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Outlook for Multicultural Marketing in 2010 and Beyond

Top multicultural marketing experts weigh in with their informed opinions on what to expect in Multicultural Marketing in 2010 and over the next decade. Read on to learn what these experts have to say about marketing to Hispanics, African Americans, Asian Americans, Muslim Americans, the GLBT consumer market and people with disabilities.

Multicultural Markets

In 2010, multicultural marketing will continue to migrate toward digital assignments, as will the rest of marketing communications. The number of African Americans and Hispanics online and with access to digital outlets will increase significantly. This also creates the need to further segment multicultural consumers, and the old segmentation descriptions of “African American,” “Hispanic,” “Asian” and “LGBT” will become insufficient. The big news in 2011 and 2012 will be the release of 2010 census results. The number of multicultural Americans and so-called mixed-race individuals and couples will surprise many in the industry. Yesterday’s dominant target audience (young and middle-aged whites) will clearly be aging even more rapidly. A majority of marketers will begin to see there is no “general market.” Multicultural agencies will hold the best understanding of those comprising the new America, as legacy agencies and holding companies still will not employ a critical mass of seasoned managers who understand these consumers’ sensibilities and world view. The workforce of these agencies will still view assignments targeting people of color and LGBT prospects as less desirable. This will further impede legacy agency effectiveness, particularly as clients increasingly value direct interaction with consumers where they live and frequent. **By Howard Buford, President & CEO of Prime Access**

As the 2010 Census confirms the increased diversity of the American population, the future of multicultural marketing is very exciting. To take advantage of the growth opportunities the emerging untapped “minorities” market offers, recognizing the nuance and cultural sensitivity required to address each ethnic group will be paramount to any successful marketing plan. Businesses who take the extra steps to effectively communicate with multicultural markets as the new “mass market” will have a clear competitive advantage over those who do not in gaining brand loyalty. One very important step a company can take to ensure it appeals to multicultural audiences is to provide materials in their own languages. Another growing trend is to create bilingual materials which will appeal to all levels of acculturation in a household. Simple translation will not do - the in-language communication must be culturally competent. In a perfect world, marketing campaigns are created “in-language” from scratch. However, in a difficult economic climate, which unfortunately may still be the case in 2010, culturally adapted translation and trans-creation is a great option to address budget

constraints. Whatever approach a marketer may choose, one thing is sure: language shapes the way we think and act. **By Elisabete Miranda, President, Translation Plus, Inc.**

The growth of multicultural populations in the U.S., heading toward a majority minority nation by 2042 according to the U.S. Census, represents not only a demographic change but also a significant cultural shift that marketers must acknowledge to remain relevant. Because self-identity is becoming more nuanced and complex as consumers adopt attitudes and behaviors from a globalized U.S., traditional segmentation along monolithic lines are no longer viable. For multicultural agencies, this extraordinary shift leads to the increased importance and relevance of our role in communicating with all Americans. Within GlobalHue Africanic, GlobalHue Latino and GlobalHue Asian we recognize communities within communities, each demanding more authentic relationships with brands. In addition, GlobalHue/Next was formed in 2009 to help brands rethink their relationships with consumers based on a broader cultural environment and to connect a brand's values to those of the new America. **By Kelli Coleman, Vice President, Business Development, GlobalHue**

A new decade is upon us and at an estimated cost of \$14.5 billion dollars and being promoted as "The Portrait of America," the new 2010 Census will be conducted. Recently there have been many stories written that reflect how the 2010 Census will actually be conducted. The 2010 Census plan is if a household doesn't mail back the questionnaire by the third week of April 2010, a trained Census Bureau enumerator will visit the household, starting in May 2010. Enumerators will try six times if necessary to reach a knowledgeable household member, visiting housing units multiple days at different hours. When the enumerator makes contact, he or she will collect the census data by interview. If enumerators can't contact a household, they will seek information in any way possible to "estimate" the number of people in the household. At the end of this process, every household will have some information about its occupants recorded. "Estimate" is the key word here. Just how accurate will the estimated information be? Will the enumerators estimate the households' ethnicity, race and language preference? Language preference is not even one of the 10 questions on the short form. In 2000 only about 70 percent of the population returned their information, leaving several areas seriously under-counted and under-represented. It should be interesting to compare their estimated number to those of companies who use real time data in their analysis. More to come as we learn more. **By Candace M. Kennedy, Sales and Marketing, Ethnic Technologies, LLC**

From the perspective of a market research company we see the following: Beginning in 2010 and continuing throughout the next decade, we will see the flywheel of

multicultural market begin to move faster with greater impact. Anticipation for the results of the decennial have many agencies, researchers and marketers salivating. End user clients will finally recognize the full potential of both Hispanics and Asian Americans and adjust their spending accordingly. New, less expensive techniques for market research data collection (i.e. the advent of real, representative Hispanic panels and interviewing using mobile devices) will mean that marketers can now get quicker insights, cutting costs and time-to-market for many new products. This will be a very exciting time as fresh, new faces enter the multicultural arena with new ideas and enthusiasm. **By Michael Halberstam, President, Interviewing Service of America**

The African American Market

As we enter this new decade the big headline is the 2010 Census. This census should confirm more than ever an expanding multicultural America. Marketers seeking robust detail however will be disappointed. Nevertheless, this Census will confirm the growth and importance of vibrant racial and cultural consumer segments. We will learn that there are more multiracial and multicultural consumers in America than ever before. This decade will continue to see marketers wrestling with choosing between inclusion and segmentation strategies. As marketers learn more about these multicultural populations, we may see an increased use of segmentation strategies. The availability of expanded digital media options will make this decision easier. We will see “back to the future” tactics with increasing use of promotions and events as marketers recognize the competitive advantage strategic signature events can offer a brand. Despite the growing diversity of America geo-targeting is still affordable and being local for several categories, like beverages, is still a great way to develop relationships and bonding between consumers and individual brands. In this unfolding decade segmentation will deliver increased ROI in all segments especially in the African American segment. We should see an increase in specialty agencies that are dedicated and expert in specific sub-segments. Young African Americans will continue to be a coveted sub-segment for marketers. The 2010 Census will reveal that the relatively younger African American population is maturing along with the rest of America. Thus, marketers will recognize opportunities in the Black Baby Boomer segment. Travel, pharmaceutical, and financial marketers will benefit from efforts directed to this segment. Black moms, currently a valuable segment, will take on increased value as the 2010 Census tells us how their overall status has improved. This should prove to be an exciting multicultural marketing decade. **By Ron Campbell, CEO, Campbell-Communications, Research & Strategic Planning**

The Hispanic Market

Recent statistics show the Hispanic American population is growing at a rate 4 times that of the general population. The 2010 Census is expected to reveal that over the past 10 years, the Hispanic population has increased from 38 million to approximately 50

million, and that two-thirds of Hispanics reside within the states of California, Texas, Florida, and New York. Recently though, we have identified new trends in the Hispanic market. Unconventional markets such as North Carolina, Virginia, Colorado, and Illinois are increasingly becoming new emerging Hispanic markets. The resiliency of the Hispanic population during the economic recession has incentivized Hispanics to travel to new markets in the U.S. in search for work. This new trend, accompanied by an estimated Hispanic purchasing power to reach 1 trillion dollars by 2013 reveals unlimited opportunities for Hispanic marketers for 2010. In addition, recent research points to Hispanics spending more time online than non-Hispanics and being more active online than non-Hispanics. Seventy-percent (70%) of Hispanic Internet users describe themselves as "frequently" or "always" online while watching TV according to a recent study composed by the Pew Hispanic Center. Expect savvy businesses in 2010 to accommodate this fast-growing market with localized websites and online marketing. We believe the results of the 2010 Census will ignite a new cultural sensitivity to all advertisers and increase Hispanic marketing budgets for 2010. We project conditions are ripe now for businesses to focus more on the Hispanic culture so they can enhance profits and make more strategic marketing decisions for their companies. **By Octavio Orozco, VP, General Manager/Co-Founder, VRTCCOM (Vertice Communication Corp.)**

The Asian American Market

Despite the recent-year economic challenges, Asian multicultural marketing continues to be poised for growth in the new decade that will, no doubt, be spurred on by the eventual publication of new Census 2010 data. Some key trends to watch for in 2010 and beyond include: Expansion of active product categories and entrance of new category players in the Asian multicultural space. While the historical “big players” of financial services and telecom will continue to remain active, new growth will come from increasing, or ‘re-activated,’ marketing activity from clients in the retail, automotive, and luxury products sectors. Healthcare and pharmaceutical marketing programs will also deepen as Asian DTC efforts move beyond the historical focus of the last decade (liver health and osteoporosis) to embrace new disease categories including mental health, cardiovascular, oncology, and others. Major OTC brands will also turn towards the Asian segments for the first time as a new ‘frontier’ that extends their prior successes in Hispanic and African-American marketing. The coming decade will also welcome new, or fairly ‘inactive’ categories to the Asian market as multicultural marketing as a discipline completes its transition from ‘option’ to ‘imperative.’ Such categories include consumer packaged goods (in its broadest definition), computers/software, travel & leisure, and others. Drive to the Web: Asian marketers will increasingly build their online competencies as the spotlight is maintained on Asian consumers in the USA as the most ‘mature’ users of the web – with respect to their daily/weekly/monthly surfing habits, their leading use of social media, and their leadership among all segments in researching products online, purchasing products online, and conducting financial transactions online. However, unlike in the general market, growth in online marketing programs will not replace traditional Asian media programs, but rather serve as an essential, integrated ‘complement’ to such programs. This is due to the long history of Asian offline media in

the country, the ever-expanding offline content sophistication, the continued strong reach which Asian offline media affords within the top 'Asian' cities, and it's comparative low cost vis a vis media in other consumer segments. As such, the cost barrier-to-entry in building 'surround-sound' offline/online programming to reach Asian consumers will continue to remain low, thereby enhancing market attractiveness. **By Saul Gitlin, EVP Strategic Services, Kang & Lee Advertising**

At interTrend, we believe that multicultural marketing, particularly Asian focused marketing, resides in the eye of the perfect storm. Globally, the cultural epicenter is shifting from the West to the East. Everywhere you look, from food, fashion, and entertainment to technology and even medicine, the influence of the East is hard to ignore. Kogi taco trucks, Pinkberry, Harajuku Lovers, fashionable eco bags, Bollywood, and QR-codes (mobile bar codes) are just a few indications of western trends carrying remarkable eastern DNA. The American marketplace is transforming as the general market is becoming more multicultural. Savvy, modern American marketers are eager to gain a deeper understanding of the subcultures that originate with particular ethnic groups, because these influencers more and more often migrate over to the general marketplace. In this digital era, Asians are not only avid digital media consumers, but also prolific new media content creators. Are you aware that the universal blogging language is Japanese? More blog posts were made in Japanese than English from 2005 to 2007, according to Technorati data. This is despite the almost 5:1 ratio of English to Japanese speakers worldwide. Chinese is the third-most-blogged language. And as the number two language on the web, its growth rate between 2000 and 2009 was 1,088%. Global minded brands seeking to better engage their multicultural and digitally savvy consumers will find interTrend their one-stop-shop destination. **By Jane Nakagawa, VP, Strategy, interTrend communications, Inc.**

The Muslim American Market

2010 kicks-off with rapidly increasing momentum in the US (and global) Muslim consumer market, estimated at \$1 trillion worldwide by TIME (May, 2009) Muslim consumers are influenced by their identity on different levels of buying and reacting to marketing messages. For example, JWT has discovered that 7 million US Muslims are spending \$170 billion a year, highly brand loyal and feel ignored by mainstream brands (JWT: Time for Marketers to take Muslim consumers seriously, 2008). Marketers are now recognizing the potential of this under-served market and have a real opportunity to garner their loyalty. Some of the most powerful Muslim consumer segments are based in Muslim-minority regions such as the US (as well as Europe) and are reachable through specialized media. Recently, several global brands have started reaching out to the Muslim American market through targeted messaging and specialized media. Among them are Best Buy, McDonald's and Nokia. Outside the US, Nestle, Unilever, P&G, Coca Cola and Pizza Hut are targeting this market. Like many niche segments, marketers

must seek out experts who are well entrenched in this market. **By Mohamed El-Fatatry, Founder & CEO, Muxlim, Inc.**

The Disability Market

The outlook for disability-inclusive multicultural marketing is bright with disability power and pride. As the nation ramps up for the 20th anniversary of the historic Americans with Disabilities Act (ADA), July 26, 2010, companies and organizations have fortified efforts toward collaboration and inclusion of this untapped market and labor pool. Examples include: Corporations like AT&T and McDonald's respect and value employees, customers and stakeholders with disabilities; The U.S. Department of Labor's Office of Disability Employment Policy, under the direction of Assistant Secretary, Kathleen Martinez is spearheading a National Disability Listening Tour (with other federal agencies) to six cities to listen to stakeholders about what works to take "disability off the special shelf," with women, veterans and minorities with disabilities (visit www.disabilitylisteningtour.com); and the TV Academy's Diversity Committee plans to co-sponsor a Disability Entertainment Summit this summer. Strategic marketing WITH the disability and aging market segments walks and rolls in the success of other diverse markets and is coming of age. Now is the time to rethink ad campaigns and collateral to include the nation's largest diversity group with \$1 trillion in aggregate income. The outlook for 2010 is shining bright with disability power, pride and untapped potential. **By Tari Hartman Squire, CEO, EIN SOF Communications, Inc.**

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About This Newsletter

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