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# The New Mainstream?



With more companies placing a greater emphasis on multicultural marketing, the future looks bright. Or does it? Five industry experts share their perspectives  
**By Lynn Russo Whyly**



**LINDA DE JESUS-CUTLER**

chief operating officer and president, the Bravo Group, Hispanic marketing communications division of Young & Rubicam (WPP Group)



**CYNTHIA PARK**

managing director, Kang & Lee Advertising, the full-service Asian American marketing division of Young & Rubicam (WPP Group)



**YOLANDA ANGULO**

director of multicultural marketing, Kraft Foods Inc., client of the Bravo Group



**BILL CHERRIE**

vice president of multicultural marketing, Pernod-Ricard USA, client of Kang & Lee



**HOWARD BUFORD**

president and CEO, Prime Access Inc., full-service multicultural marketing agency focused on the Hispanic, African American, and gay/lesbian communities

**IT'S NO WONDER** multicultural marketing is gaining significance within organizations every day. Consider these facts: Both the U.S. African American and Hispanic consumer markets are already larger than the entire economies (in gross national product) of all but nine countries in the world, and by 2010, their combined spending power will exceed the GDP of Canada, according to the Selig Center for Economic Growth at the University of Georgia. Moreover, the buying power of the U.S. Asian community is projected to quadruple between 1990 and 2010, the center reports. For forward-thinking marketers, the challenge is to better understand and cater to the cultural nuances of diverse audiences that are critical to building long-term brand equity. *The Advertiser* spoke with five multicultural marketing experts to get their thoughts on how to successfully reach distinct cultural groups and what trends marketers can anticipate in the coming years.

**Which industries are most involved with multicultural marketing? Which ones are lagging behind?**

**DE JESUS-CUTLER:** Insurance, hotel, and travel are all categories that don't have depth in the Hispanic market. And luxury goods. They think Hispanics don't have the disposable income, but that's not true.

**PARK:** Retail (including home improvement) is one example of an industry that is very involved with multicultural advertising. Wal-

Mart recently entered the market, launching both Asian and Hispanic programs. The automotive category is there but isn't doing anything unique. They're still falling on general branding work. Other industries that have lagged behind are pharma, travel and leisure, computer hardware/software, and, perhaps the biggest one, consumer packaged goods (CPG). Asians index very high with type 2 diabetes, osteoporosis, and lactose intolerance, among others, and many pharma advertisers are missing opportunities. Asians travel more, take more expensive packages, travel with larger families, and enjoy their lifestyle. Asians also index highest among all the groups in computer ownership and in having multiple computers. Large CPG players have been consistently growing their presence in the Hispanic and African American markets but are mostly absent in the Asian market.

**ANGULO:** Our very own packaged goods have been a bit of a sleeping giant. I think the companies that have been supporting the multicultural market, like Kraft, P&G, Pepsi, and Coca-Cola, continue to drive the industry. We're also seeing a host of other companies stepping up their communications. There has been some work lately from Unilever.

### What are the challenges marketers face in targeting a multicultural market? How do you suggest they overcome those challenges?

**DE JESUS-CUTLER:** I see three challenges. The first is including the multicultural group in the planning stage. All constituents should be sitting at that table to talk through the business goals and problems. Another is being able to dedicate funds and resources. Hispanic marketing is complex, but not confusing. You simply need to do the research, uncovering the insights that best connect with these consumers. The last major challenge I see is identifying metrics. There has been a lot

of improvement in tools available to the Hispanic market, but there are fewer in development. It's difficult to determine ROI. Clients, agencies, and vendors need to work together to make improvements.

**PARK:** One of the biggest challenges is companies that think they need an Asian expert to manage Asian American marketing. That's not true. It's still marketing. It doesn't have to be someone with an Asian background, but he or she does have to have marketing expertise.

**ANGULO:** Multicultural marketing is an imperative for enabling growth. It has to be about coming together. It requires a holistic approach, not looking at it from an individ-



ual perspective. The knowledge and cultural expertise that the workforce brings is what will get us to enable the growth and get us the opportunities.

**CHERRIE:** Resource allocation is an ongoing challenge. We have to be able to demonstrate that a multicultural opportunity is as good as or better than any other, and then compete for those resources.

**BUFORD:** [Within] five to 10 years, multicultural marketing will become much more standard because everything in marketing is moving toward that one-to-one optimal communication. On that continuum, multicultural marketing is increasing in importance. If you look beyond 10 years, it won't even be multicultural. We're going to have to

redefine marketing in the U.S. As it evolves, there's going to be a new model of a full-service marketing communications company, and it's going to include what we now call multicultural marketing.

### There's been much buzz about consumers shifting their behavior from offline media, such as TV and newspapers, to online and mobile media. How has the behavior shifted, or not, among the cultural groups you work with?

**DE JESUS-CUTLER:** We're feeling the buzz among Hispanic consumers that mobile and Internet adoption has come at the expense of other media. The Hispanic

market is very comfortable with technology, and we see over-indexing in many key behaviors. We have seen the time spent online and the number of pages visited increase. There were 15.7 million Hispanic Internet users in 2005; that number rose to 16.7 million in 2006, and it is expected to grow by 33 percent, to 29 million, in 2010. Their high-speed connections are increasing, as well as their cell phone usage.

**PARK:** For us, it isn't a shift out of television, because TV programming was never as robust for the

Asian market as for the mainstream. Online penetration is much higher in the Asian market than in any other group in the U.S., including Caucasian, but not at the expense of TV or print. Asians were early adopters online, so they've been on longer. Asian online content is quite rich, with a lot coming from outside the country.

**BUFORD:** We're seeing a greater shift toward electronic, online, and mobile media in the younger segments in all three of our target markets — Hispanic, African American, and gay/lesbian, with the last two being early adopters of technology. They're also big spenders on electronic media. If you want to reach large masses of African Americans or Hispanics, we still have a lot of faith in TV and print media. >>

# Multiculturally Speaking

## Does multicultural targeting have a place in b-to-b advertising?

**DE JESUS-CUTLER:** Definitely. The number of Hispanic-owned businesses grew 31 percent between 1997 and 2002 — three times the national average. According to the census, there are 2 million Hispanic-owned businesses, and we see companies taking notice. Understanding these owners and developing relevant communications is extremely important. It goes way beyond language because a lot of business owners speak English very well. Yet they're consumers too, so cultural relevance is extremely important. Showing an involvement with the community is also important.

**BUFORD:** I think it does because so many small businesses are being started by multicultural entrepreneurs. The other piece to that is women. There are many businesses started by women. And marketers have a long way to go to communicate effectively to businesswomen and businesswomen owners. I think American Express is doing a pretty good job of targeting businesswomen. But I don't get a sense that anyone has mastered multicultural b-to-b.

**PARK:** Absolutely. But it's more about small business.

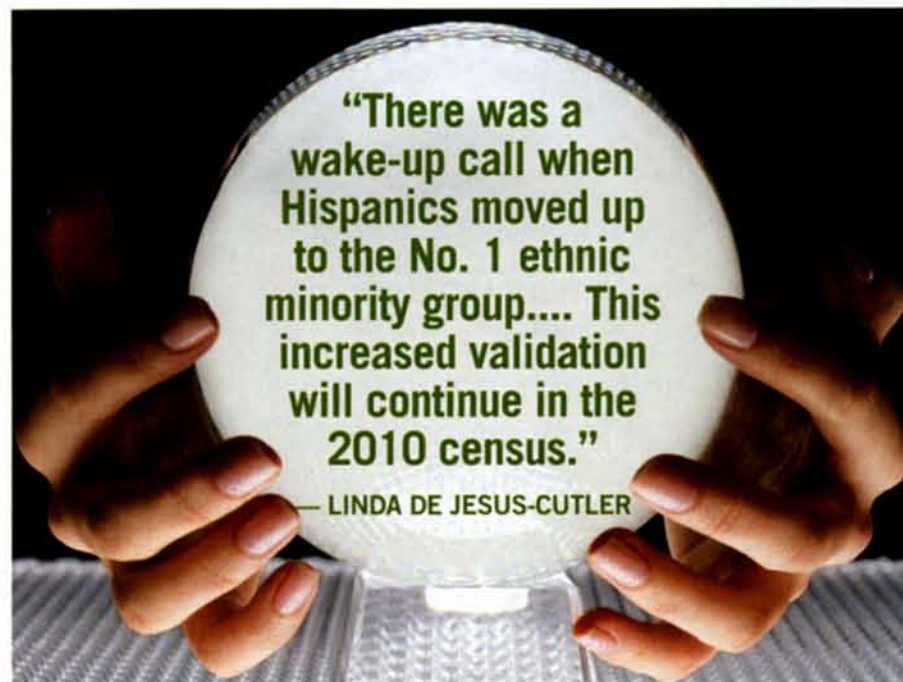
The small business gets lost in the shuffle because it looks like your basic consumer. But [small-business owners] have needs that are business-oriented. As a result, they don't know where they belong. Dun & Bradstreet codes for cultural businesses are very spotty. We feel there is a compelling story here because there are more than 1 million Asian-owned businesses generating \$300+ billion in annual sales. If you look at size, it boggles the mind how such a small number of companies can generate that kind of sales.

## What is your outlook for multicultural marketing in 2007 and beyond?

**ANGULO:** Multicultural marketing and corporate diversity are critical to growth in

2007, and over the long term, based on growth and purchase power. Our society is already multicultural. I can only envision all of our agencies becoming much more versatile and strategic in this area and that companies like Kraft will expand their initiatives universally.

**PARK:** Since the publication of the 2000 census, we've seen a huge surge in corporate interest in the multicultural market, and we expect that surge to continue in the coming year. There are still opportunities for brands that have never entered the market to come in. Especially for older brands, [the multicultural market] is not going to look at a brand as your



father's product. They have no preconceived opinions.

**BUFORD:** In the last census, we started to get our first numbers on the gay/lesbian households, and I think we're going to find more progress in that area. There is some proprietary research breaking out gay/lesbian parents, and we'll see that in a future census, but not by 2010.

## What changes might we expect from the 2010 census?

**BUFORD:** It depends on how the country handles the immigration issue. If the federal government puts in place an immigration policy that the Hispanic community can live with and feel good about, then you'll see more reporting in the

census and the numbers will be higher. If the policy in place seems excessively restrictive or punitive, it's going to suppress the numbers. For marketers, it's going to translate to a larger sales opportunity and possible reallocation of dollars from the general market. What we're waiting to see now among marketers is an epiphany — that the general market no longer exists. I think some very astute marketers are trying to understand that.

**CHERRIE:** Hispanics used to be concentrated in places like California and Florida. The last census gave evidence that the community is much more dispersed and is moving into many more markets. The

Mexican Consulate opened its 46th consulate in Minneapolis. That's pretty far from the Mexican border. The 47th one will be in Little Rock, Ark. — not a place you'd associate with the Mexican community. The Hispanic community is becoming much more widely dispersed and I think it will continue.

**DE JESUS-CUTLER:** Bravo worked on the 2000 census. There was a wake-up call when Hispanics had moved up to the No.1 ethnic minority group. There were 14.9 million Hispanics, and

there's been an additional 5.9 million since 2000 (for a total of 20.8 million). This increased validation will continue in the 2010 census. That will be another wake-up call and I think, with the 2010 census, there will be a surge in companies exploring multicultural programs, as well as in tools and metrics for building on those programs.

**PARK:** The top six Asian populations, with the exception of the Japanese, who have been in this country for multiple generations, are slated to grow, and some will grow faster than others. En masse, you'll see places like California dominating. So far, it has been the only state that would not publish an RFP without including a multicultural component. I expect we'll see more and more of that. ■