



Marketing to a Multicultural

Nation

How brand marketers are connecting with the new “general market”

BY LISA SKRILOFF

Back in the early 1980s, during my tenure as editor of the trade newsletter *Hispanic Age*, it took guest columns by the likes of Anheuser-Busch, Campbell Soup Co., Coca-Cola USA, and Colgate-Palmolive to make the case for marketing to Hispanics — a tough sell at the time. Oh, how far we’ve come. Today, across industries, marketers are creating robust marketing plans that consider not only Hispanics but all consumer segments. As the latest U.S. Census results show, the so-called “minority market” is now the majority in most key urban areas throughout the country. In fact, for the first time, racial and ethnic minorities make up more than half the children born in the United States. Walmart predicts that 100 percent of its growth over the next five years will be driven by multicultural consumers. In this Q&A, five experts weigh in on the challenges of marketing to a multicultural nation, the value of cross-cultural marketing versus traditional multicultural marketing, and the role new media plays in reaching multicultural consumers, among other topics.

Q. Do you believe the multicultural market is increasingly becoming the new general market? If so, is every marketer at your company responsible in some way for multicultural marketing?

Marc Strachan: The makeup of society is such that the term “minorities” will soon be obsolete in its current usage, and we will have a truly diverse society. Multicultural consumers will constitute the majority of the population in certain markets and communities, and we will continue to seek ways to be relevant to them and their lifestyles.

Alexandra Galindez: If you look at the projected population growth rates from 2015-2030, it is clear that the U.S. is becoming increasingly diverse, by race and ethnicity. That means that as the traditional consumer — for any industry, but especially within financial services — continues to become a smaller portion of your customer

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base, you have to ensure that you are targeting growth areas. At Prudential, all our retail businesses have a multicultural marketing and distribution lead. Our corporate multicultural division works hand in hand with those businesses to develop strategies for broader penetration into key markets. I love the concept of this being everyone's job and believe that, ultimately, we'll see marketing evolve so much that you can't discuss marketing and multicultural marketing separately; they will be one in the same if you're doing marketing at all.

Oscar Madrid: In some markets it already is the general market. In cities like Los Angeles and Miami, where Latinos are the majority, you have to market multiculturally in order to be successful. If you're investing in a city where the majority of the population is Latino and you are not directing at least 50 percent of your resources to the Hispanic market, you are not investing effectively. Our entire marketing team is committed to serving each and every one of our consumer markets effectively. Multicultural marketing plays a significant role in those efforts.

Chris Mendoza: Looking at the U.S. Census data, there is no question that the general market is evolving. Not only are we on schedule to become a minority-majority country within the next decade, but there are so many multicultural influences and elements of our pop culture that have "snuck into" the general market, from language, food, music, film and art, even to fashion and beauty.

Andrea Maher: We see the growing importance of multicultural markets in the U.S., and the diversification of media outlets today enables us to reach each market with a culturally relevant message. To the best of our ability, we try to communicate a consistent message about our brand while tailoring a message that truly resonates with a specific audience. I think Moen's global presence makes us more sensitive to cultural differences within our own country as well. Each marketer at Moen has varying degrees of responsibility for multicultural marketing.

Q. What are some of the challenges of making multicultural marketing a priority at your company?

Strachan: The challenges at Diageo are no different from those at most companies. To solve these, we have chosen to drive the process from the top down. We've driven awareness of the issue as a business imperative, made major investments in multicultural consumer

knowledge and learnings, and now go the extra mile in training our teams about the business opportunities, the cultural nuances, and some of the best practices to do it right. Our goal is to demystify multicultural marketing and make it easy for people to understand the what, why, and how so we can get on with the business of being marketers and driving shareholder value.

Galindez: When I initially started in this industry just under a year ago, I often heard that multicultural marketing can't and wouldn't work because of our distribution model, which is largely third-party and an intermediary-driven business model. I'm not so sure that's the case now. Our third-party distribution teams are willing to partner on a measurement-driven campaign to penetrate [multicultural] markets even more deeply. I believe our biggest challenges are myths and the lack of education about the opportunity, and the curse of success — when you achieve significant success without a change in approach. However, as we continue to learn more about these market segments, we better understand the opportunities and are excited about how much more successful we can be as we embed our multicultural strategy into our businesses.

Madrid: Balancing the resources currently at hand with the opportunities in front of us requires a lot of insights to realize the full business potential. You want to make sure that you're oversampling in all your research efforts so that you do understand the entire population and not just portions of the overall market.

Mendoza: Our biggest challenge is that there just aren't enough hours in the day! We're clearly focused on diversity and inclusion as one of our core business strategies, and that support is felt from the very top of the organization and comes alive inside the home office and in most of our agencies. More and more, though, we're approaching the market with a great focus on segmentation and audiences. For example, a research study that MassMutual updates regularly — the State of the American Family Study — was initially conceived as a general market study, but as the multicultural markets become so much more mainstream, the study has been growing and expanding to credibly represent all segments of the population. As it grows in scope, so does the cost and the amount of expert manpower needed to process the data and communicate it out in a meaningful way.



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— Andrea Maher



Maher: It’s easy to fall into a trap thinking we can effectively reach a multicultural audience with our general communication. So, oftentimes, we need to remind ourselves of the importance and effectiveness of taking the extra step to adapt this message for different cultural subsets.

Q. What is the value of cross-cultural marketing (marketing across demographic groups) versus traditional multicultural marketing?

Strachan: Let’s not forget that marketing is designed to stimulate a group of consumers to react to goods, services, organizations, etc., in a particular way. With that in mind, we at Diageo look at the master brand strategy approach as the most pure way to drive our brand-building efforts. We provide single-focused messages to our potential consumer targets, no matter who they are. What we see differently is that this approach forces you to seek deeper and purer insights from consumers to find the common ground. It also allows us to focus our efforts to find the best tactical methods to drill the strategy down in ways that are lifestyle and culturally relevant.

Galindez: Cross-cultural versus traditional marketing efforts make sense for Prudential because our primary clients (our intermediaries) have different multicultural targets. We are much better positioned to partner with these strategic organizations if we’re cross-cultural versus singling out any specific group.

Madrid: The social fabric of the United States today is more diverse than ever before. Cross-cultural marketing can actually be injected into traditional multicultural marketing efforts in order to make general market efforts more vibrant and contemporary-relevant.

Mendoza: It’s not necessarily one versus the other. The market is evolving to become more multicultural versus segmented. One cannot ignore the diversification of the general market, and companies that do cross-cultural marketing are wise. There still is a place, though, for multicultural marketing in that the specific communities have a need for targeted programs and messaging that the broader marketing efforts do not reach.

Maher: We don’t see it as an either/or issue. We’re happily able to capitalize on multicultural cues and insights across demographic groups. One example is our spokesman, Martin Amado, who began his relationship with Moen in the Hispanic market and crossed over to mainstream marketing initiatives. We recognize

that consumers live in both worlds. It’s important that our messaging be consistent.

Q. What role does newer media (such as social, mobile, and gaming) play in reaching multicultural consumers? Does it depend on the specific audience?

Strachan: New media — in particular social media — is an enormously important and powerful way to reach today’s consumers. It is true that some multicultural audiences have gravitated to the medium faster, and in greater numbers, using social media almost as their primary communications source. This is a factor of the evolution of technology in our society and the reality that multicultural groups have always been significant early adopters and trendsetters. At present, Hispanic consumers have adopted mobile communication at a relatively higher level than others.

Galindez: I can’t imagine doing anything in the multicultural space without newer media. We’ve all seen the over-index statistics on women and ethnic consumers’ digital media usage. They apply to all the multicultural groups we are considering. There are, of course, regulatory considerations, but I think we are getting closer to figuring out how to meet these consumers where they are.

Madrid: Social and digital media allows us to directly connect and communicate with various multicultural consumers. It also allows us to hold a conversation with them and understand their preferences in a more personal way. For example, through our Somos FiOS multicultural marketing efforts, we have been able to more closely communicate with our Hispanic consumers, not only engaging them about our brand and services but also fostering dialogue among themselves about their personal passions, like the Xbox games they play or the characters on the soap operas they watch.

Mendoza: Social and mobile provide unique ways to reach consumers. The very nature of social is that it “crowdsources” opinion and drives decision-making. Some may think that social and mobile media are venues for certain groups — younger female consumers and a good number of millennials — but in reality, social and mobile are a great way to reach a number of population segments, from multicultural groups to young men to boomers and grandparents. We believe the route to cross-cultural marketing is through social, mobile, and gaming.

Maher: The key is to determine the relevant opportunities, since there are so many options

in today's digital media landscape. For example, we can reach out to both "mommy" bloggers and "mami" bloggers. The more we are able to segment these different outlets, the better positioned we are to win consumers' loyalty.

Q. Is your company actively targeting the lesbian, gay, bisexual, and transgender (LGBT) community? In what ways?

Strachan: At Diageo, we have identified the LGBT community as a core group of both consumers and potential employees. Over the last three years, we have built on our existing LGBT relationships and activations by diving deeper into the community at large. We are very proud of our LGBT efforts and look forward to extending and growing them.

Galindez: We don't have a unified strategy for LGBT across the enterprise today, but last year we launched one of our signature research surveys focused on the LGBT financial experience [www.prudential.com/lgbt]. It has been very well received by that community. We want to see where we can take that in the future. I'm also interested to see if there are distribution partners that would be willing to focus on this with us.

Madrid: Over the years, Verizon has supported initiatives and built strategic partnerships with many LGBT community organizations at the national, state, and local levels. Within the past year, the company was honored by the Anti-Violence Project in New York City for its work to prevent domestic violence in the LGBT community, and the company received a perfect 100 score in the Human Rights Campaign Equality Index, a rating that recognizes Verizon's commitment to promote diversity as well as our progress in creating a more inclusive workplace.

Mendoza: MassMutual has been supporting the LGBT community through our programs and efforts for some time. In fact, some of our agents and agencies across the country have a focus and practice established for working with LGBT clients. The company has established strong relationships with the Human Rights Campaign and has taken a vocal and public stand on marriage equality, in addition to relationships with the National Gay and Lesbian Chamber of Commerce and local Pride organizations. Inside the home office, our LGBT employees are supported by an employee resource group, and we're actively recruiting for corporate positions across the company. MassMutual

is working to be inclusive through our hiring, retention, and benefits policies.

Maher: Our creative messaging is designed to entice all homeowners — *anyone* who cares about and is invested in his or her home.

Q. Diversity has become a key business imperative. How is your marketing organization aligning with any diversity initiatives in your human resources department?

Strachan: At Diageo, we have an inclusive culture; treating people equally and fairly is who we are. As for our marketing group, I believe the answer to this question is rooted in the type of people we have and are bringing into our marketing environment — people with culturally diverse professional backgrounds, skills, experiences, and insights. It is making us better thinkers and chasers of great ideas. This will organically result in great work that is applicable to all consumers.

Galindez: At Prudential, diversity and inclusion are at the core of our DNA. Last year, we launched a new diversity and inclusion strategy that helps us thread the work we do across three distinct but overlapping pillars: The People Pillar ensures that our leadership and talent sets us apart in the market; the Market Pillar addresses how we connect with key customer segments in our advertising through targeted and non-targeted multicultural sales and marketing strategies; and the Community Pillar ensures that we support diverse segments of the community through philanthropy, third-party relationships, and the suppliers that we use. We believe these are the right areas of focus for us because they align so well with our value proposition and our history.

Madrid: Diversity is an integral part of our business and is woven into the fabric of everything we do. Our human resources organization holds roundtable meetings with our diversity task force, which addresses marketing, supplier diversity, external affairs, public relations, and communications to discuss our global diversity and inclusion strategy and partnership opportunities. ■

Lisa Skriloff is president of Multicultural Marketing Resources Inc. (www.multicultural.com), a consulting firm, marketing agency, and publisher of the newsletter Multicultural Marketing News and the directory The Source Book of Multicultural Experts.



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