

# Car campaigns for all consumers

BY LISA SKIRLOFF

**B**y 2016, the multicultural consumer segment will contribute \$14 billion to the auto industry. The companies that will win the market are those that understand diverse consumers' beliefs, practices, intentions, consumption patterns and spending capabilities. Multicultural Marketing Resources Inc. asked experts in marketing to Hispanic, American Muslim, Asian-American, African-American and LGBT consumers to share market insights that automakers should consider when targeting these groups.

## Cultural connections matter

**Hispanic:** Car companies must understand the role culture plays in how multicultural consumers interact with a brand and shouldn't be afraid of co-creating brand value with their customers.

But they must identify key dominant cultural attributes and influencing factors, which enable them to engage and connect.

This way, it's possible to weave the brand into the cultural fiber of each diverse community in a manner that



Skirloff

## About the author

Lisa Skirloff is president of consulting firm Multicultural Marketing Resources Inc. and publisher of The Source Book of Multicultural Experts and Multicultural Marketing News. [www.multicultural.com](http://www.multicultural.com)

effectively resonates.

According to Polk, for the first nine months of 2010, Hispanic purchases accounted for 8.7 percent of the total

U.S., outpacing the overall U.S. auto market, which grew just 4 percent in the same time period.

An enticing value proposition for Hispanic consumers has been Hyundai's offerings. It adopted a marketing campaign

built around protecting consumers financially by allowing them to return their vehicles, without penalties, if they lost their jobs or faced economic hardship.

This marketing message resonates with Hispanics who have larger families and have been faced with a similar circumstance in this down economy.

Other successful messages center on fuel efficiency, comfort, quality and affordability. Companies paying attention to these segments' specific needs



Velez-Silva

have experienced growth,

—Jose Velez-Silva, partner, director of client services, GlobalWorks Group LLC

## Motivations in religion

**American Muslim:** When zero-financing car promotions began popping up, my American Muslim friends jumped on those offers. Why? For Muslims, there is a religious prohibition on interest. So inadvertently, auto retailers were catering to a unique need of a growing and affluent American Muslim market.

In the U.S., the size and affluence of the local American Muslim market has a purchasing power of \$105-plus billion in 2010, and automotive and auto services as the second-highest



Shikoh

spending category. This niche market has an above-national-average educa-

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tion level and a very appealing young demographic.

At varying degrees, American Muslims have needs, motivations and behaviors that are faith-driven. In the U.S., companies have just begun targeting this audience with food, finance and retail sectors taking the lead. Successful American Muslim market strategies range from low-risk targeted Muslim media marketing campaigns, to custom messaging and communication to this audience, to product customizations.

Some key considerations include understanding the diversity (African-American, South Asian, Arab) of the immigrant and native American Muslim dynamic, as well as their geographic fragmentation.

—*Rafiq-uddin Shikoh, managing director, DinarStandard*

**Easy target marketing**

**Asian-American:** Asian consumers in the U.S. are uniquely attractive for automotive marketers because of a long list of demographic superlatives.

Comprising 5 percent of the U.S. population and both easily and efficiently reachable because of their geographic concentration in just a handful of states and cities, Asians are the fastest-growing racial group in the U.S.; they have the highest level of educational attainment; and they boast the highest median household incomes of all consumers.



Gitlin

In the late 1990s, the automotive industry woke up to such demographic benchmarks, as well as research from a variety of sources that highlighted that Asian-Americans are the most likely of all groups to buy new (versus used) cars, the most likely to spend more on a



Chrysler

Chrysler tapped the Lions' Ndumukong Suh for a Chrysler 300 commercial in an attempt to reach a wide audience.

car, and the most likely to buy luxury brands.

This knowledge has propelled a wide range of Japanese, U.S.-domestic and European car brands to develop Asian-targeted marketing and media programs to compete for share-of-garage. But the market is by no means oversaturated, and there is plenty of room for new players. Clearly, the sweet spot for the automotive industry lies with the five largest Asian ethnic populations in the U.S. In rank order by national population size, these are the Chinese, Asian Indian, Filipino, Vietnamese, and Korean segments.

—*Saul Gitlin, EYT, strategic services, Kang & Lee Advertising*

**Neighborhood know-how**  
**African-American:**

Anyone in marketing knows how important relationships are. That's why black and Hispanic urban networks such as churches, beauty salons and barbershops can play a key role.

Custom publications coupled with community events reach multicultural audiences. "Feet on the street" understand the fabric of the community. Hosting beauty salon operators at a luncheon sponsored by a car company or other enterprise and highlighting the multicultural management in the company resonates with that target audience.

Black community newspapers

consumers, estimated at 5 percent to 10 percent of the total population, have long been a prized target population for marketers, not just because they have higher discretionary income, but more discretionary time.

This bodes well for leisure time products and services such as entertainment and travel, including travel by car, and often translates to a demand for more performance features and luxury comforts from cars.

Nearly half of LGBT adults are more likely to consider buying a company's product or service when they receive ads tailored to them. Consistently higher auto sales have been achieved by makes and models known for advertising with LGBT-specific campaigns: Subaru is probably the best example.

But one size doesn't fit all in the marketing scheme. The 2010 census reported more than 900,000 same-sex couples. Sixty percent of these are female couples. Twenty-two percent are raising children.

Seek a deeper connection to the community. LGBT consumers are more likely to consider brands that support values and causes that are important to them. Strategic alliances or sponsorships that support anti-bullying, the environment or gay marriage can help build credibility for a brand among LGBT consumers.

Welcome your LGBT customers. Car dealerships can be seen as fairly macho environments. Gay and lesbian couples need specific messaging that tells them they are welcome and can comfortably shop for a car as a couple. Seeing at least one gay salesperson on the lot sends a strong message.

—*Howard Buford, president and CEO, Prime Access*



Buford

There are nearly 40 million black consumers, approaching 14 percent of the U.S. population. By 2014, this population segment will have more than a trillion dollars in buying power.

As the percentage of black Americans who have college degrees has risen, so has their income. Like the general market, the number of baby boomers is growing. According to author Aaron W. Smith ("In per Financially") 9 million black boomers are set to retire by 2029. The takeaway is that even in target marketing to African-Americans, there are markets within markets, and one size does not fit all.

—*Lafayette Jones, president, Segmented Marketing Services Inc./Urban Call, SMSI*



Jones