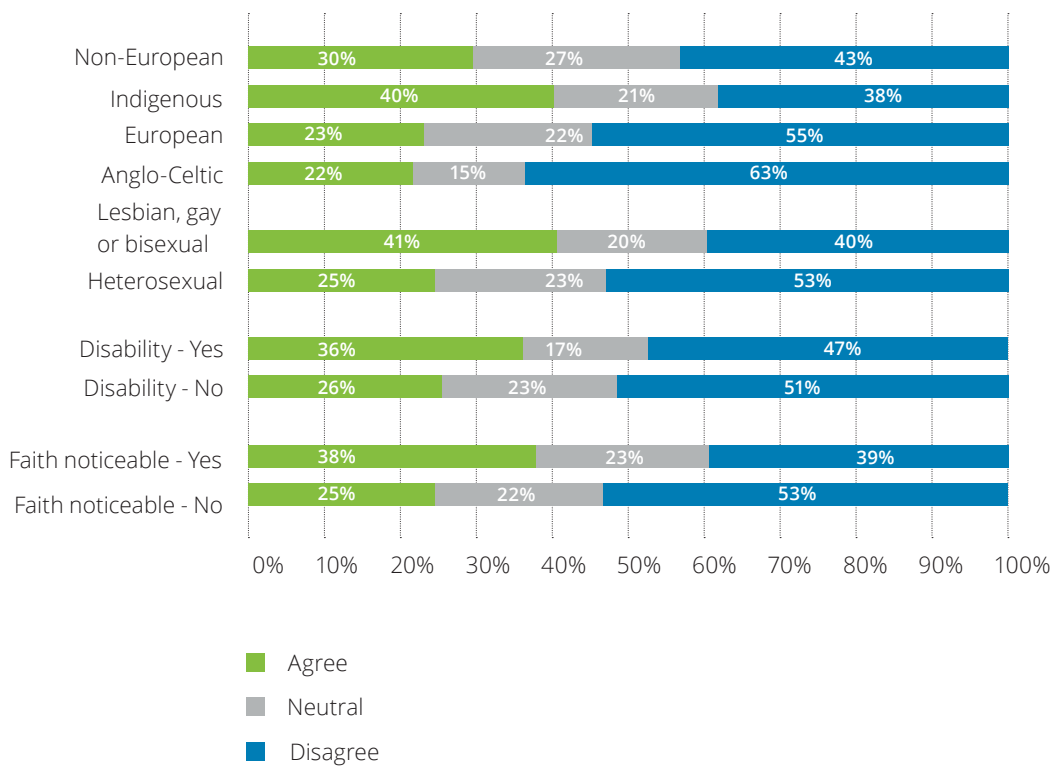
The multiple identities of customers

The *Customer Diversity* research analyses the data based on specific demographic groups, such as gender and age.

In reality, this segmentation is simplistic. Individuals are not one-dimensional and we each have multiple identities, with many parts making up who we are. In addition, in a customer context, categorising someone on the basis of one trait only (e.g. sexual orientation) may not necessarily be how customers see themselves and is at odds with organisational efforts to see the customers 'as a whole'.

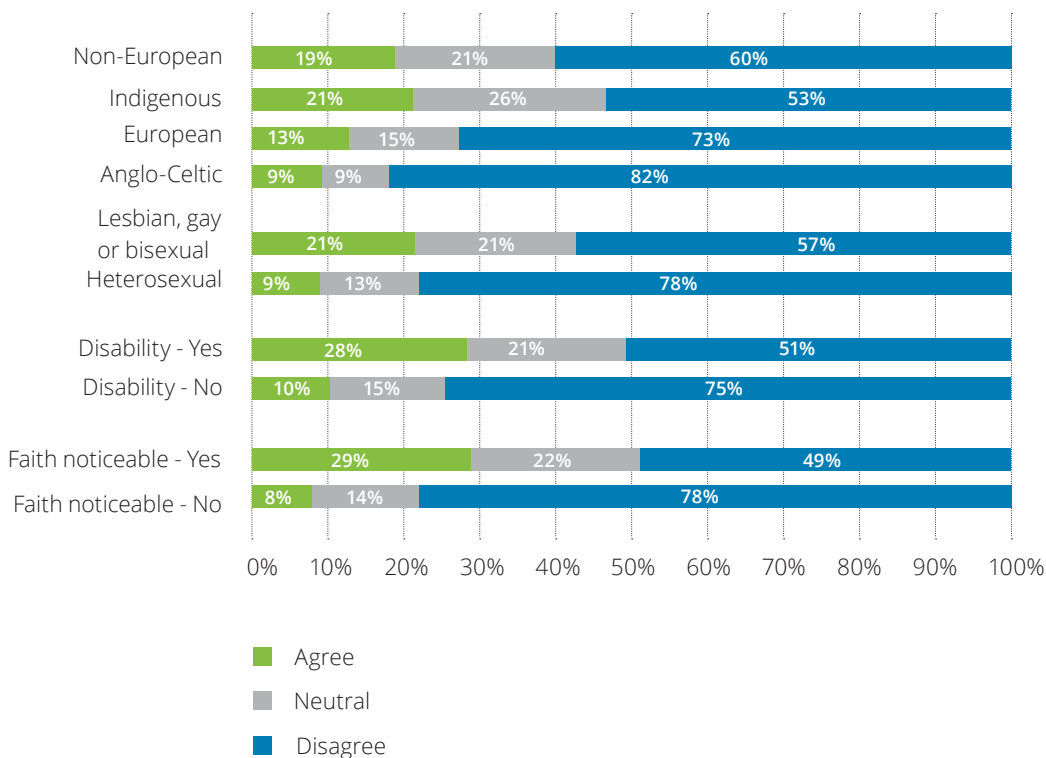
However, it is a lesson learnt from HR that certain employee groups have less favorable experiences than others due to nothing more than a single characteristic.

Figure 4: 'As a customer, over the last 12 months, I was often treated less favourably than other customers based on a particular characteristic'



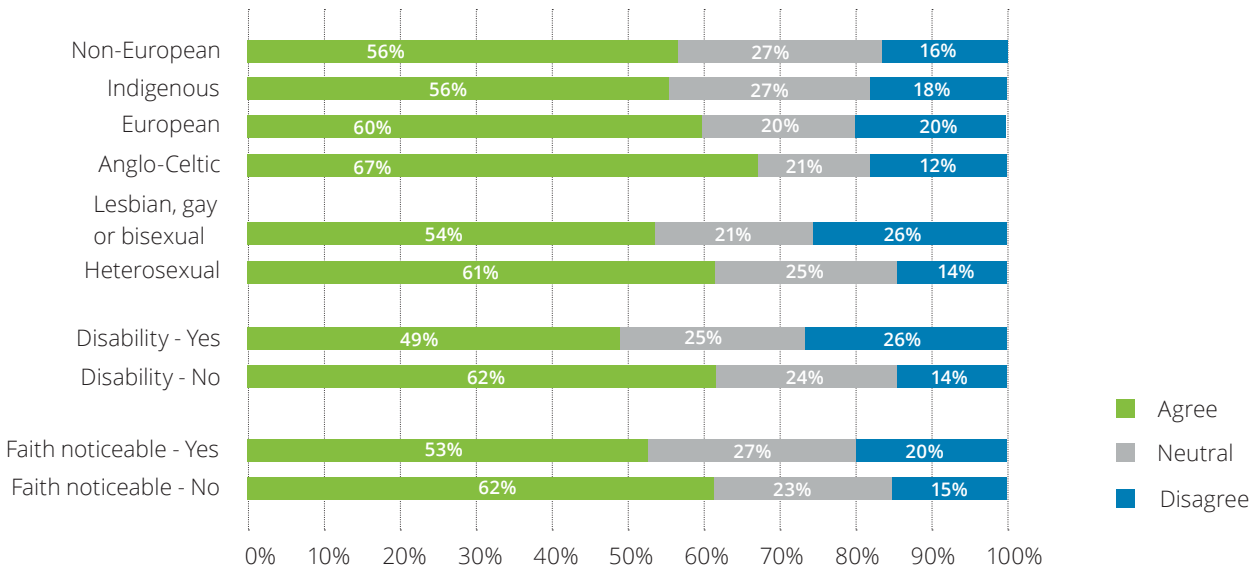
Key finding: Surveyed customers from Non Anglo-Celtic backgrounds, with a disability or identifying as lesbian, gay or bisexual were significantly more likely to say that they were often treated less favourably, based on a personal characteristic.

Figure 5: 'As a customer, over the past 12 months, I have experienced discrimination by one or more of the organisations I interacted with because of my [personal characteristic]'



Key finding: Surveyed customers from Non Anglo-Celtic backgrounds, with a disability or identifying as lesbian, gay or bisexual were significantly more likely to say that they had experienced discrimination by one or more of the organisations they interacted with in the last 12 months.

Figure 6: 'As a customer, over the last 12 months, I have usually engaged with organisations without fear of rejection or embarrassment because of a (personal characteristic)'



What do these statistics look like in practice?
 What is the tangible customer experience?
 The stories told during the research interviews and focus groups were both good and bad, with four common themes:

1. We don't know what we don't know

Misinformation or a lack of information about customers, with stereotypes often filling those gaps.

'My partner and I are gay – he is Australian and I am Chinese. During an overseas holiday, we decided to visit a Louis Vuitton store. The staff completely ignored my partner but went above and beyond to service me!'

'I am profoundly deaf, so I lip read in order to understand what others are saying. I once told a frontline staff member that I am hearing impaired and they asked if it would help if they provided me with a Braille document.'

2. Don't fence me in

A feeling of being negatively judged by service providers, driven by implicit attitudes and assumptions, based on personal characteristics.

'When my husband and I are in a public space, like a retail store and he starts speaking in our own language, I tell him to revert back to English. I wear a headscarf and we are Muslim, so I worry that we might offend someone or that they may make negative assumptions about us.'

'My family, who are Indigenous, went to a shopping centre the other day to purchase some goods and browse the shops. After a short while, they noticed that they were being followed by security personnel in and out of shops – they felt really agitated and judged by this.'

'I am a woman, gay and an Indigenous Australian. I look a 'specific way' and I feel that I am often immediately judged on my 'indigenous characteristics' in the customer environment.'

3. A road less travelled

Unmet accessibility needs, with diverse customers being negatively impacted by environments (physical and online) that do not consider their unique needs.

'I have a physical disability as well as being visually and hearing impaired. As a result of this, I have very limited places I can go as a consumer. The IGA down the road from where I live know me by name and often order in goods that they don't have on shelves or in stock. They really help me to maintain my independence and rely less on my family for assistance.'

'I am physically disabled, I choose to shop at Harris Farm because as part of their service, they offer carrying groceries to the car'

'I am a muso, so I love attending large performances as well as smaller ones in my community. I have mobility issues and I usually find it harder to access smaller venues in my community. When I go to the Opera House, however, the staff go out of their way to intuitively and proactively assist me. The downside is that the venues that cater to my needs usually land up costing me more.'

4. Not front of mind

Advertising or communications that are not developed with diversity in mind.

'My girlfriend and I are part of the lesbian, gay or bisexual community. We are getting married soon and have been busy planning the day. I received an email from a service provider which stated Mr and Mrs on it. I replied and pointed out that it was, in fact, Mrs and Mrs to be. The service provider made the amendment to the document but did not acknowledge the error or speak about it again.'

'I resonate with organisations that reflect diversity in their advertising. Take ASOS for example, instead of using the 'typical model', they get individuals from diverse backgrounds to model their clothes.'

But in the overall scheme of things, does it really make a difference to an organisation's bottom line? If diverse customers are treated disrespectfully and unfairly, is there a hidden impact (beyond an obvious issue of poor customer service or non-compliance with discrimination laws), which accumulates over time? Just like the pattern we see for diverse employees who fail to break through the Glass, Rainbow and Bamboo ceiling far too regularly, is there a long term and magnified negative impact on the customer bottom line?

And what about the reverse? Is there an added benefit when attending to the needs of diverse customers? More of that later, but the silver lining has already been foreshadowed in some of the positive stories – and here is another:

The negative stories reveal a combination of overt stereotypes and unconscious biases, combined with a lack of awareness, which create subtle (and, in some cases, not so subtle) acts of exclusion. Not always, but enough to be noticeable to those affected.

Key finding: Negative customer stories reveal a combination of overt stereotypes and unconscious biases, combined with a lack of awareness and/or focus, which create subtle (and, in some cases, not so subtle) acts of exclusion.



Finding 3

Misunderstood and underserved

All companies make strategic decisions about the markets and customers they wish to serve, thinking about who will add most significantly to their bottom line.

But within these strategic parameters - how effectively are organisations adjusting their product set and modifying their services to reflect the needs and wants of different customers? Putting this another way, is there a risk that certain customer groups are being unintentionally ignored and/or misunderstood by organisations? According to the *Customer Diversity* research, the answer is - quite probably.

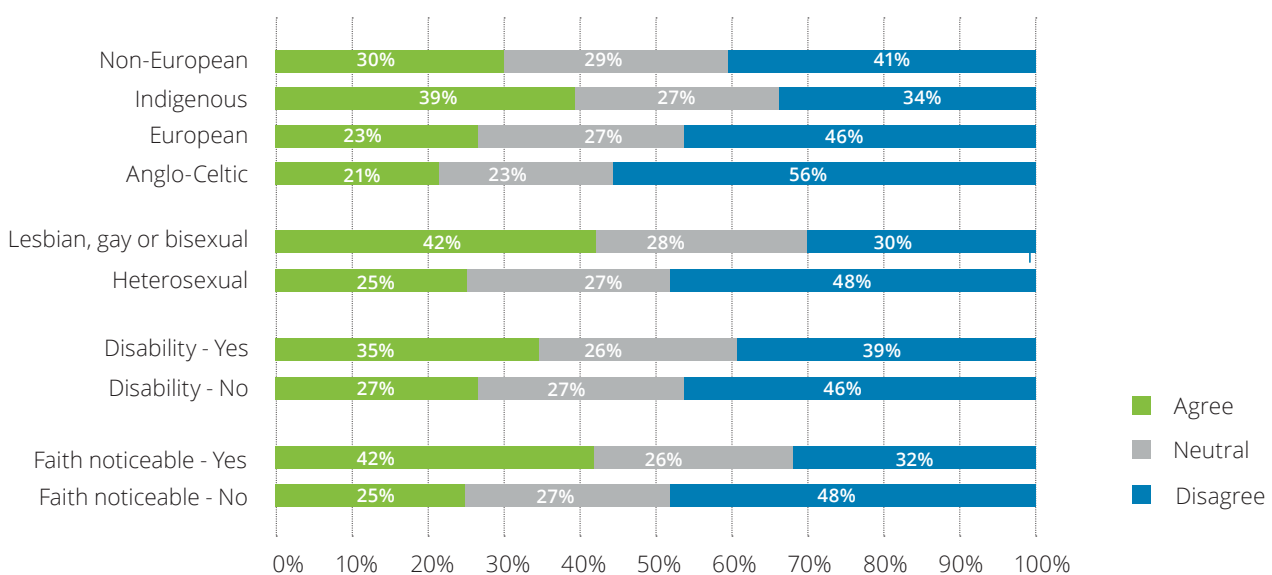
To set the scene, all survey respondents were asked about customer satisfaction, not through a diversity lens, but more in terms of being a customer per se.

More specifically, people were asked whether, as a customer, they often felt that, over the past 12 months, organisations had not provided the products and services they needed. About 1 in 4 (28%) said that they had been underserved. In effect, that they were a 'lost sale'.

1 in 4 is a significant market opportunity. It's an even bigger opportunity when a diversity lens is applied and the responses are compared across demographic groups. Lost sales rise to about 1 in 3 for customers from Indigenous (39%) or Non-European backgrounds (30%) and people with a disability (35%). They edge closer to 1 in 2 customers who identify as lesbian, gay or bisexual (42%) and people who practice a noticeable Faith (42%) (see Figure 7).

Key finding: 1 in 3 surveyed customers from Indigenous or Non-European backgrounds or those with a disability, and nearly 1 in 2 customers who identify as lesbian, gay or bisexual and people who practice a noticeable Faith (42%), say their customer needs were often unmet over the past 12 months.

Figure 7: 'As a customer, over the last 12 months, I have often found that organisations do not provide the products and services I need'



Australians represented on television⁵

'(Screen Australia) analysed all 199 dramas (fiction excluding animation) that aired between 2011 and 2015 inclusive, finding 18% of main characters in the period were from non-Anglo Celtic backgrounds, compared to 32% of the population. A notable exception to this trend is Indigenous representation, making a dramatic turnaround in screen presence.

Only 4% of main characters had an identified disability compared to an estimated 18% of Australians, whilst 5% of main characters were identified as 'LGBTQI', yet this group is estimated to be up to 11% of the population.'

Men and women in film⁶



Screen Time

- Male characters received two times the amount of screen time as female characters in 2015 (**28.5% compared to 16.0%**)
- In films with a male lead, male characters appeared on screen nearly three times more often than female characters (**34.5% compared to 12.9%**).



Speaking Time

- Male characters spoke twice as often as female characters (**28.4% compared to 15.4%**)
- In films with male leads, male characters spoke three times more often than female characters (**33.1% compared to 9.8%**).



Box Office

- Films led by women grossed **15.8% more** on average than films led by men.

⁵Screen Australia (2016) Seeing ourselves: Reflections on Diversity in TV Drama, <http://www.screenaustralia.gov.au/sa/newsroom/news/2016/mr-160824-study-of-diversity-on-tv-released>

⁶Gina Davis Institute (2014). "Gender Bias Without Borders: An Investigation of Female Characters in Popular Films Across 11 Countries." Stacy L. Smith, Marc Choueiti, & Dr. Katherine Pieper with assistance from Yu-Ting Liu & Christine Song Media, Diversity, & Social Change Initiative USC Annenberg.

Could it be that diverse groups are not front of mind for organisations because they are less vocal about their experiences? Or is it that organisations are not listening as hard as they could? The answer falls somewhere in between.

On the one hand, speaking up is not a common practice for customers when the issue relates specifically to their needs as a customer in terms of their sex, cultural heritage, age, faith, disability or sexual orientation. Despite these unmet needs, the vast majority (80% or more) of surveyed customers who have an Indigenous or Non-European background, a disability, identify as lesbian, gay or bisexual or who practice a noticeable Faith do not 'often' provide feedback, suggesting information gaps on the part of organisations (see Figure 8).

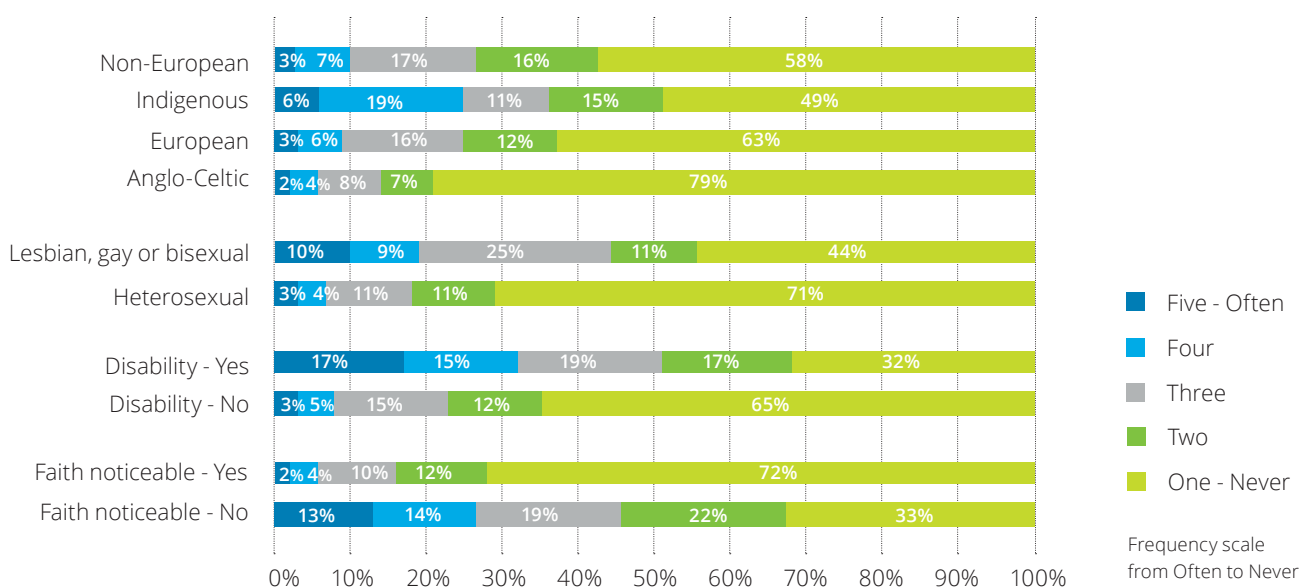
Positively, when customers did speak up, the response was usually handled 'well' (69%).

So where does that leave organisations? With some level of confidence that they can meet customer needs if they are raised, but with significant doubts that they will hear what diverse customers need unless they take proactive measures to investigate. Relying on the less than 1 in 5 who 'often' give feedback about needs relevant to their demographic characteristic and the voices of some of the relatively more vocal groups, represents a significant information gap.

A much more proactive and comprehensive feedback strategy is required. Why? Because there are two obvious consequences when organisations are left in the dark about the needs of diverse customers. First, as we have seen in this section, there are a high proportion of lost sales. Second, as we will see in the following section, poor experiences with existing products and services cause customers to cease a transaction, avoid an organisation and become a detractor.

Key finding: The majority of surveyed customers who have an Indigenous or Non-European background, a disability, identified as lesbian, gay or bisexual or who practice a noticeable faith (80% or more) often do not provide feedback about how organisations can better meet their needs, suggesting information gaps.

Figure 8: 'Have you ever provided feedback to an organisation(s) about how they can better meet your needs as a customer, having regard to [personal characteristic]?'





Finding 4

Abandon, avoid and detract

Purchasing power is in the hands of customers and when we don't get what we want and need in terms of a product or service, it's only natural that we won't transact with an organisation. The *Customer Diversity* research adds additional detail to this dynamic, showing that if customers' basic needs for respect and fairness are not met, it will also drive customers away. Of course, not every customer and not every time. It's always a fine calibration about the level of disrespect or unfair treatment in the context of numerous factors, including price, options and the ability to walk away.

To set the scene, on average nearly 1 in 5 of those surveyed ceased the completion of a customer transaction in the past 12 months because they felt they were not

being treated respectfully (21%) or fairly as a person (19%). This represents a strong alignment between wanting to cease a transaction (1 in 5) and actually doing it.

Looking through a diversity lens, these averages mask significant differences. When the results of Indigenous customers are compared to those who are from European, Non-European and Anglo-Celtic backgrounds, or those who identify as lesbian, gay or bisexual compared to those who do not, or those who do and don't practice a noticeable Faith, or those with and without a disability – a pattern emerges. The proportion is significantly higher: 1 in 3 ceased a transaction due to being treated disrespectfully (see Figure 9) and unfairly (see Figure 10).

Key finding: 1 in 5 surveyed customers ceased a transaction in the past 12 months because they were not treated respectfully or fairly, and 1 in 3 for customers from an Indigenous background, identifying as lesbian, gay or bisexual, with a disability or who practice a noticeable Faith.

Figure 9: 'As a customer, in the last 12 months, I ceased completion of a transaction because I felt I was not being treated with respect'

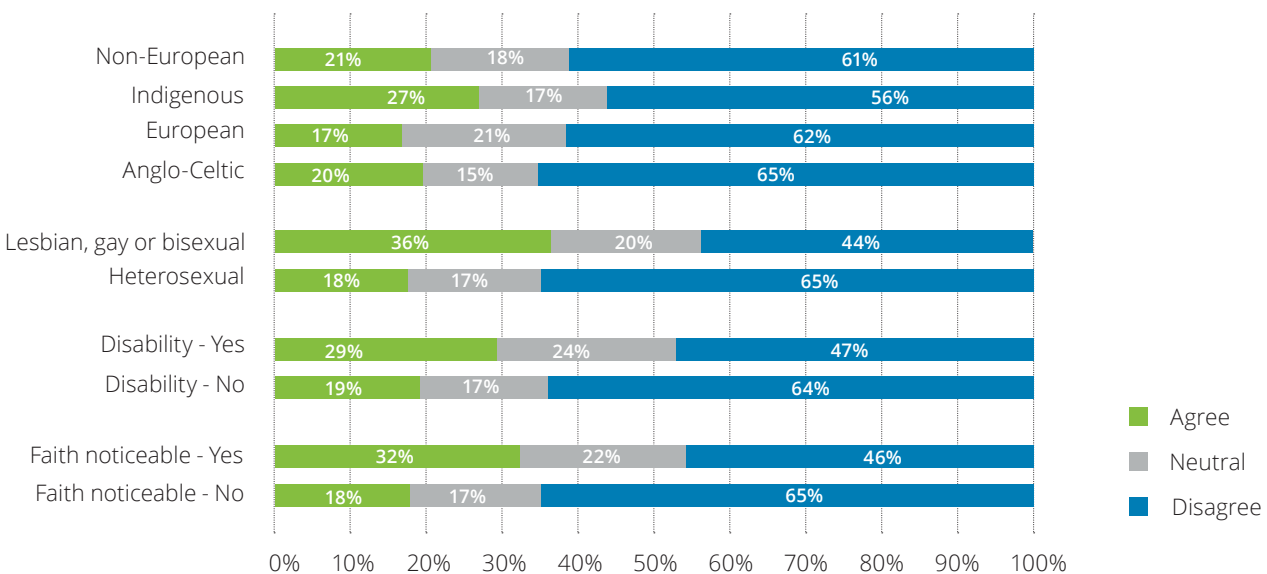
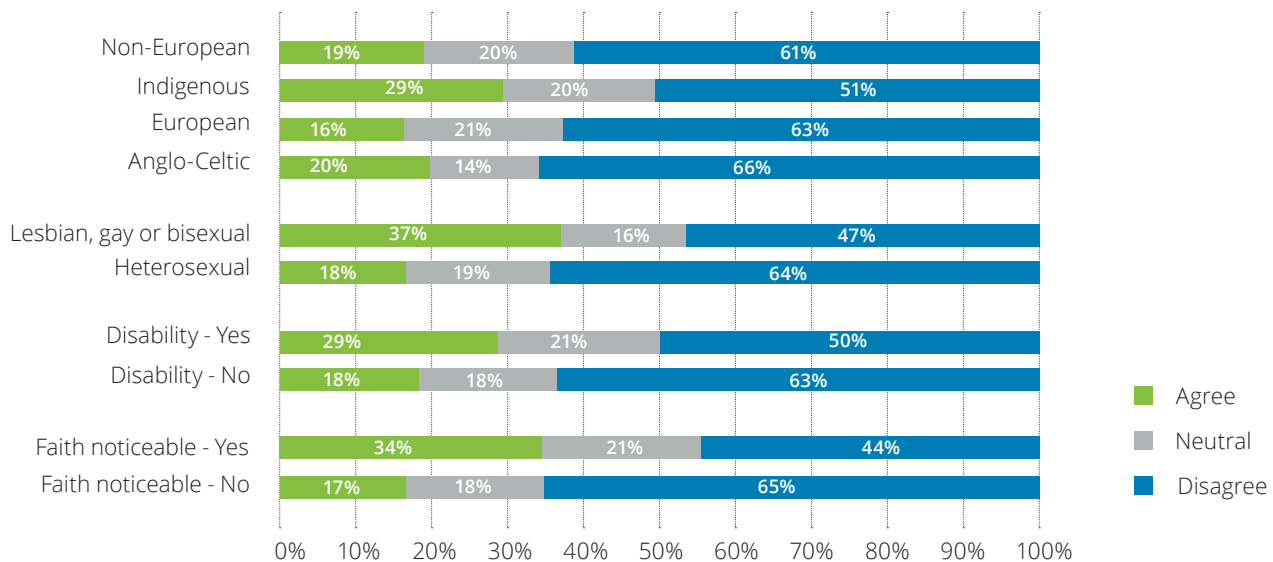


Figure 10: 'As a customer, over the last 12 months, I have ceased completion of a transaction because I felt that I was not being treated fairly'



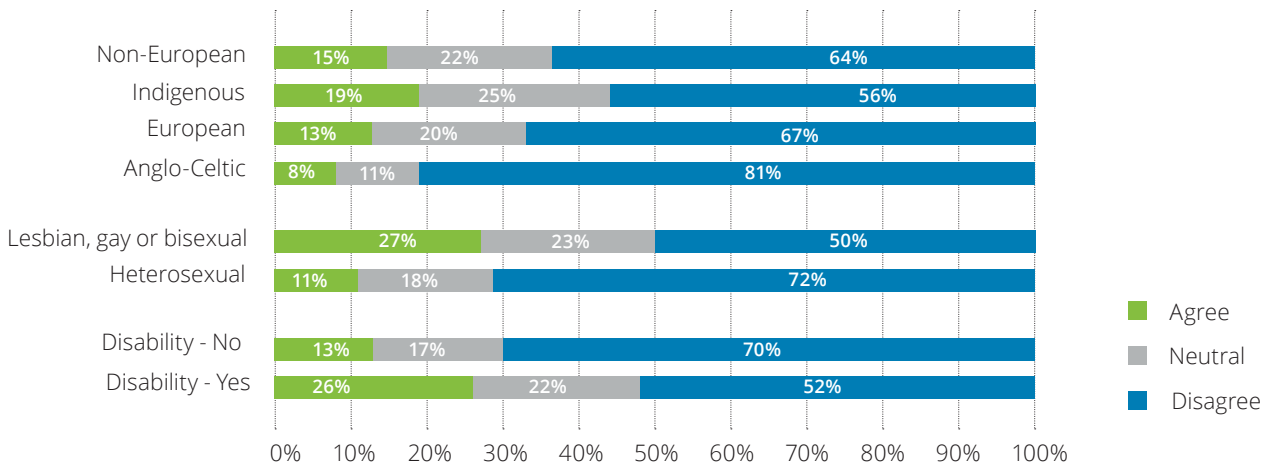
More than just walking away from a sale, these customers were also significantly more likely to say that, as a customer over the last 12 months, they actively avoided engaging with a particular organisation because of their cultural background, sexual orientation, disability, or noticeable Faith. Indeed they were three times as likely as their counterparts to engage in avoidance behaviours.

But it didn't just stop with the individual customer who had a poor experience – who then became an avoider. These disaffected customers became vocal advocates in their community. Perhaps with a spirit of community protection, they were significantly more likely to dissuade others from using a product or service because the organisation was not supportive of diversity (e.g. gender equality, marriage equality, people with a disability, older people or cultural diversity).

In fact, Indigenous customers and those from non-European backgrounds were twice as likely to dissuade others compared with customers from Anglo-Celtic backgrounds, as were people with a disability compared to those without a disability, and customers who identify as lesbian, gay or bisexual compared to those who do not (see Figure 11). To put it bluntly, vocal detraction is multiplied for diverse groups.

Key finding: Surveyed customers from an Indigenous background, with a disability and identifying as lesbian, gay or bisexual were three times as likely to avoid an organisation and twice as likely to dissuade others because of an organisation's negative diversity reputation.

Figure 11: 'In the last 12 months, I dissuaded others from using a product or service based on an organisation's negative reputation in relation to [particular aspect of equality]'



These statistics were brought to life in the stories told during the interviews and focus groups – stories repeated about how others (e.g. friends) had experienced unfavourable treatment. For example, *'A friend of mine, who is a law graduate was refused service in a cake shop because of their ethnic appearance'* and *'I know of a time that someone was refused entry to a club because they were wearing a headscarf.'*

Looking at all of these behaviours together (stopping a sale, avoidance and detraction), clearly there is a long term, magnified impact when diverse customers are not treated well.

And there is obviously a financial cost to these hidden risks – particularly given the significant shifts in who holds the purse strings and customer empowerment.

For example, Australian gay and lesbian households control an estimated annual disposal income of \$10 billion⁷. People with disability have a combined disposable annual income of around \$54 million, a figure that is only set to increase with an ageing population⁸. And when it comes to international customers - spending by Chinese tourists (i.e. 'Non-European customers') was forecast to reach \$4.1 billion in Australia in 2016.

But what if organisations get it *right*? What is the impact on the buying behaviours of these diverse customers when organisations show demonstrable commitment to diversity? And is there extra selling power in promoting an organisation's commitment to diversity across other customer groups too?

⁷[http://www.prideindiversity.com.au/who-we-are/why-lesbian, gay or bisexual-inclusion/](http://www.prideindiversity.com.au/who-we-are/why-lesbian-gay-or-bisexual-inclusion/)

⁸[https://www.humanrights.gov.au/sites/default/files/Submission%20No%2020210%20-%20Diversity%20Council%20Australia%20-%20organisation%20\(age%20%26%20disability\).pdf](https://www.humanrights.gov.au/sites/default/files/Submission%20No%2020210%20-%20Diversity%20Council%20Australia%20-%20organisation%20(age%20%26%20disability).pdf)



Finding 5

Extra selling power

As foreshadowed in Finding 2, diverse customers who have had a positive customer experience are likely to notice, appreciate and retell that story to others. During interviews and focus groups, customers told a broad range of stories that affected themselves directly or those they cared about. Some could be easily traced back to a dominant demographic profile, others were blended. By way of example, customers said:

1. Disability

'My wife and I get a 'Meals on Wheels' delivery weekly. The delivery comes on Monday but there was an upcoming public holiday, so I received a call from them asking me if they could do a double delivery and if we could accommodate this. It was really fantastic that they considered our needs in this way and were so flexible.'

2. Gender identity

'I love what Google has done at their offices with the toilet facilities signage. The typical male and female signs on the toilet doors have been replaced by pictures of a pregnant lady, a mermaid and batman amongst others.'

3. Cultural heritage/disability

'My brother is an Indigenous Australian with a physical disability. I don't feel that his needs are catered to very much in the customer space and he often feels

isolated. Recently however, he joined the Cerebral Palsy League where he plays in an all Indigenous Australian team, which has been backed and supported by big names from the NRL. It has made such a difference to his life.'

4. Sexual orientation

'My partner and I made the decision to get a loan together, we went to a bank who did not question our sexuality. The whole process was made easy and at no time did I feel like I was treated differently than what I might have if I was heterosexual. It was such a great experience; I recommend [X] to my friends.'

These all represent relatively small acts of inclusion, and their positive impact is only to be expected.

But there's something more in the selling power of diversity.

Supporters of 'ethical consumerism' argue that customer decisions are being increasingly influenced by factors beyond the typical formula of need/want, convenience and price. In particular, customers are using their purchasing power to endorse organisations which fit with personal moral codes and broader societal goals, such as environmental sustainability.

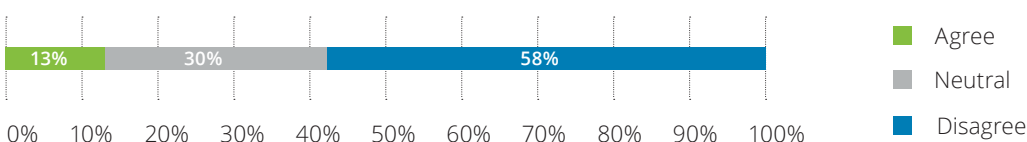
Could an organisation's support for diversity and inclusion tap into this same customer vein? Beyond positive advocacy within a particular customer demographic group, could some equality themes (e.g. cultural diversity) generate broader support, that is, from customers who do not fit that specific demographic profile? Conversely, what is the risk of supporting diversity? What percentage of customers will be turned off?

The Customer Diversity Survey asked customers whether their buying choices, in the last 12 months, were positively or negatively influenced by an organisation's reputation as supportive of five diversity/equality themes, namely gender equality, marriage equality, people with a disability, older people and cultural diversity.

Happily for organisations, the risk is low: only a minority of customers (13%) were negatively influenced by an organisation's support for equality. Even more positively, 58% disagreed (and the rest were neutral). This should offer some comfort to organisations concerned that support for an equality theme will disenfranchise some of their existing customers (see Figure 12).

On the other hand, the opportunity is large given customer behaviours and the swell of support beyond the immediate target group.

Figure 12: 'As a customer, in the last 12 months, my buying choices were negatively influenced by an organisation's reputation as supportive of [relevant aspect of diversity and inclusion]'





Gender equality

On average 1 in 4 were positively influenced over the past 12 months by an organisation's reputation as being supportive of gender equality (including women), however that proportion was significantly higher – nearly 1 in 2 – for customers practicing a noticeable Faith (49%) and customers identifying as lesbian, gay or bisexual (45%).



Marriage equality

On average 1 in 4 were positively influenced over the past 12 months by an organisation's reputation as being supportive of marriage equality, however that proportion was significantly higher – nearly 1 in 2 – for customers practicing a noticeable Faith (45%), identifying as lesbian, gay or bisexual (44%) and aged 18-25 (41%).



People with a disability

On average 1 in 3 were positively influenced over the past 12 months by an organisation's reputation as being supportive of people with a disability, however that proportion was significantly higher – nearly 1 in 2 – for customers identifying as lesbian, gay or bisexual (46%), practicing a noticeable Faith (44%), with a disability (43%) and aged 18-25 (39%).



Older people

On average 1 in 3 were positively influenced over the past 12 months by an organisation's reputation as being supportive of older people (including customers aged 66-75 years old, and over 75 years old), however that proportion was significantly higher – nearly 1 in 2 – for customers identifying as lesbian, gay or bisexual (49%), practicing a noticeable Faith (46%) and with a disability (41%).



Cultural diversity

On average 1 in 4 were positively influenced over the past 12 months by an organisation's reputation as being supportive of cultural diversity (although for Non-Europeans it edged up towards 1 in 3 or 31%), however that proportion was significantly higher – nearly 1 in 2 – for customers identifying as lesbian, gay or bisexual (46%), practicing a noticeable Faith (45%) and aged 18-25 (43%).

Key finding: 1 in 2 customers surveyed who identify as lesbian, gay or bisexual or who practice a noticeable Faith, say that their buying choices were positively influenced in the last 12 months by an organisation's reputation as supportive of gender equality, marriage equality, people with a disability, older people or cultural diversity.

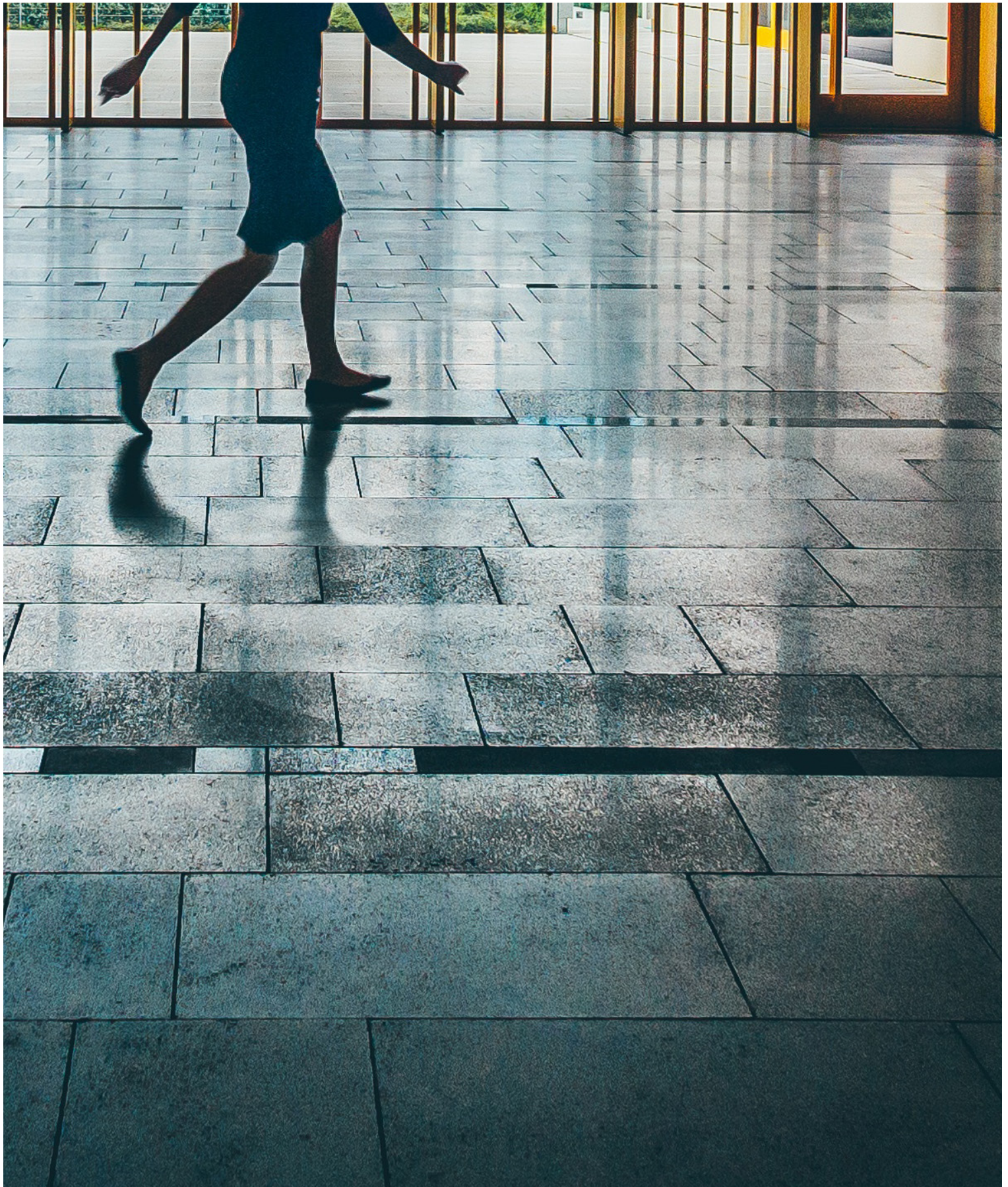
Taking these five themes as a whole – a pattern is clear. Equality themes resonate with groups who are not directly affected. In particular, across all five themes, customers who identify as lesbian, gay or bisexual, as well as those practicing a noticeable Faith, were much more supportive of an equality theme, compared with other customers. Next were young people aged 18-25, who supported three of the five themes (marriage equality, people with a disability and cultural diversity). Finally, people with a disability had heightened support for two of the themes (people with a disability and older people).

Authentically amplifying these five equality themes promises to help unlock more of the purchasing power of these diversity communities. How do we know that?

As noted early, when diverse customers had had a poor experience they were twice as likely to pass on that information to others in their community. That pattern holds true in reverse. Customers who identify as lesbian, gay or bisexual and people who practice a noticeable Faith were about twice as likely to say that they had already recommended an organisation to someone else in the past 12 months, based on the organisation's positive reputation as supportive of the five equality themes.

Undoubtedly the *Customer Diversity* research has shed light on both the risks and opportunities associated with customer diversity. The final question is: What will organisations do to become a more diverse customer centric organisation?

Key finding: Surveyed customers who identify as lesbian, gay or bisexual or who practice a noticeable Faith, were about twice as likely as comparator groups to recommend an organisation to another person based on its reputation as supportive of gender equality, marriage equality, people with a disability, older people or cultural diversity.



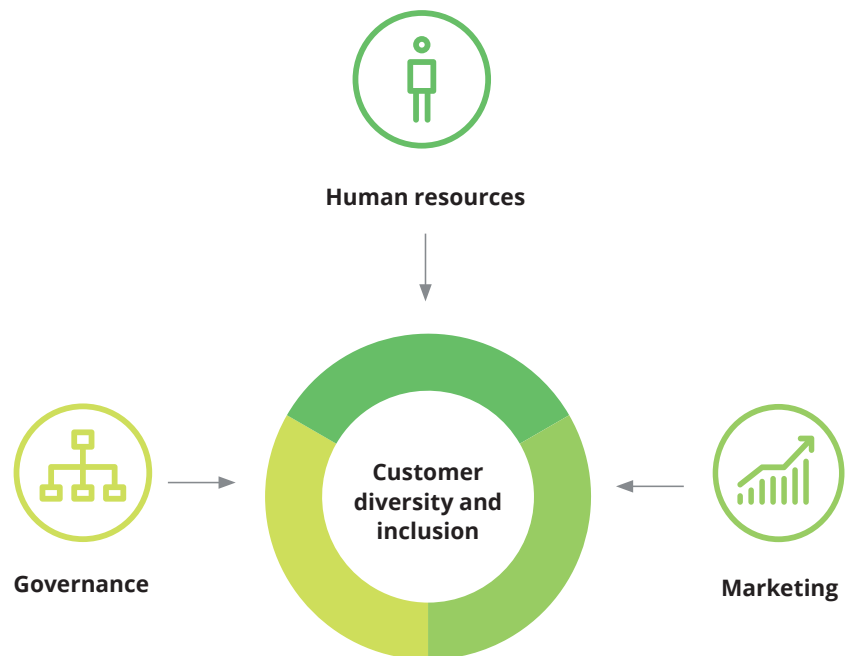
Part B

Making a change

What can organisations do to become more (diversity) customer centric and thereby mitigate risks and magnify opportunities? It probably depends on where an organisation sits on a maturity scale, i.e. how mature are they already in adopting a customer centric mindset and practices? Plus how mature are their diversity and inclusion employment practices?

A mature organisation ought to see the Chief Marketing Officer and Human Resources Director (and arguably the team responsible for ESG - environment, social and governance - commitments) meeting in the middle of the hallway to share ideas and rapidly integrate diversity practices into customer practices. Not that it's all one way, the HRD will no doubt learn from the CMO and ESG team as well. A much less mature organisation might need help getting customer diversity onto the radar.

Below we introduce a maturity model and capability framework along with examples to help organisations make the change.



Special Measures

Some organisations may be concerned that targeting specific customer groups when providing goods or services may be regarded as unlawful discrimination.

Federal anti-discrimination laws contain provisions allowing for implementation of 'special measures' or 'positive discrimination' on the basis of characteristics including sex, sexual orientation, gender identity, pregnancy status, race, disability and age.

Special measures aim to foster greater equality by supporting groups who face or have faced entrenched discrimination so they can have similar access to opportunities as others.

Examples of such measures include a gym offering a women's only exercise class in response to feedback that women are less likely to participate in exercise classes with men because they feel uncomfortable, and a hairdresser providing discounts to customers with a Senior's Card.

It is not necessary to make an application to the Australian Human Rights Commission to implement a special measure, and the Commission does not have power to certify special measures. For more information see the Quick Guide to Discrimination Law at: www.humanrights.gov.au/our-work/employers.

Federal anti-discrimination laws also contain some permanent exemptions.

For example, under the Sex Discrimination Act it is lawful to grant rights or privileges to a woman in connection with pregnancy, childbirth or breastfeeding.

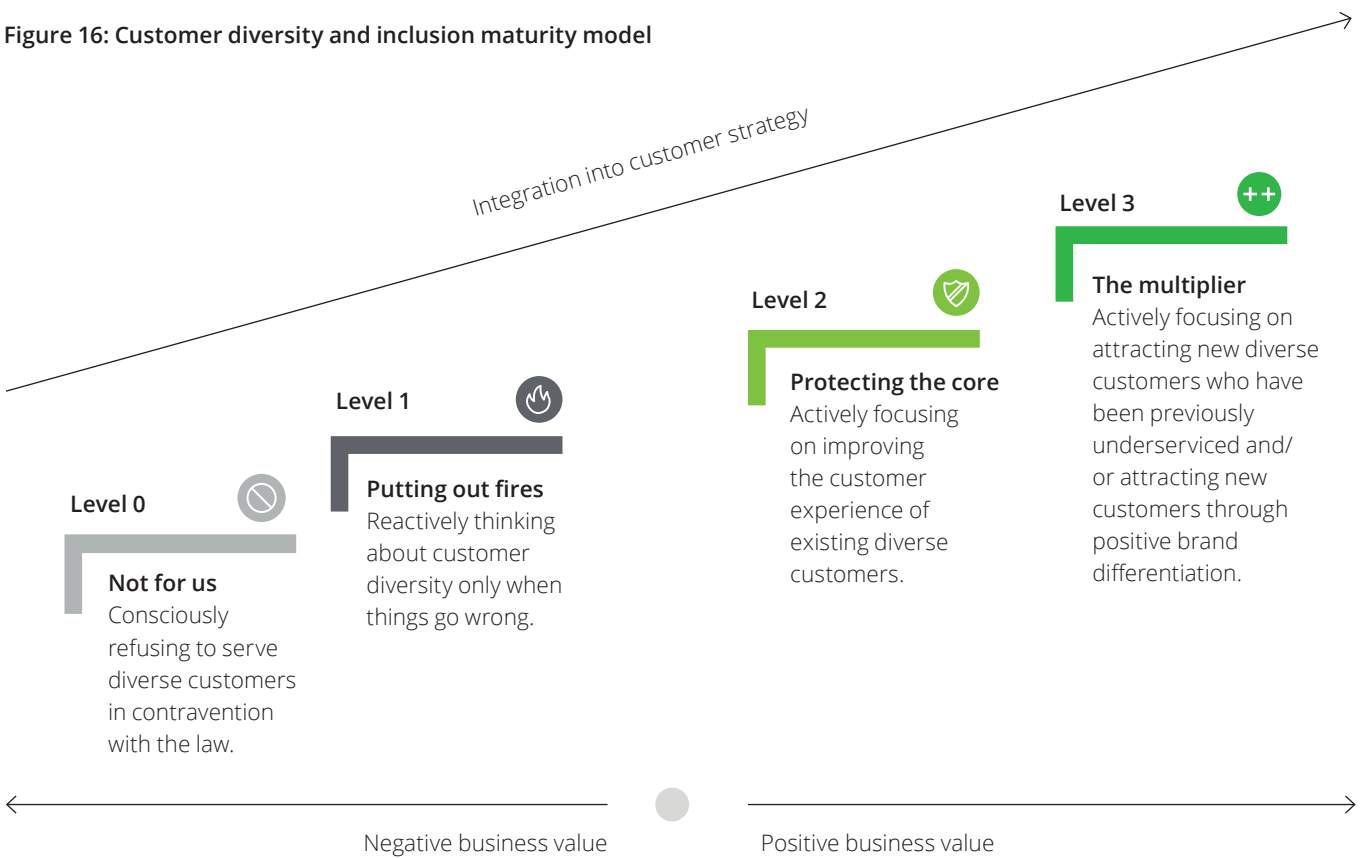
The Australian Human Rights Commission can also grant temporary exemptions under the Sex Discrimination Act, Disability Discrimination Act and Age Discrimination Act if it is satisfied there are good reasons for doing so. For more information see: www.humanrights.gov.au/our-work/legal/exemptions.

Organisations should be aware that they may also be affected by State and Territory anti-discrimination laws which have their own exemption provisions.

Introducing a model of maturity and capability framework

The inclusion of diverse customers can be broadly segmented into four levels of maturity – from a decision to actively (and unlawfully) discriminate against diverse customers, to ignoring diverse customers unless the subject of a complaint, through to the integration of diversity into a comprehensive customer strategy.

Figure 16: Customer diversity and inclusion maturity model



What’s needed to move organisations through each of these levels to create positive business value? It’s much more than a training program for front-line and complaint-handling staff on how to treat customers with respect or a superficial strategy to match diverse customers with diverse staff.

The eight elements described below help identify how to build much more impactful change by: creating a compelling vision and clear strategy; good governance of the strategy; active and accountable leadership; employee capability; meaningful customer insights; adapted product and service design; as well as relevant brand; and measurement and reporting. The most mature organisations will display each of these elements.

Element	Some questions for consideration
A compelling vision and clear strategy	<ul style="list-style-type: none"> • Is the value of customer diversity and inclusion clearly defined and understood by business leaders? • Is customer diversity and inclusion a focus of the organisation's employee diversity and inclusion strategy, and embedded into the organisation's customer strategy? • Are there clear segment based strategies that drive specific investment in meeting the needs of diverse customers? • Is diversity and inclusion a core value for the organisation and do employees live by these values?
Good governance	<ul style="list-style-type: none"> • Is there a senior level person responsible for customer diversity and inclusion, and are insights shared between the customer and employee diversity and inclusion lead? • Does the organisation use insights from Employee Resource Groups in product development to improve customer responsiveness? • Are there measures in place to ensure the organisation complies with discrimination and privacy laws?
Capable and accountable leadership	<ul style="list-style-type: none"> • Is the board and senior leadership team representative of the organisation's customer base? • Do leaders possess a shared commitment to customer diversity and inclusion and role model inclusive behaviours (e.g. fairness and respect)? • Are leaders held accountable for achieving customer diversity and inclusion goals, and are they rewarded for doing so?
Capable employees	<ul style="list-style-type: none"> • Does the organisation have a workplace culture that values diversity and inclusion? • Are there education and training programs in place to develop knowledge and behaviours relating to customer diversity and inclusion, e.g. empathy training? • Is the workforce representative of the organisation's customer base and are there recruitment and retention strategies for diversity and inclusion?
Meaningful customer insights	<ul style="list-style-type: none"> • Does the organisation measure the customers it doesn't have, to identify potential unmet needs? • Is the organisation satisfied that it is hearing the voice of diverse customers? Are customer feedback programs made accessible to diverse customers, in multiple languages and formats? • Does the organisation develop diversity and inclusion insights that are actionable, integrated and shared across the organisation?
Adapted product and service design	<ul style="list-style-type: none"> • Are diverse customers engaged in product and service design? • For existing products in market, are there product suitability processes in place to assess and ensure the inclusion of diverse customer needs? • Are environments across all channels designed in a manner that considers diversity and inclusion customer needs? • Do the organisation's human-centred design methodologies consciously embrace the needs of diverse customers? • Are product and service disclosure statements and contractual documents delivered in formats that are accessible to diverse customers?
Relevant brand	<ul style="list-style-type: none"> • Does the organisation (e.g. leaders) have a reputation for supporting diversity and inclusion? • Does the organisation integrate diversity and inclusion into communications and marketing? • Does the organisation seek to influence and/or take a stance on equality themes (e.g. marriage equality) in the community? • Are there clear diversity and inclusion principles in place in the execution of brand strategy?
Relevant measurement and reporting	<ul style="list-style-type: none"> • Have goals been set in relation to customer diversity and inclusion (e.g. X% of diverse customers feel respected in their interactions with the organisations)? • How is diversity and inclusion integrated into existing measures like Net Promoter Score? • Are processes and systems in place to develop, measure, monitor and report on customer diversity and inclusion impact and outcomes?

Inspiring examples



Apple

In more recent times, Apple has focused on redesigning emoji to better represent its customer base. In 2015, it introduced racially diverse emoji, allowing users to cycle through various shades of white and brown to customize their emoji's skin colours along with picture options for same-sex couples. In 2016, Apple announced new emoji that show women playing more sports and performing jobs that previously only allowed for male options.



Cricket Australia

In 2011, Cricket Australia established the KFC Big Bash League (BBL), a new domestic Twenty20 cricket tournament. The BBL was established with one goal in mind – to attract and engage new fans (children, families, female audiences) to the sport of cricket and protect the future of the game. Consistent with its aim to attract more female players, a women's league was also established in 2015, and was so well received that broadcast partners added additional women's games to the schedule in 2016. By 2016, TV audiences surpassed 1 million viewers per game. Its success is a driving force behind cricket now becoming Australia's number 1 participation sport, with 24% of players now female⁹.

L'Oréal

In 2016, L'Oréal Paris launched a major campaign, #YoursTruly, to promote its new True Match Foundation range - a set of 23 shades that the brand says matches 98% of skin tones across all ethnicities. According to L'Oréal Paris UK general manager Adrien Koskas said: '...the #YoursTruly campaign is a declaration of equality and diversity for the L'Oréal Paris brand.'¹⁰

⁹<http://www.forbes.com/sites/jasonbelzer/2016/01/22/why-australias-big-bash-league-is-changing-the-professional-sports-paradigm/#5cb6497693cc>

¹⁰<http://www.campaignlive.co.uk/article/loreal-hails-skin-tone-and-gender-diversity-foundation-campaign/1407188#qmrYgoX3JVM6QAOi.99>



Qantas

Qantas has a family-friendly frequent flyer program that has been described as ‘maternity leave for travellers’. This program allows customers to put their Qantas frequent flyer memberships on hold for a period of up to 18 months when they welcome a new addition to their families and as a result, may not be travelling as often. Members can still continue to earn points and credits as well as get access to an airport lounge if they happen to fly during this period.



QBE

In 2015, QBE pioneered an initiative that combines investment management activities with Environmental, Social and Governance activities in QBE’s sales and marketing of insurance products.

Known as Premiums4Good, this initiative allows targeted customers to direct a proportion of their premium for investment in securities with an additional social or environmental objective.

Examples of these investments include Social Impact Bonds, green bonds and investments into infrastructure projects with environmental benefits. QBE has gone on to invest in Social Impact Bonds globally across high impact areas including improvement in the life outcomes of youth at risk, reducing the risk of heart disease and instances of children in out-of-home care. QBE also invested \$30 million in the Future Generation Global Investment Company (FGG) initial public offering on the ASX in 2015. Investment managers selected to manage the FGG portfolio donate their professional services while FGG is committed to transforming youth mental health in Australia through donating 1% of net tangible assets annually to selected Australian non-profit organisations.



RESERVE BANK
OF AUSTRALIA

Reserve Bank Australia

The Reserve Bank of Australia has started to produce ‘tactile banknotes’ to help those who are visually impaired identify different dollar denominations. Although the Reserve Bank will continue to display existing features to assist the visually impaired such as bright colours and different sizes, it is one of few countries that has included tactile identification.





TIFFANY & Co.

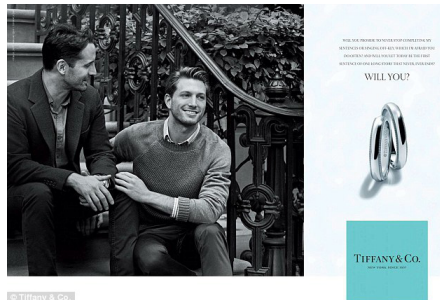
200 | Westpac GROUP

SBS

In 2016, SBS launched the 'Diversity Works Challenge' which is designed to encourage the Australian advertising industry to think with diversity and to reflect the real Australia in their marketing campaigns. SBS will offer \$1 million advertising space to the brand or agency with the best campaign that prominently features Australia's diversity, while also achieving the brand's overall marketing objectives, and will launch in a prime time program on SBS in the second half of 2017.

Tiffany and Co

In 2015, Tiffany featured for the first time, a same-sex couple in their new advertising campaign. The campaign titled 'Will you?' features seven pictures of different couples, including two men on a New York step and is intended to honour the idea that love transcends age, race and gender.



Westpac Group

Deaf and hard of hearing customers in key metropolitan areas now have access to financial advice in Auslan (Australian Sign Language), thanks to an industry-first trial. The service enables Westpac and St.George customers and financial planners to connect with interpreters who provide access to the discussion in Auslan, using the Bank's Connect Now video-conferencing technology. This has opened up conversations with customers and created strong brand advocacy for Westpac Group, as positive communication of the service has been shared broadly in the community with more than 10,000 likes on both the St.George and Westpac Facebook pages.

Conclusion

The customer centricity movement is big business. So much so that the Harvard Business Review devoted two recent editions to answering these headline question: 'What does your customer really want?' (2016) and 'How to win and keep customers' (2017). The esteemed authors wrote about pricing, product/service quality, data, innovation, habits, prototyping and storytelling. Each of these is important. But the list was incomplete.

Few mentioned customer segmentation, and if they did so, no reference was made to the experiences of diverse groups. No-one talked about the threshold issues of fairness and respect, nor the multiplier effects of negative and positive experiences within diversity communities (e.g. detraction/advocacy). No-one spotted the extra selling power of positive messages of support for equality beyond a single and specific diversity target group.

This is the value created by *Missing out: The business case for Customer Diversity*. And it is very timely. Our community is becoming much more diverse, customers are becoming more empowered and choices – particularly via online channels are manifold.

In this context, the persistence of stereotypes and biases would seem quaint if they weren't so damaging. Damaging to the retention of existing customers as well an organisation's ability to access new markets.

On the flip side, there are substantial rewards for those organisations which embrace these diversity insights and capitalise on new opportunities. No wonder then that our sponsoring partners spanning diverse industries are taking it seriously. We'll let them have the last word.



'Operating in a country where 28% of our population were born overseas, organisations have the best incentive to understand and represent that diversity if we are to resonate with and be relevant to all Australians. SBS was established with a clear purpose to promote the benefits of diversity, and in doing so help Australians understand each other better and our place in the world – and that has been driving all that we do for more than 40 years. Our commitment to diversity is not only demonstrated through the stories we explore in our programs, in the way we deliver content to audiences across our platforms, and in the way our radio services help migrant communities to understand Australian cultures and values, but it's also ingrained in our way of operating. We are motivated by our belief that by inspiring greater understanding and connecting communities, we can shift perceptions and make a difference – socially and economically.'

Michael Ebeid
Chief Executive Officer and Managing Director SBS



¹HBR (2016) What does your customer really want?, September 2016

'Whether it's your customers or your workforce, respecting diversity and treating people inclusively is the right thing to do, plain and simple. It's also the smart thing to do, because if you're appealing to the widest range of people, you're strengthening your ability to grow, attract the best talent and innovate. This report makes those benefits clear.'

Alan Joyce
CEO, Qantas



'As a company entering its third century in business we know that our success lies in delivering great service. Being Australia's oldest company and first bank, we have a strong history of supporting customers who have a wide range of individual requirements. Our service philosophy is based on the foundation of knowing our customers, empowering them and then wowing them through outstanding experience, so that they in turn can prosper and grow. This approach is founded on making inclusion a priority in how we deliver our products and services. We want all our customers to feel welcomed and included so they can reach their full potential, irrespective of their individual requirements.'

Brian Hartzer
CEO, Westpac Group

'QBE's purpose is to give people the confidence to achieve their ambitions. That means we want to help everybody - no matter who they are, whether they are a customer, an employee or someone in our broader community - and practice inclusivity in the development and delivery of our products and services. There is still a lot for us to learn and we are committed to becoming a better organisation to enable business growth and innovation, particularly when engaging with customers and their varying needs.'

Pat Regan
CEO QBE Australian & New Zealand Operations

Appendix

Methodology

This research was undertaken in three phases: Context, Discover and Deliver, combining a review of global leading practice with qualitative and quantitative research insights.

01

Context

What: Understand existing approaches and leading practice to support the design phase

How: Conducted a review of leading practice through desktop review, interviews with partner organisations and Deloitte subject matter experts.

02

Discover

What: Conduct qualitative research to inform quantitative survey design and administer survey

How: Conducted focus groups with partner organisation panels, developed criteria for recruitment and conducted contextual inquiries with diverse customer groups. Synthesised this insight and developed a survey research instrument based on insights and Deloitte workplace diversity and inclusion methods.

03

Deliver

What: Analyse research findings, develop maturity framework and document findings

How: Analysed quantitative and qualitative research findings and developed point of view on customer diversity and inclusion in collaboration with partner organisations, including a view of key elements of customer experience and diversity and inclusion that would assist organisations assess their levels of maturity.

Qualitative research

In total, we engaged with 26 participants across two qualitative research methods: contextual inquiries and focus groups.

Contextual inquiries

Nine contextual inquiries were conducted in individuals' homes, with recruitment based on their category of diversity. The mix of these groups is outlined below.

Contextual inquiries – Diversity cohorts

	Religion & Cultural background	Age	Gender	Sexual Orientation - Gender identity	Disability
Participant 1		●	●		
Participant 2				●	●
Participant 3			●	●	
Participant 4		●			
Participant 5			●	●	
Participant 6	●				
Participant 7			●		
Participant 8			●	●	●
Participant 9	●		●	●	
Coverage	2	2	6	5	2

Focus groups

Two focus groups were conducted with diverse groups of staff of two partner organisations. The mix of these groups is outlined below.

Focus group 1

	Religion & Cultural background	Age	Gender	Sexual Orientation - Gender identity	Disability
Participant 1			●	●	
Participant 2	●			●	
Participant 3	●		●		
Participant 4	●		●	●	
Participant 5			●		●
Participant 6			●		
Participant 7		●	●		
Participant 8					●
Coverage	3	1	6	3	2

Focus group 2

	Religion & Cultural background	Age	Gender	Sexual Orientation - Gender identity	Disability
Participant 1			●	●	●
Participant 2			●		
Participant 3				●	
Participant 4			●		
Participant 5			●		
Participant 6			●		●
Participant 7				●	
Participant 8			●		
Participant 9	●		●		●
Coverage	1	0	7	3	3

Quantitative research

Our quantitative research findings were based on an online survey of over 1,200 individuals, with a skew toward those from diverse backgrounds. The survey was structured around understanding the experiences of these individuals as customers. Their expectations around organisational focus on diversity and inclusion, their experiences with organisations in the context of diversity and inclusion and the influence of organisations' approaches to diversity and inclusion to decision-making and advocacy.

Demographic breakdown of survey respondents

State/Territory	Number of responses	% of responses
NSW	420	34.3%
ACT	30	2.5%
QLD	232	19.0%
VIC	316	25.8%
TAS	25	2.0%
WA	98	8.0%
SA	94	7.7%
NT	9	0.7%
Total	1,224	100.0%

Age	Number of responses	% of responses
17 years or less	0	0.0%
18 to 25 years	201	16.4%
26 to 35 years	321	26.2%
36 to 45 years	216	17.6%
46 to 55 years	149	12.2%
56 to 65 years	154	12.6%
66 to 75 years	153	12.5%
76 years or older	30	2.5%
Total	1,224	100.0%

Cultural background	% of responses
Anglo-Celtic	29.1%
Indigenous	7.4%
European	18.8%
Non-European	44.7%

Sexual orientation/ gender identity	% of responses
Lesbian	1.4%
Gay	3.2%
Bisexual	8.4%
Transgender	1.1%
Heterosexual	85.9%

Sex	% of responses
Female	62.7%
Male	37.1%
Intersex	0.2%

Disability ¹	% of responses
Yes	10.9%
No	89.1%

Faith ²	% of responses
Yes	15.0%
No	85.0%

State/ Territory	% of responses
Capital city	70.8%
Regional	29.2%

¹Disability that impacts ability to purchase or access goods/services

²Faith noticeable to others by appearance

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