Ethnic Targeted Marketing: Do We Really Need It?

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TO TARGET OR NOT TO TARGET?

That is the question marketers often ask themselves when trying to reach out to an ethnically diverse population. Should I develop a separate strategy for each of the segments that comprise my market, or would having a universal approach be sufficient? What elements of my marketing mix should I focus on if I decide to follow a targeted route? Will the potential results of a targeted initiative be worth the investment needed to implement it?

Brands in the US have been dealing with this issue for some time already, but the fact that the country is on the verge of becoming a nation of minorities adds a sense of urgency to the matter. They must win ethnic segments to stay relevant and grow in a multicultural American environment. Unfortunately, there is no absolute answer to this dilemma because the situation each brand faces is different.
However, here are some important guidelines that can help you successfully navigate today’s multicultural marketplace:

1. **DON’T BE AN IGNORER**
   Virtually all US marketers acknowledge the importance of ethnic segments. However, many still believe multicultural marketing is not for them. Some believe this because they feel their product category is a commodity; others assume ethnic consumers are just not interested or can’t afford their offering. Quite often, these assumptions are based on stereotypes. So whether you represent a luxury brand or a product in a category with little differentiation, it is important to understand the relationship ethnic consumers have with your brand. They are an integral part of today’s new mainstream, so you still need them to stay relevant in the future.

2. **TRY TO FIND THE RIGHT BALANCE BETWEEN CUSTOMIZATION AND STANDARDIZATION**
   Similar to international marketing, brands operating in a multicultural marketplace have to find the right balance between customization and standardization. Going too far in one direction can mean efficiencies are lost. Going too far in the opposite direction can cause your proposition to become less relevant to consumers. Unlike the international discipline, however, the fact that multicultural marketing deals with diverse people coexisting in the same place poses unique opportunities and challenges. While a multicultural marketplace does favor the development of cross-cultural strategies for example, marketers should be careful because what they do for one group is likely to impact the other segments. Consumers do not live in ethnic versus general market worlds.

3. **INCORPORATE THE ETHNIC PERSPECTIVE IN YOUR BRAND’S FOUNDATIONAL RESEARCH**
   It is common for brands to develop their marketing strategies based on the needs of non-Hispanic whites (i.e., the general market) and then try to adapt these programs to the nuances of ethnic segments. Incorporating the ethnic perspective at the foundational level has proven to be more effective and efficient. You can determine early on whether and to what extent a targeted approach is needed. Often a tweak in your advertising will be all you need to make it culturally relevant, but sometimes more profound actions are required, whether it is around your brand positioning, distribution strategies, pricing structure, or even product development.

4. **ENGAGE YOUR AUDIENCE IN A CULTURALLY INTELLIGENT WAY THAT AVOIDS FORCING THE ETHNIC FACTOR**
   Plenty of data shows that targeted advertising is likely to do better than non-targeted communication among ethnic consumers. However, targeted advertising does not guarantee success. To be successful, targeted ads still have to meet the basic principles of any advertising campaign. The problem is that we often focus so much on the cultural aspect of communication that we forget about those principles. Remember that race or ethnicity is just one of many factors that define consumers as human beings, and is certainly not always the most relevant. Practice discretion in how and when you use it—a process that I call “intelligent targeting” in my book, *Marketing to the New Majority*. Consumers notice forced cultural elements and react negatively to them.

5. **DO NOT MINIMIZE THE ROLE OF CULTURE TO CASTING**
   Cultural relevance is not synonymous with having diverse casting in advertising. In fact, consumers are likely to reject a “one-of-each” approach as being unrealistic. Include imagery that mirrors the degree of multiculturalism found in your particular target audience. Dial up diversity and cultural cues if the goal is to attract more ethnic consumers, but always make sure your casting selection flows nicely within the story.
6

**DO NOT LIMIT YOUR CONVERSATION WITH ETHNIC CONSUMERS TO ETHNIC MEDIA**

Ethnic consumers are exposed to both targeted and mainstream media. Undeniably ethnic media favors the use of targeted messages and provides a culturally relevant context for your communication. However, mainstream media also offers interesting opportunities within the context of the new mainstream. A concern marketers face with regard to the use of mainstream media to target ethnic segments is that the message can alienate their mainstream consumers. The risk of this happening is actually low. Non-Hispanic whites don’t necessarily view so-called ethnic communications as being geared toward someone other than themselves, even if they feature an all-ethnic casting or cultural cues from other racial or ethnic groups.

7

**CONTINUOUSLY ASSESS HOW BOTH YOUR TARGETED AND NON-TARGETED STRATEGIES ARE DOING AMONG ETHNIC SEGMENTS**

It is a best practice to always look at how different ethnic segments perceive your marketing campaigns, even if they are not specifically targeted to them. Brands have faced damaging situations for not doing so. A recent example is Nivea’s “Give a Damn” campaign. When you assess the ROI of your programs, consider not only the money needed to develop targeted approaches (spending perspective) but also the money you would be losing if you hadn’t implemented them.

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Millward Brown, a leading research company with expertise in measuring digital advertising and marketing effectiveness, is part of Kantar, the information and consultancy arm of WPP. Our solutions and custom services provide advertisers, agencies and media companies the knowledge to optimize advertising performance during each stage of the advertising cycle.

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