

REACHING MULTICULTURAL AUDIENCES THROUGH EXPERIENTIAL MARKETING

October 2019





Crazy Rich Asians. Despacito. Black Panther. Multicultural influence on the mainstream is substantial and undeniable.

According to U.S. Census projections, multicultural will be the mainstream by 2045.¹ Thus, multicultural marketing is no longer an option — it's a necessity. This applies to all areas of marketing strategy, perhaps most importantly experiential.

Multicultural individuals are steeped in rich narratives that often frame their life experiences. It behooves marketers to ensure any consumer experiences we create reflect, and be respectful of, these narratives. This respect begins by understanding there is no single definition of "multicultural."

"Multicultural" is a broad term representing races, ethnicities and nationalities. These are distinct concepts, but marketers often consider them interchangeable.

Race refers to the socially assigned significance of physical characteristics such as hair texture, facial attributes and skin color.² Ethnicity is a person's shared culture, which can include language, beliefs and customs, among other factors.³ Nationality is one's legal relationship to a country either by birth or naturalization.⁴ For example, a person can be Black (race), Hispanic (ethnicity) and American (nationality).

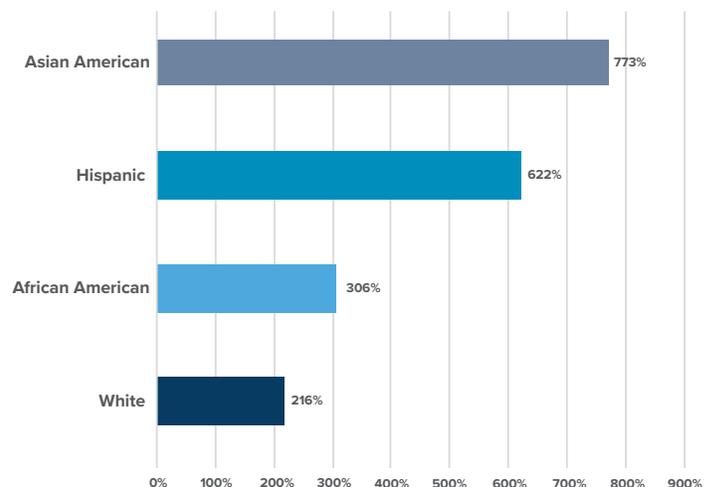
It's little wonder why many find multicultural marketing to be daunting given that each of these facets must be understood and appreciated. The need to value each facet of multiculturalism is critical in experiential marketing since it's rooted in one-to-one engagement. It's personal. It's about human connection. To develop these connections in the multicultural space demands going beyond simple demographics into deeper, more meaningful areas requiring the utmost sensitivity and care.

This topic is as intimidating as it is vast. Admittedly, too vast for one paper. To that end, this paper will focus on the three largest and fastest-growing ethnic groups within the U.S., Hispanics, African Americans and Asian Americans.

MULTICULTURAL AUDIENCES

The Selig Center for Economic Growth projects that by 2023 the nation's buying power will exceed \$17 trillion, of which 30% will be accounted for by multicultural consumers.⁵ Moreover, multicultural purchasing power is growing faster than the spending power of Whites. From 1990 to 2018, Whites grew their purchasing power by 216%, African Americans by 306%, Hispanics by 622% and Asian Americans by 773%!⁵

Increase in U.S. Buying Power 1990-2018



Source: Selig Center for Economic Growth. *The Multicultural Economy 2018*.

Yet, 72% of African Americans, 62% of Asian Americans and 59% of Hispanics believe that brands and retailers are not doing enough to be representative of people like them in their campaigns, according to a 2018 study by Kantar.⁶

These facts underscore a tremendous opportunity to grow sales and increase consumer loyalty in the multicultural space.

Experiential marketing is a strong strategy for reaching multicultural audiences. The multicultural population skews younger than the national average⁷ and research has shown that younger generations prefer experiences over things.⁸

Furthermore, experiential marketing is one of the quickest and most visible ways to demonstrate representation, because it occurs on- and offline in real time. But to be truly representative, we must understand and value the audience.

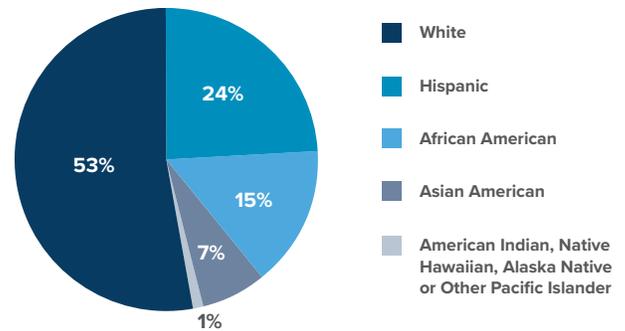
HISPANICS

At an estimated 59.9 million people, Hispanics make up the largest ethnic group in the U.S. today⁹ and consist of several subgroups, including Mexican Americans, Cuban Americans, Puerto Ricans, Central Americans and South Americans. The Spanish language is one of the largest shared ties among Hispanics. And it's important. A 2011 Pew Research study revealed eight in 10 U.S. Hispanics spoke Spanish, and 95% of those surveyed said it was important for future generations to continue to speak it.¹⁰ Additionally, a 2018 Nielsen study showed 73% of respondents agreed that it's important for their children to carry on their cultural traditions.¹¹



Regarding future generations, Hispanics lead the nation in number of births among multicultural groups. According to the most recent data from the Kaiser Family Foundation, Hispanics accounted for 24% of all births in the U.S. in 2017.¹²

Percentage of U.S. Births in 2017



Source: Kaiser Family Foundation. *Number of births by race.*

Given this information, the Hispanic audience represents a huge opportunity for baby products. And experiential marketing is a great fit for this category as many baby products require, and benefit from, demonstration. This gives parents, and parents-to-be, a chance to fully experience and understand the products and become loyal consumers.

It's abundantly clear the ties to culture and community are of paramount importance to Hispanics in the U.S. Therefore, any experiential activation for this audience must not only be respectful, but celebratory, of their heritage. Create ways to build relationships with the community and to reinforce the bonds they have with each other.

While Hispanics value their heritage, the majority (69% of those surveyed) don't feel they share a common culture beyond speaking Spanish.¹⁰ The culture of a Mexican American is going to be different than someone who descends from Cuba or Colombia. Therefore, experiential marketing campaigns that address specific communities should account for these differences and accurately represent the community.

Beyond cultural connectivity, Hispanics are deeply connected to social media. A recent study shows that 92% of adult Hispanics own a smartphone, which is 9% higher than the general population. Hispanics also spend more time on social media via smartphone than any other group in the U.S.¹¹ Hispanics also surpass the general population by 37% in wanting to share their opinions online.¹³

This audience desires "Instagrammable" moments and loves to create and share content. When planning experiences, add photo opportunities with props and backdrops to encourage social sharing. It's also a good idea to ensure these items are branded to gain additional exposure.

Increase the reach and impact of events by using geo-targeted messaging and promotions or by featuring respected influencers who can livestream or post about the event.

AFRICAN AMERICANS

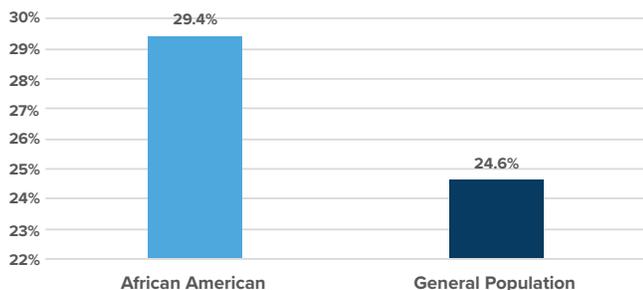
Like Hispanics, African Americans are profoundly connected with their heritage — a heritage rooted in the founding of this country. African Americans have been at the forefront of every significant social change in the U.S., including desegregation, suffrage, civil rights and the list goes on.

This culture of championing social justice also permeates purchasing decisions, with 40% of African Americans reporting they expect the brands they buy from to support social causes.¹⁴ This statistic is even more significant considering African Americans are the most brand-loyal multicultural group in the country. In fact, 48% of African Americans report they are brand loyal, compared to 35% of the general population.¹⁵

Experiential marketing is a powerful vehicle to amplify and promote the social good a company is doing via event messaging, goodwill presentations and informational activities.

African Americans comprise the youngest population in the U.S. today. Research shows 29.4% are under the age of 18 compared to the general population at 24.6%. The median age of African Americans is 31.4 years compared to the general population at 37.7 years.¹⁴

Percentage of U.S. Population Under 18



Source: Nielsen. *Increasingly Affluent, Educated and Diverse African-American Consumers: The Untold Story.*

Because of their relative youth, many African Americans are just getting started with their careers. And household income growth for those earning above \$60,000 is increasing faster for African Americans than non-Hispanic Whites.¹⁴ This, along with African Americans' strong brand loyalty, makes this audience a priority for all brands and retailers.

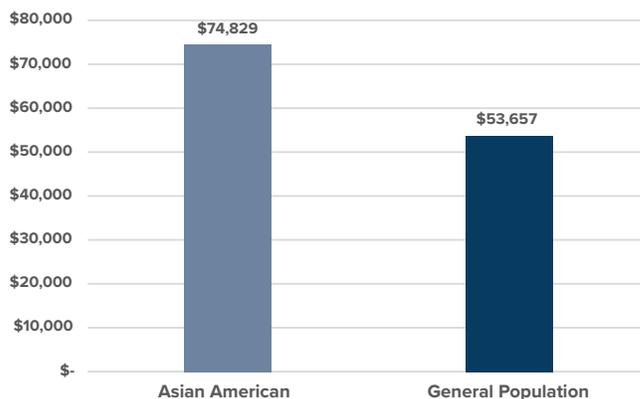
Using experiential marketing to introduce products to African American audiences at early points in their lives at concerts, college campuses and sporting events will positively impact brand recall and inspire brand loyalty as these consumers mature into adults and start their families.

ASIAN AMERICANS

Between 2000 and 2015, the Asian American population grew 72%, making them the fastest-growing multicultural group in the U.S.¹⁶ And U.S. Census projections have Asian Americans overtaking Hispanics as the largest immigrant group in the U.S. by 2055.¹⁷ This growth is driven largely by immigrants from China, India and the Philippines. Asian Americans, however, originate from many countries, including Vietnam, Korea, Japan, Pakistan, Cambodia and Thailand, to name a few.¹⁶

Additionally, Asian Americans have the fastest-growing purchasing power of all multicultural groups.⁵ They also constitute the wealthiest consumer segment in the country with a median household income of \$74,829, which is 39% greater than the national median income.¹⁷ This is largely due to an emphasis on higher education leading to high-earning professions in science, healthcare and technology. Pew Research shows that 51% of Asian Americans age 25 years or older have a bachelor's degree or higher, a number 41% higher than the general population at this age.¹⁶

Median Household Income in the U.S.



Source: Nielsen. *Asian-Americans: Culturally Diverse and Expanding Their Footprint.*

Given their general affluence, it's no surprise Asian Americans over-index for dining out, new vehicles and technology. Compared to other ethnic groups, this audience has the highest ownership of internet-connected devices, including smart TVs, computers, smartphones and tablets. It follows, then, that 93% of Asian American households have high-speed internet access. Additionally, at 68% adoption, they outpace the general population by 21% for subscription video-on-demand service.¹⁷ They are literally leading the trend of cord cutting.

Asian Americans also over-index in purchasing luxury goods. That said, when considering experiential marketing for this audience, ensure the experiences have a premium feel for as much as it makes sense for the store, brand or product.

DO'S & DON'TS

Tailored, Not One Size Fits All

Within each multicultural group, there are many subgroups. For example, within Hispanics, there are Cuban Americans, Mexican Americans, Venezuelan Americans and others. Therefore, experiential marketing strategies focused on a specific subgroup within a larger multicultural group must reflect the nuances of the subgroup rather than assuming (incorrectly) everyone in the group is the same.

Prioritize inclusion and choose the right individuals as team members, or agency partners, to help guide the experiential marketing strategy and tailor tactics to the subgroup. Not only will this mitigate potential offenses, but it will lead to greater authenticity and campaign effectiveness.

Appreciation, Not Appropriation

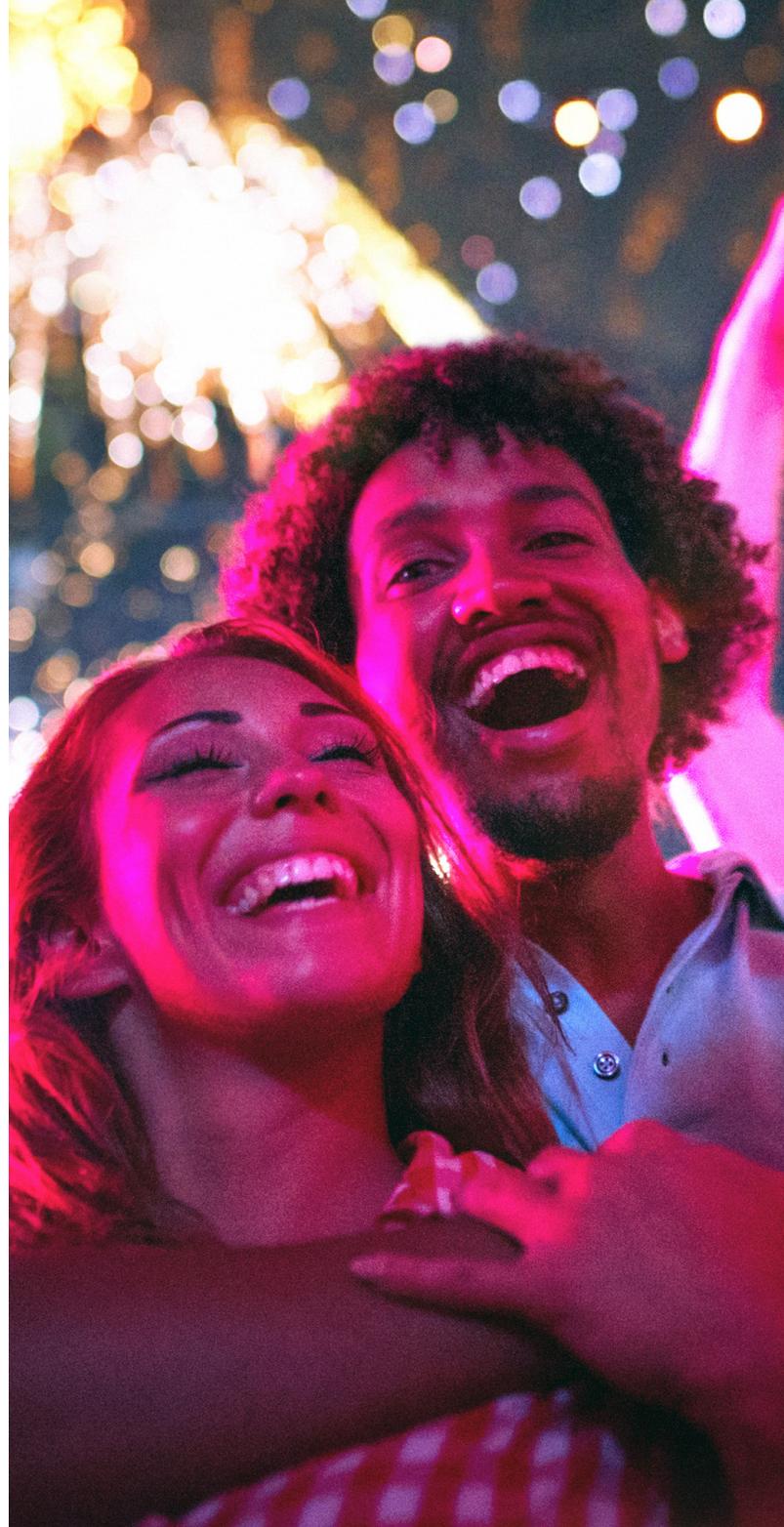
There's an extremely thin, almost imperceptible, line between cultural appreciation and cultural appropriation. The Oxford Dictionary defines "appreciation" as the "recognition and enjoyment of the good qualities of someone or something," and "appropriation" as "taking something for one's own use, typically without the owner's permission." So how do brands and retailers make sure their experiential marketing is on the side of appreciation and doesn't wander into appropriation territory?

The solution is inclusion — including someone on the team, or better a group, who authentically represents the intended multicultural audience. Alternatively, brands and retailers can work with an agency partner specializing in multicultural experiential marketing that has experience executing culturally relevant and respectful events for the selected audiences.

Consistency, Not Inconsistency

One of the biggest pitfalls brands and retailers should avoid is being inconsistent with their multicultural experiential marketing. Many companies fall prey to beginning and ending their multicultural efforts around occasions like Día de los Muertos or Black History Month. Being viewed as authentic and sincere requires regular engagement, not just around holidays.

This involves a strong commitment to diversity and inclusion and using those efforts to understand how to better impact multicultural audiences throughout the year. Partnerships with local foundations, sponsorships or neighborhood outreach are great ways to start. Brands and retailers may also select an agency partner experienced in developing thoughtful, consistent multicultural experiential marketing strategies.



FINAL THOUGHTS

As this report has revealed, multicultural marketing is a must-have. So, brands and retailers need to ask themselves, "Are we doing everything we can to engage with multicultural audiences?" If the answer is "No," consider some of the opportunities outlined in this report and the tremendous benefits of experiential marketing.

About Eventus

Eventus, part of Advantage Customer Experience, is an award-winning agency devoted to multicultural experiential marketing. We design experiences by uncovering cultural insights to activate retail, sports, entertainment, sponsorship and lifestyle experiences to connect with multicultural audiences. This includes having a deep understanding of subgroups to ensure our activations are as tailored and impactful as possible.

We've developed national tours, in-store activations and experiences for hallmark events, including the Latin Grammys and Latin Billboard Music Awards. Our partners include consumer packaged goods, entertainment, grocery retail, mass retail, sports teams and quick-service restaurant companies.

Eventus designs experiential activations "in-culture" because we are the culture and can bring the cultural appreciation and fluency needed to effectively resonate with Hispanic, African American and Asian American audiences. Ultimately, we create memorable brand experiences that drive business success. Learn more at eventuslive.com.

About Advantage Customer Experience

For more than 15 years, Advantage Customer Experience, part of Advantage Solutions, has provided industry-leading experiential solutions across the retail and consumer landscape. Our mission is to positively impact purchase behavior through exceptional customer experiences designed to engage, educate, acquire and retain consumers. We build brands, inspire advocacy and drive sales. Simply put, we make the complex easy. Learn more at advantagemarketingpartners.com.

For more information

Juan Carlos Hurtado, SVP, GM, Eventus

305.503.8465

juan.hurtado@advantagemarketingpartners.com



Sources:

¹ The Brookings Institute. (2018). *The US will become 'minority white' in 2045, Census projects.*

² National Research Council. (2004). *Measuring Racial Discrimination.*

³ Cornell, S., & Hartmann, D. (2007). *Ethnicity and Race: Making Identities in a Changing World.*

⁴ Legal Dictionary. (2016). *Nationality.*

⁵ Selig Center for Economic Growth. (2018). *The Multicultural Economy 2018.*

⁶ Kantar. (2018). *U.S. Monitor Report.*

⁷ Nielsen. (2015). *The Multicultural Edge: Rising Super Consumers.*

⁸ Harris Interactive. (2014). *Millennials: Fueling the Experience Economy.*

⁹ Pew Research. (2019). *U.S. Hispanic population reached new high in 2018, but growth has slowed.*

¹⁰ Pew Research. (2012). *When labels don't fit: Hispanics and their views of identity.*

¹¹ Nielsen. (2018). *Descubrimiento Digital: The Online Lives of Latinx Consumers.*

¹² Kaiser Family Foundation. (2017). *Number of births by race.*

¹³ Nielsen. (2019). *La Oportunidad Latinx: Cultural Currency and the Consumer Journey.*

¹⁴ Nielsen. (2015). *Increasingly Affluent, Educated and Diverse African-American Consumers: The Untold Story.*

¹⁵ Customer Communications Group. (2018). *Retail Customer Loyalty Study.*

¹⁶ Pew Research. (2017). *Key facts about Asian Americans, a diverse and growing population.*

¹⁷ Nielsen. (2016). *Asian-Americans: Culturally Diverse and Expanding Their Footprint.*