Marketing to Diversity: Lessons from U.S. Politics

The 2012 presidential election confirmed something we’ve known for quite some time: There is a new normal in the United States, and that new normal is multiracial, multiethnic, and multicultural. Though Mitt Romney got 59 percent of the non-Hispanic white vote, the highest total for a GOP nominee since 1988, he was not victorious.

President Obama was reelected due in large part to the strength of his support from Latinos (71%), African Americans (93%), and Asian Americans (73%). Together these groups represented close to 30 percent of the total votes cast, compared to roughly 10 percent in the 1990s.

The lessons for politicians are clear, but there is a lesson for marketers as well. Brands that continue to focus their marketing on the traditional non-Hispanic white mainstream will become niche brands—just as Mitt Romney was, in the end, a niche candidate. He had strong support among those who looked like him, i.e., non-Hispanic white males, but that group is no longer large enough to send a candidate to the White House.

To stay relevant and grow in today’s America, brands need to change and adapt. While we are not a majority-minority nation yet, ethnic segments already have significant influence on the country’s social, cultural, economic, and political life, and therefore should be treated not as siloed segments but as a fundamental part of a brand’s mainstream marketing strategy.

This lesson is applicable for marketers everywhere, since brands all over the world face the challenge of appealing to increasingly diverse audiences. The first step in meeting this challenge is to develop a research-based understanding of the type of strategy needed for a particular brand.

CROSS-CULTURAL OR MULTICULTURAL? OR BOTH?

In reaching the different racial and ethnic groups that comprise the new mainstream, two main approaches are considered: cross-cultural marketing and multicultural marketing. While the former aims across demographic groups by appealing to consumer similarities rather than differences, traditional multicultural marketing targets a specific demographic group such as Hispanics.

The debate between defenders of each approach has been quite passionate in recent times. Both sides present compelling arguments to support their respective views; consensus has yet to be reached. Why? The business interests of agencies that specialize in one or the other approach are a contributing factor, to be sure. But another obstacle is the assumption that cross-cultural and multicultural marketing are mutually exclusive practices. They are not, and in fact, a combined approach is often needed to achieve the best return on marketing investment.
In the ideal world of one-on-one marketing, brands would address the individual needs and desires of one consumer at a time, but this isn’t possible in the real world, so brands need to balance their efforts. They need to develop campaigns that appeal to consumers of different racial or ethnic backgrounds without being so broad and general that they are relevant to no one in particular. The fruitful middle ground is the place where a “total market” perspective leverages similarities and respects cultural nuances.

**THE ROLE OF RESEARCH**

Finding the right balance between customization and standardization can be difficult, but some companies, including McDonald’s, Diageo, Coca-Cola, MillerCoors, Kellogg’s, and General Mills, are doing it quite successfully. How? By incorporating the ethnic perspective early on in their brands’ foundational research. Before making a major investment such as developing a new product or advertising campaign, they first identify the real role of race or ethnicity in product and brand preference. Only then do they decide if they need a targeted approach for a particular segment, or if their strategy can be based on a universal insight.

When cross-cultural and multicultural methods are used together, the cross-cultural insight usually defines what the overarching message should be, while multicultural knowledge informs how the message will be delivered in different settings. In the presidential campaign, a cross-cultural “insight” was easy for both sides to identify—the economy. The economy was clearly the number one issue for the vast majority of voters, regardless of race or ethnicity. And both candidates were able to communicate their perspectives in a relatively consistent way when speaking at national (i.e., cross-cultural) forums such as the debates.

However, Mitt Romney’s campaign missed opportunities to effectively tailor his message to targeted forums. One particularly glaring error was his communication with Latinos, who are generally more optimistic than other groups. Seemingly ignorant of this ethnic nuance, Romney continued to hammer away with negative campaigning when he would have done better to adopt a positive tone in describing better days to come.

**BEYOND RACE AND ETHNICITY**

Consumers are defined by many things beyond race and ethnicity, including age, gender, life stage, religion, and sexual orientation. In many consumption situations, the fact that a person is gay or Muslim or the parent of young children may be the most important motivator, regardless of whether he or she is black, white, or brown. Understanding how these dimensions are manifested across cultures enables brands to uncover more relevant “human insights” and use them to develop strategies that transcend ethnic boundaries.

When this happens, we see cross-cultural advertising in its finest form. P&G’s much-acclaimed Olympic campaign, “Salute to Moms,” was based on the universal instinct of mothers to sacrifice for their children. The ads, which featured mothers and athletes of every color and nationality, were believable, relevant, and heart-warming precisely because this role of mothers is universal and well understood.
Unfortunately, many brands try to engage ethnic consumers with “culturally relevant” messages without understanding those consumers holistically. As a result, the campaigns developed tend to focus primarily on racial or ethnic factors and often lapse into stereotypes; thus they fail to connect with their intended audience. Both presidential candidates made this type of mistake when courting Latino voters. Succumbing to media pressure, they often limited the conversation with Latinos to the issue of immigration reform, in spite of numerous polls that showed that the economy was actually their biggest concern. Ironically, Romney lost the most due to this oversight because his position on other topics—such as the dangers of big government, trading with Latin America, and abortion—could have resonated quite well with many Latinos.

Cross-cultural insight can be found anywhere

The human insight that forms the foundation of a cross-cultural campaign doesn’t have to come from work done among the non-Hispanic white segment. An insight can very well originate among ethnic consumers, who are often at the forefront of consumer trends. Two high-profile campaigns of the 2012 Summer Olympics originated this way. The big ideas underlying both “Salute to Moms” and Kellogg’s “From Great Starts Come Great Things,” which included an ad featuring Olympic swimmer Rebecca Soni, came from research done among the Hispanic population.

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Sadly, the work done by P&G and Kellogg’s is more often the exception than the rule. It is still common practice for many brands to develop their marketing strategy based solely on the needs of non-Hispanic white consumers. Then, when they have created an entire marketing program, they call their “ethnic” agency and start thinking about how they can adapt it for ethnic segments. As suggested before, the resulting strategy is frequently irrelevant to ethnic consumers, and it is likely to become less relevant to non-Hispanic whites as well, who expect advertising to reflect the diversity of the world they live in.

Cross-pollination of creative ideas is feasible even when cultural differences are significant, such as between Muslims and the mainstream in Europe, or the Chinese and Malay segments in Malaysia. Brands just need to go deep into the core human values that shape consumer attitudes and behaviors.

Hiring for diversity is a smart business decision

If an organization is dominated by people of one race or ethnicity, it is likely that campaigns will be built around insights that are relevant to that group. Therefore, companies should put their own houses in order before making any major attempt to engage with the new mainstream. They must be fully committed from the top down to the idea that the new mainstream is multicultural, and they ought to make serious efforts to build organizations that are as diverse as the markets they serve.

Obama’s campaign team seemed to understand this. Whether it was intentional or not, the President assembled such a diverse group of volunteers that pundits and voters alike often commented on how hard it had been for them to find “white people” at the party’s convention.
in September. This was in stark contrast to what they saw at the Republican convention, where minorities were virtually nonexistent. For the architects of the Obama campaign, keeping the ethnic perspective top of mind was no doubt made easier by the exceptional level of diversity among the campaign workers.

We see the same thing happening in the corporate world. Organizations that have a culturally diverse workforce often perform better in a multicultural marketplace thanks to the empathy and life experience that ethnic employees bring to the table. Companies seem to recognize this, as 60 percent of Fortune 500 companies currently have Chief Diversity Officers (CDOs). However, to effect real change and reap all of its benefits, the CDO needs to promote diversity at every level of the organization—the mid and upper levels as well as the lower ones. At this point, we are not certain that most CDOs have the power to do that, as only 25 percent of them report directly to their CEOs.

DON’T GO FROM MAINSTREAM TO MARGINAL

It is as clear for marketers as it is for politicians. The new normal is here to stay, and it needs to be accepted and embraced. But brands differ from politicians in one important way. A brand is up for reelection every time a consumer goes shopping—so your efforts to engage ethnic consumers should be ongoing and consistent, not seasonal. You can’t succeed by reaching out to African Americans only during Black History Month. Hispanics consume your brands on the 364 days that are not Cinco de Mayo, and Chinese Americans spend money all year, not just before Chinese New Year.

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Brands that recognize and celebrate diversity will not only continue to grow by winning the hearts and wallets of ethnic consumers, but they will succeed in staying relevant to the ever-evolving non-Hispanic white segment, too. Changing demographics don’t have to be a threat to long-established leading brands—not here in the United States, and certainly not in other parts of the world that are experiencing similar shifts, such as Europe, Latin America, and several countries in Asia. When armed with insights gleaned from comprehensive “total market” research that looks at both the whole and the parts, today’s most flexible and creative marketers can successfully shepherd their brands from the old mainstream into the new.

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