

# Culture study



Columnist **DOUG SACKS** says that while ethnic diversity is creating complications for direct marketers, it is also a growing opportunity.

I WAS READING one of 25 Master's Research papers over the Christmas holiday. End of term grading can be a real pain, but there was a lot of really good stuff on many countries and insights into the latest technical applications. I learn much from reading these papers.

One struck me as triggering a topic for this column. The title of the paper was, 'Marketing in the US: The Hispanic Youth Market.' Its author is **Patricia Priola**.

Her first sentence in the executive summary reads:

'Advertisers striving to reach US consumers must realise that nearly one third of their audience, or 87 million people, belongs to a non-white racial or ethnic market.'

Source: The Multicultural Market, American Multicultural Marketing.

## Affluent and influential

Actually, the figure is closer to 96.4 million – and growing. Greatest among these is the Hispanic demographic for sure but other increasingly affluent and influential demographic groups like African-American and Asian-American are not to be discounted either. So what's a marketer to do?

Think about that statistic.

Nearly 100 million people, one-third of the US population.

Times have changed.

I can remember when the American direct market was touted as a huge homogeneous market. Not any more. Whether you are an international marketer trying to tap into the vast 'homogeneous' US market or a US marketer trying to figure out who your audience really is and how to reach them most effectively, things are getting confusing. Certainly more complicated. More diverse.

But so is the country.

And so is the home country of this venerable publication – the UK.

So what applies here may soon be applicable over yonder.

Want more juicy 'teaser stats'? These are from the DMA 2005 Hispanic Market Report, currently available at every corner newsstand and kiosk, worldwide!

- US Census projections show that the Hispanic population will exceed 100 million by 2050.

- Hispanic-American purchasing power, currently exceeding 600 billion dollars, is expected to grow to more than one trillion dollars by 2007.

## Marketers must take a more right-brain approach when communicating with the Hispanic consumer.

Well, I don't know about 'by 2007', which is next year, but safe to say by the end of this decade, the purchasing power will certainly be near one trillion dollars.

And currently, the US Hispanic economy, taken on its own, would be the 11th largest in the world!

Now these statistics are cool and very mouth-watering. But it reminds me a lot of the statistics coming out of China – OK, lots of people with the desire and means to buy stuff.

But how does a marketer reach them effectively?

What are the considerations?

Is it just language? And if so, which language, as there can be several generations in one household with not all of them preferring to be 'reached' in the same language.

**Michael Saray**, of Saray Hispanic Marketing in NYC, goes further, stating that the Hispanic thought process, heavily

influenced by language and culture, differs very much from the mainstream 'Anglo' one when it comes to response to marketing and advertising campaigns. Marketers must take a more right-brain approach when communicating with the Hispanic consumer. Saray has produced a very interesting presentation which he shares with my classes and he may share this with you, if you ask him nicely!

## Too much at stake

These days, I can't turn around without receiving a brochure on an Hispanic Marketing Conference. And Gevalia Coffee just launched its first Hispanic-specific direct mail campaign. A marketer cannot ignore this demographic nor any other in the US. There is too much at stake.

Within each demographic, the marketing channels used to reach consumers of various cultural backgrounds need to be prioritised by considering the way the culture conditions a consumer to respond. What may be intrusive to one culture may be consumer friendly to another. I've noticed this in Mexico where telemarketing is thriving.

How is the growing ethnic and cultural diversity in the US going to change the channel mix direct marketers use? (More on this next month when we examine the growth of viral marketing in the US).

Of course, as the country becomes more fragmented, both in its choice of media and in its ethnic make-up, this makes direct marketing all the more important for all companies that produce goods or services.

So more complicated, yes, but also a growing opportunity for our industry.

And you thought I only reported on bad news!

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