

Multi-Cultural Marketing feature

By Jeff Louderback

While serving as a consultant to companies that wanted to enter the Latin American market, Michael Odom gained detailed knowledge of Latino culture. Studying the different industries, he says he learned that no firm marketed and publicized Spanish-language books in the United States.

Now as president and co-owner of Austin, Texas-based Phenix & Phenix Literary Publicists, Odom decided to fill that void. Since 1993, the company has had a stable of clients that publish English-language books; however, Odom says the profit potential in the Latino market is too lucrative to resist, so he started planning for the company's expansion a year ago. He says he would like the Spanish-language division to make up 25% of the business's revenues by 2005.

He is not alone. Minority groups such as African-American, Native Americans, Muslims, and gays and lesbians increasingly attract the attention of businesses. Asian Americans and Latinos, the nation's fastest growing ethnic minorities, seem especially enticing to companies.

"More and more companies are no longer limiting their ethnic marketing to events like Cinco de Mayo or the Chinese New Year," says Jeff Lin, CEO and co-founder of Admerasia, a New York-based firm specializing in marketing to Asian-Americans. "They are implementing year-round, comprehensive multicultural marketing plans to reach the growing ethnic minority markets."

The Story Behind the Numbers

The University of Georgia's Selig Center for Economic Growth in Athens, Ga., estimates that the 12 million Asian Americans in the United States boasted buying power of \$254 billion in 2001, compared to \$113 billion in 1990.

Hispanics grew by almost 60% the last decade, reaching 35.3 million and totaling 12.5% of the population, according to Census 2000 data. Santiago & Valdes Solutions, a San Francisco-based firm that specializes in marketing to Latinos, estimates that the nation gained 500,000 Hispanic households, representing 1.7 million consumers and \$25 billion in additional spending during the 12-month period beginning April 2000. Overall, Hispanic buying power reached \$561 billion in 2001 and could eclipse \$630 billion in 2002, according to Santiago & Valdes Solutions.

Although figures are changing, corporate America spent less than half a cent in marketing for every Hispanic dollar while it spent three cents for every mainstream dollar in 1998, according to Santiago & Valdes.

“We expect that Census 2000 numbers will lead many companies to shift the allocation of their marketing resources,” says Carlos Santiago, co-chair and partner of Santiago & Valdes Solutions. “The economy is also a factor. When it slows down, companies search for avenues of growth, which can definitely be achieved by reaching ethnic markets.”

Target Values and Preferences

Instead of translating English advertisements into other languages, companies are crafting marketing campaigns around the values and preferences of ethnic groups. An increasing number of companies are even creating products specifically for minority markets.

In 1993, General Mills offered one of the first cereals specifically for Hispanic consumers when it introduced Buñuelitos, which had the taste of a Mexican pastry. Although that product didn't last long, General Mills has marketed other ethnic cereals and may have paved the way for other companies.

For example, Charles Schwab & Co. opened a Chinese-language website for trading in 1998. Since then, they launched a Korean-language site and developed a campaign targeted at Vietnamese-American investors. To attract Asian customers, the brokerage built branches with Asian design elements and signs in Asian languages.

And last summer, M&M/Mars introduced “dulce de leche”- flavored M&M's – inspired by the traditional Latino caramel- in select regions. The company estimates that more than 40% of its new customers in the next decade will be Latino.

Learn the Culture

Multicultural marketing experts agree that before starting a campaign to reach ethnic groups, companies would benefit from learning about the respective group's culture. Internet search engines return numerous firms that focus on multicultural marketing.

If you cannot afford a consultant, become familiar with cultures by reading ethnic trade magazines and consumer publications, listening to ethnic radio broadcasts, watching ethnic minorities in your community, recommends Andrew Erlich, Ph.D., president of Erlich Transcultural Consultants in Woodland Hills, Calif.

“Learn about the culture you will be targeting,” Erlich says. “Learn their language. Also, become familiar with how your product or service is used and viewed in that culture.” Businesses should also understand that diversity exists within ethnic groups. “It is important to understand that there are distinct differences between different segments in ethnic groups, and it is beneficial if you are aware of those differences,” Lin says. “For example, the color red is a festive color for Chinese people, but Koreans- especially South Koreans- identify red with Communism. They prefer blue and yellow.

Purchasing habits tend to differ by country of origin, length of time in the United States, language preference and socioeconomic status. Each ethnic group has cultural nuances

formed by factors such as language, gender roles, values, meanings behind symbols, colors and images.

“Mariachi music is popular in Mexico, but it is not liked as much in Puerto Rico,” says Frederic Kropp, Ph.D., a professor of marketing at the Monterey (Calif.) Institute of International Studies. “It is common to offer a gift when conducting business with a Chinese person, but you would not want to give a watch or a clock because both signify the passage of time- and death. If you bring flowers to someone who is Japanese or Chinese, do not bring white flowers because white symbolizes mourning.”

Researching the Asian-American market, Lin says, will help companies learn that Korean-Americans are typically brand loyal and favor quality over price while Japanese-Americans are often influenced by print advertisements and television commercials that feature celebrities.

Get the Message Across

When targeting ethnic groups, the medium can be as crucial as the message. “You can’t effectively reach ethnic groups solely through the mainstream media,” Erlich says. “In many cases, ethnic minorities speak their native language at home and prefer reading a newspaper and receiving television and radio programming in their own language.”

Market research helped Odom identify Latino media outlets to publicize his clients’ books. Major metropolitan newspapers like the Los Angeles Times and the Austin American-Statesman publish Spanish-language editions, but most Latinos get their Spanish-language news from local ethnic publications, he says.

“When you publicize English-language books, you have an abundance of English-language media outlets to gain exposure in,” Odom says. “There are a small number of ethnic newspapers, TV stations and radio stations in the United States. We purchased a database of Hispanic media members. We also hired a Hispanic publicist because the Hispanic media prefers to be spoken to in Spanish. Hispanics in the United States are starved for books written in their native language. This is why we believe that book signings will be an effective avenue to reach our target market.” Phenix & Phenix targets specific ethnic groups in the United States and internationally. This past November, the company went to a book conference attended by Latino publishers worldwide in Guadalajara, Mexico.

International Differences

Marketing abroad requires a different approach, Kropp says. For example, most households in the United States have at least one television. In some nations, televisions are scarce, forcing marketers to use alternative advertising mediums like billboards, signs and coupons.

“I’ve spent a lot of time in South Africa,” Kropp says. “There, a substantial percentage of the population cannot read well, so marketers use visual imagery, simple statements and smaller words in their advertisements.”

Businesses venturing overseas should also learn the competition that exists in a foreign market and the products and services that people deem important, Kropp says.

“It’s also important to understand how people in the respective market feel about your country,” Kropp adds. “Products from the United States are perceived as high quality, but even if your product has a positive image, it may not be accepted if people in the market you are targeting feel animosity toward the United States.”

Whether companies market their products and services to ethnic groups nationally or abroad, they must practice “ethnorelativity” – recognizing that other views are valid and other groups are equal.

“It takes education and experience to value and understand other cultures because people are so accustomed to and comfortable with their own values and beliefs,” Erlich says. “Adapting to today’s changing marketplace is crucial. Doing so can help you succeed.”

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