

Communication Strategies: Marketing to the 'Majority Minority'

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The composition of American society is drastically changing. As the population continues to increase, so does the purchasing power of minority groups. African Americans, Hispanic Americans and Asian American are now the 'majority minority' groups, and are targeted as "emerging markets" (Cui 54). Currently, minority ethnic groups coexist in the mainstream population with majority groups. This leads to forecasts that "using ethnicity as a criterion for segmented markets, will increase their importance" (Pires, Stanton, and Cheek 224). Projections show that by the year 2030, Asians, African Americans, Hispanics and other minorities will make up one-third of the population (Allen 5). By 2050, Asian and Hispanic populations are expected to nearly double while the percentage of Caucasians will decrease about 10 percent (Census.gov). These projections demonstrate that current minority groups will quickly evolve into majority groups. The rise of these ethnic groups is changing Americans' consumption patterns and therefore also impacting marketing strategy as we know it today.

These statistics from the U.S. Census Bureau as of October 2003 demonstrate the size and purchasing power of these groups:

- By 2020, ethnic consumers will make up 40 percent of the U.S. population (29 percent today)
- The combined buying power of three traditionally underrepresented groups – African Americans, Asian-Americans, and Native Americans – will exceed \$1.5 trillion by 2008, more than triple the 1990 level of \$456 billion
- Buying power for Hispanics is expected to reach \$900 billion by 2007 – a 37 percent increase from \$653 billion in 2003
- Automotive-specific: minorities are three times more likely to repurchase the same vehicle brand than the general population (Geist 1).

The way that Americans communicate with and about these groups is already changing. In 1790, the first U.S. Census had no category for race. However, in 2000, there were 17 racial categories and a space to self-identity outside of the predetermined selections. The 2000 Census also included ethnic and multi-racial diversity (Allen 71-72). These demographics of the future make diversity an important issue today. Companies that can build relationships with current minority groups have a potential lock on the future social majority. Organizations are in the process of creating strategies to communicate with these groups through hiring programs, diversity initiatives, and segmented communication, marketing and advertising. No matter what the marketplace, audience or approach, research and communication strategy are crucial to accessing ethnic markets.

Ethnic Market Segmentation

In recent years, marketing based on ethnicity has slowly begun to replace the former marketing trend: marketing by generation. This is because generational marketing assumes everyone from a particular generation is most likely to react the same way to messaging. However, recent studies have shown that cultural values play a more important role in purchasing decisions than do generational groups. Studies have also found that cultural similarities are linked not to generation, as previously thought, but to ethnicity. So, rather than generalize how a certain group would respond to communication based on their *date of birth*, researchers have shifted towards targeting individuals by *place of birth* (or heritage) mainly because “multicultural marketing concentrates on learning about the consumers rather than imposing definitions on them” (Baxter 12).

Researchers are studying ethnic identity as a variable in the communication mix to determine the impact of cultural segmentation. Ethnic identity is defined as “the individual affiliation with a specific ethnic group and it can be of variable intensity over time, affecting group strength” (Pires, Stanton, and Cheek 226). A variety of cultural differentiators exist within each ethnic group. These differentiators are so unique, that the ways in which communication professionals typically research audiences may not work when examining ethnic groups. When communication professionals analyze and assess potential ethnic markets, they must examine demographics, psychographics, behavioral factors, personal attributes, networks of communication, location, concentration and cultural experiences (Cui 56; Pires, Stanton, and Cheek 224). Without researching all of these variables, organizations may fall into the trap of “single ethnic identification indicators” (Pires, Stanton, and Cheek 225). For example, a company offering phone service in an urban area

may assume that because the majority of people there speak Spanish, they are all Puerto Rican. This false assumption ignores the variety of subcultures that can exist within each ethnic group. Using single ethnic identification indicators, like language, flattens three-dimensional groups and reduces demographics and psychographics that can contribute to a successful communication campaign.

Once communication professionals research targeted ethnic groups, they can select the best strategic approach based on the business/product/service and the audience. Three types of ethnic communication approaches are individual brand groups, cross-cultural/transcultural communication and ethnic niche marketing/subculture segmentation.

Ethnic Communication Approach: Individual Brand Groups

Individual brand groups is a communication and marketing technique that allows companies to improve efficiency by minimizing the communication mix (Cui 67). With this approach, companies that market products that satisfy universal demands do not need to spend time and money tailoring communication to ethnic markets. The most cost-effective approach in this case is to market each brand on an as-needed basis.

Ethnic Communication Approach: Ethnic Niche Marketing

When the targeted marketplace is very diverse, and when a company offers unique products or services, an ethnic niche marketing approach is most appropriate. Greater market fragmentation makes mass communication techniques less effective (Cui 67, 70). This usually occurs when several subcultural groups have consumption patterns that greatly differ from those of the majority audience. Subcultural segmentation is used when there are many differences within ethnic groups. Depending on the culture, this segmentation can even drill-down to the microculture level (Cui 68). For example, there are at least 16 nationalities among Asian Americans, each with diverse languages, cultural backgrounds and media responses (Cui 68). They may have a need for unique products and services. In this case, communication professionals should highlight additional product features, consider special distribution channels, tailor advertising and promotion, and determine special pricing based on subculture ethnic segmentation research. This approach can help an organization “gain competitive advantages in all major ethnic segments” (Cui 68). For example, from 1992 to 1998, Chrysler Corporation increased sales to African Americans by 30 percent and sales to Hispanics by 15 percent. Chrysler used a minority advertising agency to send targeted messages to diverse consumer groups. As a result, Chrysler increased its share of the African

American car market from 14 to 18 percent while Ford's and GMC's shares of this market dropped nearly three percent each (Cui 68).

Ethnic Communication Approach: Cross-Cultural or Transcultural

The cross-cultural or transcultural communication approach blends the individual brand and the ethnic niche strategies to communicate from a common ground. Despite an increase in diversity trends toward segmentation, finding common ground with a level of flexibility is useful and resonates with target audiences (Cui 66). In a cross-cultural approach, companies develop a prototype campaign that uses the same messages across all markets. The difference from the individual brand approach is that the prototype campaign is developed within a framework of flexibility. Idiomatic and translation changes are used to tailor the campaign to specific markets. This strategy is most effective when there is a high degree of diversity among consumer groups. Some companies like Coca-Cola and Miller Brewing Co. changed from a subcultural segmentation approach to a cross-cultural approach and reported cost effective results (Cui 54).

Getting to Know Ethnic Markets

When communicating to ethnically diverse groups, there are a number of intrinsic, cultural factors that determine and influence values, beliefs and behaviors. Diversity, globalization and multiculturalism continue to integrate different ways of life, but a lack of knowledge can inhibit effective communication across cultures. It is imperative to have a cultural understanding of targeted groups to keep communication in the context of the target audience. Communication professionals should have in-depth knowledge of valid 'cultural generalizations,' which, unlike stereotypes, leave ample room for individual differences. These multi-purpose cultural generalizations enable better understanding of ideals, norms, beliefs and behaviors common to certain peoples, provide some historical forces that shaped them and offer direction when communicating to these ethnic groups. Research, open-mindedness, a willingness to learn and patience are key to cultural richness and improved communication.

The 2000 Census identified the three largest minority groups in the U.S. as African Americans, Chinese Americans and Hispanic Americans. Each group has its own cultural generalizations that can guide targeted communication.

African Americans

According to the 2000 Census, there were 36.4 million African Americans in the U.S. constituting approximately 13 percent of the total population. The most

African American populated states are New York, California, Texas, Florida and Georgia.

The top ten African American markets are:

- New York City (2,274,049)
- Chicago (1,084,221)
- Detroit (787,687)
- Philadelphia (672,162)
- Houston (505,101)
- Los Angeles (444,635)
- Baltimore (424,449)
- Memphis (402,367)
- Washington, D. C. (350,455)
- New Orleans (329,171)

African Americans attach significance to freedom, justice and equality. A history of struggle and discrimination shapes the African American worldview. The African American community is very family- and child-centered. Ceremony is an important part of this community and great respect is shown for weddings, graduations and retirements. When an injustice befalls a member of the community or someone achieves a special honor, it is felt by their entire community (Erich 3).

African Americans are more likely to be direct and are not as resistant to assertion as the main population. This often can be misinterpreted as an expression of aggression. Many African Americans tend to be more comfortable with expressive verbal communication and often utilize a broader spectrum of nonverbal behaviors like hands, tone and volume of voice (Erich 4).

Communication must be genuine when targeting messages to the African American community. In business communication and when marketing to an African American audience (this also applies to other minority populations), messages should be watched closely. Many negative attitudes and stereotypes are deeply embedded in American society and can be half-consciously or unconsciously expressed (Erich 5).

Chinese Americans

Chinese Americans constitute the largest Asian subgroup in the U.S. with a population growing 48 percent from 1.6 million in 1990 to nearly 2.5 million in 2000. The most Chinese populated state is California, closely followed by New York.

The top ten Chinese markets are:

- New York (494,695)
- San Francisco (469,216)
- Los Angeles (416,492)
- Boston (83,224)

- Chicago (68,888)
- Washington D.C. (62,465)
- Honolulu (56,600)
- Seattle (54,431)
- Philadelphia (53,823)
- Houston (49,069)

The Chinese are very much influenced by the opinions and norms of their group. Chinese culture values hierarchy and is traditionally very formal. Moreover, it is normal to observe a dramatic difference in a Chinese client's behavior in a professional versus a social setting. Chinese culture places heavy emphasis on personal duty and a high value on the past. Un-aculturated Chinese prefer indirect expression. They do not like to be asked or be forced to answer too directly. They also value discretion, restraint of strong emotion, not embarrassing others and not losing face (Erlich 60).

The Chinese language is further defined by two major dialects – Mandarin and Cantonese. Both languages are not mutually intelligible and are actually different languages. Traditionally, according to their speakers, they are dialects. This perception is partly due to the fact that speakers of Cantonese and Mandarin (and other Chinese languages) use the same writing system (Erlich 60).

Certain colors have significant meanings in Chinese culture. The color red symbolizes good luck, while the colors pink and yellow symbolize happiness and prosperity. The traditional color of Chinese weddings and wedding dresses is red, unlike the European custom of white weddings. In Chinese culture, white (along with blue and black) is associated with funerals or mourning. Chinese culture is also very contextual. The context of the interaction – that is, the unspoken message, rank of people involved – is very important. The old adage “it is not only what you say, it's how you say it” holds true (Erlich 61-62).

Puerto Ricans

The Puerto Rican population in the U.S. has increased 24.9 percent since 1990, from 2.7 million to 3.4 million, according to the 2000 Census. The two largest Puerto Rican populations live in two New York counties: Bronx County (319,000), and Kings County (213,000). The top Puerto Rican markets in the U.S. are New York, Chicago and Philadelphia (Erlich 181).

Puerto Ricans have a worldview based on a history of struggle and there is a huge present-day importance of freedom and self-expression. Puerto Rican culture values the present day in which life is to be enjoyed. There is an enormous amount of pride in the history and culture of Puerto Rico and this group's identity is centered on its Puerto Rican status. Culturally, a lot of physical contact is

appropriate, for example, touching the arm, shoulder or lapel. Family and close friends may kiss each other in greeting (Erlich 182).

Interdependence is at the foundation of Puerto Rican culture, which differs from Anglo culture where a high value is placed on independence. Puerto Ricans still adhere to a rigid social system in which hierarchies are respected within both the family and the larger community. Traditional gender roles and expectations also prevail in the Puerto Rican community. Elders are adored and duty to the family is critical; there is a lot of interaction between all family generations (Erlich 179).

Puerto Ricans do not share the same ideologies of race as many Americans. In the U.S. color lines are rigid between whites and non-whites. Classification is not as clear-cut in Puerto Rico where socioeconomic variables such as occupation and education may affect a person's racial identity. Puerto Ricans in the U.S. resist being classified as African American or white (Erlich 183).

Ethnic Market Communication Challenges

Even when communication professionals conduct in-depth market research and align communication strategies with audiences, challenges to ethnic segmentation still exist. When communication mistakes occur, the errors most commonly fall into two broad categories: mistakes in cultural norms and mistakes in translation.

Cultural Norms

When Gerber started selling baby food in Africa, they used the same packages they did in the U.S., picturing a baby on the front. What they did not realize was that because English is not the primary language in every African country, companies routinely put pictures on the label to represent what's inside.

Language

In Taiwan, the Pepsi slogan "Come alive with the Pepsi Generation" was translated as "Pepsi will bring your ancestors back from the dead."

General Motors renamed the Chevy *Nova* to the Chevy *Caribe*, after realizing that in Spanish, *Nova* means "No go."

When Parker Pens marketed a ballpoint pen in Mexico, its ads were supposed to say "It won't leak in your pocket and embarrass you." However, the company mistakenly thought the Spanish word "*embarazar*" meant embarrass. The ads then read "It won't leak in your pocket and make you pregnant."

Chicken-man Frank Purdue's slogan "It takes a tough man to make a tender chicken" was translated in Spanish to read "It takes a hard man to make a chicken aroused."

Cantonese-speaking consumers might not call a phone number if it contains more than one number "4." When pronounced in Cantonese, the word "four" sounds like "death."

The company that makes Tide detergent wanted an ad campaign that would cross language barriers, so they decided to only use pictures to represent their products. The billboard showed three panels, the first with a woman holding a dirty shirt, the second of a woman adding Tide to the shirt, and the third showing a woman with a now clean shirt. However, the campaign did not do well in Saudi Arabia, where the population read Arabic right to left. In this case, it showed that Tide makes clothes dirty.

When mistakes in multicultural communication do occur, along with lost potential revenue, companies may also inadvertently discredit themselves with the very consumers their messages were designed to attract. New York-based TransPerfect Translations, Inc. found that in a recent survey of 513 people, "57% have spotted advertising that is incorrectly translated from English into other languages" (Whitman 5B). When asked how they reacted to these incorrect messages, close to "50% simply tuned them out. About 65% said bad translations show a lack of caring about the consumers, while nearly a third said it would hinder their loyalty to a product" (Whitman 5B). Aside from alienating customers, another consequence of poor translation is that it is unclear. In the same study conducted by TransPerfect Translations, "30% found some poor translations humorous, while 36% misunderstood what the product was or what it was used for" (Whitman 5B).

Overcoming Ethnic Market Communication Challenges

One major challenge to reaching ethnic markets is the time and financial commitment required to make the research and strategic plan successful. Many companies can "increase business by becoming sensitive to differences in language, cultural values, attitudes and product preference" (Swenson 26). But this requires financial and staff dedication. In San Francisco, a car dealer held Asian American sensitivity training to alert sales staff to cultural differences in this market. The dealership customized the standard sales process when working with Asian consumers after finding that family elders usually make the final decisions

to purchase a vehicle (Swenson 26). The dealership saw a direct return on its investment of time and money.

Another challenge to reaching ethnic markets is accessing ethnic populations without stereotyping. A popular solution to this problem is a grass roots ethnic communication tactic (Swenson 25). Companies struggling to positively access ethnic markets can associate themselves and their products or services with the interests of the targeted consumer segment. For example, in California, a local grocery chain and General Mills, Best Food, and PepsiCo formed a group called Friends of the Community. This program supports Hispanic community celebrations and fundraising through events, promotions and product gifts. Another grassroots tactic is to network with community leaders in minority areas (Swenson 25). Allstate Insurance Company increased credibility with a target audience by working with organizations like the League of United Latin American Citizens and LaRaza National Council, which influence the Hispanic community. These tactics offer ways to address the needs and concerns of specific ethnic segments in a respectful way. They can also be integrated as a part of any multicultural communication approach. By positioning a company as an ally of a market segment, the company demonstrates long-term commitment and builds brand awareness and strength.

With this knowledge, many companies have realized the potential of multicultural marketing and are testing new messages and new markets:

Chicken Soup for the Soul, the quintessential “niche” marketing guru, has just released three of its popular “Chicken Soup for the Soul” series in Spanish.

Cover Girl, in an effort to reach multicultural markets, has created a Web site designed exclusively with the young Latinas in mind. All articles are in Spanish, many of the models are Hispanic and it is “culturally relevant,” promoting the *Quinceanera* or “Sweet 15 Birthday,” a celebration which marks a girl’s transformation from adolescent to womanhood, and, incidentally, into her “makeup-wearing” years.

Miller Lite, Ford, Terra and Ameritel brands have recently shown up as “product placements” on popular shows on Telemundo, the Spanish-language cable television channel.

Perhaps the best example of putting research to use when presenting a product is the Ameritech Caller-ID campaign sent to Hispanic households in the Chicago

area. Marketers already knew that Hispanics, whose culture “places a high premium on personal relationships, tend to view Caller ID technology and its prescreening capabilities as impolite” (Vence 2). To combat this stigma about Caller ID, Ameritech sent out bilingual brochures, calling the product the “Smiling Device,” for the smiles it prompted when seeing family or friends are calling. As a result of that campaign, “750 calls came into Ameritech’s Bilingual Call Center inquiring about the Caller ID product, and 374 Caller ID units were sold within just three weeks of the start of the campaign” (Vence 3).

The Future of Ethnic Market Commutation

What’s on the horizon for multicultural communication? In a 2004 study by the Association of National Advertisers, targeting of Asians, Hispanics and African-Americans increased across the board from a similar study in 2002. There is, however, disparity among the groups that doesn’t quite match population statistics: 86 percent of advertisers target Hispanics as compared to only 60 percent for African Americans and 35 percent for Asians. There is also room for improvement in the cash required to develop and successfully target these messages. The average ad budget is \$225 million, but only about 2.3 percent of each ad budget (a mere \$4.8 million) is set aside for multicultural advertising. And although almost 90 percent of firms studied said they were engaging in multicultural efforts, the remaining 11 percent issued reasons such as “lack of budget,” “lack of commitment by management,” and even “diverse markets aren’t important” (Wentz 55).

Décidés à faire mille fois plus...Nos Esforzamos Más...? o?po ?o? a?o?a?? ? A??c! In English, it means “We Try Harder.” It’s been known as the cornerstone of the advertising campaign of Avis, the world’s second-largest automobile rental company, for over 40 years. When it comes to multicultural communication, however, it’s a philosophy that all companies should embrace. Being aware of the ever-growing “majority minority” and reaching out to multi-ethnic groups makes good business sense. But when it comes to communication, targeting messages cross-culturally is the only option that makes sense, and translates into dollars and cents. And that sounds good in any language.

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