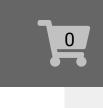
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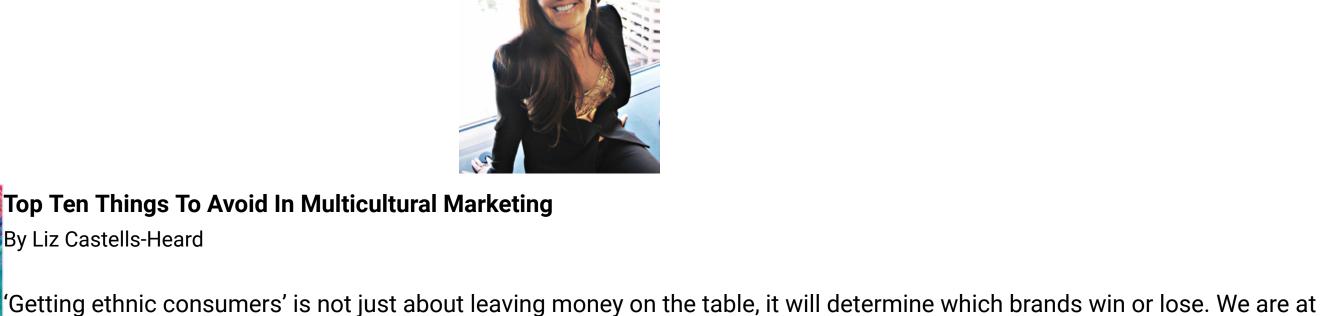
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By Liz Castells-Heard

Top Ten Things To Avoid In Multicultural Marketing

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the tipping point where the American critical mass is Multicultural and 'minority-majority' is an oxymoron. The need to do Multicultural marketing right is painfully obvious.

Multiculturals are nearly 40% of U.S. consumers who spend \$1.7 trillion yet still get under 18% of all ad dollars, and less of company resources. U.S. kids are already majority-ethnic, Millennials will be in 2022, and all of America by 2040. Key states like Texas, California and Florida are led by Hispanics, and ethnic-skewed top 15 DMAs, which make up half of our economic activity.

Hispanics, African Americans and Asians will power all future growth in population, jobs, new HH formations and new

customers – as aging Non-Hispanic Whites decline. National minority-targeted media, digital, and social platforms and content continue exploding, as do sophisticated research and data analytics to develop and evaluate multicultural marketing efforts, and a shift of cultural openness in overall attitudes to foster Multicultural marketing. While major players in telecom, CPG, QSR, Automotive and banking have been effectively addressing ethnic consumers for decades, they still drive the bulk of MCM ad spend growth. Most of the Fortune 500 are still reticent, late in the game or not doing it right. It is not just about a few adjunct in-language TV spots, influencers, soccer, events or social. It's about a topdown, thoughtful, holistic and organization-wide approach that impacts the company's goals, metrics, research, operations,

resource allocation, strategies, target segmentation and execution. And tactically, hopefully make English ethnic efforts BAU because it is way overdue - we did our first English McDonald's Hispanic spot back in 1989. Recently, a Univision C-suite executive asked me 'Liz, don't you get tired of the constant education to deaf ears and wish you had gone Wall Street like your Stanford buddies?' The answer: No, I am still an avid preacher and believer in marketing, love the multicultural, uber connected world we live in, and never give up... because money talks.' So I urge Fortune 500 stakeholders to get it right. And here are my top ten pitfalls to watch out for.

1. Approaching The Market As If It Were A Blended or Monolithic Reality. Don't assume one size fits all or that the lowest common denominator approach is viable for long-term growth and success. The answer: Personalized marketing will be even more critical based on the expectations and needs of Multiculturals, Millennials and Gen We. The

Multicultural marketing has certainly evolved from the orphan regional efforts and silo years, to the post-pubescent total market homogenization, and now the

Multicultural-led total market. Yet few have matured to the adulthood rich with complexity where the truth lives. For Hispanics, there is granularity by country of

origin, acculturation, integration, generational distance and language; for AA, single female HOH decision-makers vs. traditional families, single young influencers

to address target specificity and needs to drive deep relevance is vital in the increasingly geo-targeted, digital and social me-centric era we live in – where we must

know customers profoundly and use customization on a grand scale for two-way brand connections with multiple targets, platforms and technologies.

or matures; and for Asians, by acculturation, or country, like Chinese vs. Filipino vs. Korean. Marketing can be incisive, geo-targeted, layered, or general as desired,

2. Oversimplifying and Under-estimating the MCM Potential.

depending on the objective and ROI parameters. But the first priority is honing the common base to maximize the brand voice and investment, and as a DDB-bred ad executive, I totally get finding the universal truths of human nature. Yet while a LCD approach works at times, it's not going to drive consistent growth. The need

optimal marketing approach is more of both ethnic targeting plus leveraging broader-appeal strategies for all.

Don't delegate MCM sizing to a junior person or intern, or think it's just a big deal in a few markets.

The answer: Dig deep, understand and quantify the size and potential of each segment rigorously, the sub-segments within, roll-up by market and product, and reapply per initiative. To build sustainable and profitable brand relationships, you must delineate an accurate 'lay of the land' view with the bandwidth of data, information, evidence and

expertise to make the best and most judicious choices. Quantify the national impact by aggregating the target potential by market, by product, by store or zipcode.

Figure out how to package meaningfully so it resonates within your organization. Establish the right metrics to identify the priority targets and roll out plans applying the proper analytics, research partners and tools like Simmons, Nielsen, TNS, Millard Brown and Horowitz. 3. Not Grasping the Ethnic Differences Related to Your Category. They are likely not at the same point of category lifecycle or brand development, and culture lifestyle, demos and preferences impact their

category behavior, needs and response.

and assess how far to drill-down efforts.

Some differences matter to drive sales, some don't, but the assessment is necessary to answer that. Understand their differences in demos, family dynamics, culture, lifestyle, psychographics, product usage, preferences, and buying influencers which trigger perceptual and behavioral differences in how they define quality, value and loyalty; buy and use products, media and services; what motivates them and how they respond to marketing and ads. For example, in telecom, Hispanics

are the heaviest mobile and data users, AA the highest TV entertainment and latest gadget users, while Asians skew broadband Internet – and this varies by market and sub-demos. Thus, address strategic, message and tactical implications for the common segment approach, and then pertinent sub-segment variances.

The answer: Knowledge-based strategies require discipline to ensure all consumer factors weigh in. Identify the category differences that matter,

4. Inadequate Allocation Of MCM Company Resources. Don't say 'This is all we have for Multicultural this year' or allow territorial departmental silos to cause ineffective resource allocation to Multicultural marketing and hinder business growth. The answer: Understand upfront the market in totality and by segment to objective budget allocation on segment revenue and upside, identify any programs/processes requiring recalibration, and address nuanced needs/opportunities across 360 strategies-tactics.

Inadequate pre-planning, lack of sound research, analysis or metrics, limited efforts, sub-standard concepts, and poor execution devalue the MCM potential. MCM

should be an integral part of the top corporate strategies and planning process. There are likely disconnects in strategy, unidentified chances to leverage data, or

missed opportunities from internal and external stakeholders. Within total resources, properly allocate MCM budgets by target share, revenue and potential, and weigh spend trade-offs across all the 5 P's. Think about the money spent researching GM customers and identifying breakthrough product, insights or ads, while MCM cultural relevance, response, understanding or motivations dwarf in attention. The more this is done, the more impact ethnic marketing has in the mix. The

best MCM marketers have recalibrated the organizational culture and programs where needed, and the way teams work so efforts are sustainable. 5. Executing short-term MCM Programs that Must Immediately Pay Out. Multicultural efforts, generally added by switching dollars 'from the GM', are unrealistically expected to incrementally pay out in a limited time,

with little costs for customer loyalty. The answer: The right expectations and metrics, consistent marketing, engagement and two-way communication are all critical, and the base cost to maintain and grow customers. There is a base cost for attracting, getting, growing and keeping Ethnic customers, and the MCM Program should not pay out solely on incremental sales. Shortterm messaging and lack of customer engagement leads to poor brand perception, discounting, and churn. And don't assume that brand affinity among AA will remain so without deep roots in their community; or brand familiarity in Mexico/LatAm will automatically transfer here without nurturing that relationship. A great

campaign across media and touch-points in the purchase path and customer lifecycle. Employ the proper research to ensure Ethnic segments are well defined and

example is Colgate-Palmolive left behind by P&G. Just like the GM, you need a consistent, integrated branding, retail, promotional and loyalty plan, a sound

represented; and have realistic, measurable goals. We call this effective Transculturation™, making your company Ethnic-relevant.

6. Not recruiting or Staffing Multicultural Marketing Appropriately. Don't have staff who happens to be ethnic lead Multicultural efforts, assume interspersing Multiculturals across departments is the holy grail, or

7. Consistently Opting For GM Translations, Benetton or Blended Casting.

blending.

not cross-over to others.

recruit your housekeeper to evaluate work done by an experienced creative with a Masters. The answer: Cultural leadership driven by a central group is foundational to success, layered with some cultural competency across all decisionmakers, and an understanding of its importance across the organization. Effectiveness is not found in either extreme of silos or total market

assure ads are tested for validity; and be fully accountable for MCM performance. While also integrating Ethnic personnel across departments is beneficial, this alone fails as departmental management is still GM-driven, no one is accountable, and insufficient time is allocated to the ongoing depth of MCM segment knowledge and analysis required. While leaders like McDonalds entrench this philosophy with all marketing filtered by Multicultural leadership, I have also

Assure Multicultural efforts are led by a multi-disciplined Ethnic marketing group with the depth of experience to guide strategies upfront at the high-level; have

ongoing strategic oversight to feed into the brand as a whole; define where it makes sense to align or diverge; adeptly develop, execute and assess initiatives;

witnessed the loss of MCM accountability, dilution of efforts, and business erosion with various clients taken by the total market 'efficiency' model.

dilutes all efforts and impact. The answer: Leverage both universal commonalities and unique segment needs or opportunities. While always within a single brand platform, the target consumer should ground the segment efforts. Seek synergies where it makes sense but don't force-fit. It's about transculturation™, a relevant application of your brand essence to Multicultural segments, which usually results in a successful combination of three approaches – universal, parallel or unique. The 'universal' approach is a program, message or execution that works equally well across all segments (with minor tweaks); the 'parallel' approach makes strategic sense for all segments but may vary in product, message, nuances or casting; and the 'unique' approach is an initiative, promotion, channel or strategy necessary or opportunistic for one single segment, which may or may

Sometimes a concept or initiative transcends ethnicities, but consistently employing and force fitting a 'universal' approach is ineffective and

relevance regardless of language; and the 'blinders' who do not see the importance of either culture or language. The answer: The currency of culture is how and where Multiculturals spend their time and money, the basis of effective marketing, with both native and English efforts key to maximize reach and impact.

9. Assuming You Know the Target, Stereotyping & Cultural Appropriation.

at worst, inadvertent racism and backlash.

10. Not Finding The Right Agency Partners.

content and in their native language remains strong because is the language of the heart, even among bilinguals.

washing of marketing and advertising' – which you must be aware of to avoid potentially catastrophic blunders.

8. Mistaking Language for Culture And Not Knowing the Difference.

Multiculturals, while integrated strongly or somewhat into the dominant culture, are set apart from others by their roots, context and idioms language abilities because they have access to a uniqueworld of culture, people, way of relating, values, passions, content, music, food, sports experiences and media, and that they

or Asian efforts, but as most Multiculturals are bilingual/bicultural, they transition seamlessly in between, thus both in-language and English-targeted ads are

important. The 'uninformed' misguidedly believe their GM spots work equally well, and while at times it does, it is not as effective as targeted efforts, as it's

There are the 'fixers' who use in-language as the solution to effective MCM marketing; the 'uninformed' who minimize the impact of cultural

foremost about cultural relevance, and staying culturally rooted is an inherent choice made by most African-Americans, Asians, and Hispanics whether foreign or US-born. Lastly, I've had Client 'blinders' who say 'Half of them see our English spots, so we are covered since they're the ones with the money anyways.' They don't get that over 20% of Hispanics have income over \$100k income and Asians the highest of all, so they can likely afford the product, and their connection to cultural

Making generalizations about Multicultural consumers results in superficial or ineffective work, missed opportunities, negative stereotyping, and

The answer: A knowledge and demand based view and cultural lens and insight are key to a sound marketing strategy and ads. Assure you have the

desire to maintain. There are three types of marketers that miss the mark. The most common are the 'fixers' who rely only on in-language efforts to define Hispanic

personnel, research, listening tools and hard data competency to know the difference, and avoid cultural appropriation. We all know Hispanics are group-oriented, but showing a family with grandma in tow is not effective advertising – it's how this collective lens affects their lifestyle, influencers and decisions. A Benetton Millennial cast piled into a car does not assure car buyers. Salsa is sold more than ketchup, but only 15% of buyers are Hispanic, and suburban White men consume 80% of urban AA hip-hop music. False assumptions and faux pas stem from ignorance, lack of perspective, and unvetted bad judgment. I almost choked when asked to translate Taco Bell's 'Run for the border' for Hispanics. Another client wanted a 'high level' Asian campaign since 'All Asians are smart'. Home Depot got ostracized for a tweet with African-American drummers and a Caucasian disguised as a gorilla, asking, 'Which drummer is not like the others?' Houston 1836 failed as the new MLS team name tied to its founding year, but also Texas winning independence from Mexico, offending its Mexican soccer fan base. Starbucks' good intentions of engaging customers in race-related discussions was rejected by most ethnicities, and Kendal Jenner's Pepsi ad showed just how bad it could get. And beware of poor GM translations, from the classic 'Got Milk?' campaign launched in Spanish as 'Are you

lactating?'; 'Come alive with the Pepsi Generation' translated in Chinese as 'Pepsi brings your ancestors back from the grave'; to 'Life Takes Visa' translated in

text, radio or video. All of this counts as cultural appropriation, the 'silent racism, disrespect, ignorance, tokenism, discrimination, pandering or cultural white-

Spanish as 'Life Drinks Visa' which was confusing and culturally clueless. And be careful not to be seen as a quick fix, cliché or offensive when localizing regional

Don't settle for your GM agency hiring a few 'ethnic experts', just because Multicultural is now one of the few growth areas left, and also dominates youth, digital and social.

The answer: Hire the right ethnic agency with proven success, depth of knowledge and experts, which takes years to develop and effectively guide Clients strategies and profit.

Find the right ethnic agency that lives and breathes Multicultural. By definition, Multicultural experts have a uniquely broader perspective, as they have to be well

versed in 'GM/White' consumers to lead the client and identify the commonalities and differences, whether in cultural cues, behavior, preferences, needs etc. Thus, are in the best position to feed the core MCM insights that will help fuel better ideas, opportunities and growth. Make them a part of the broader agency team that helps drive the company's efforts. They are used to working collaboratively, have an engrained philosophy to work harder and smarter, and love challenging the status quo. Also, in shifting your GM strategy to be more culturally relevant, in addition to culturally focused efforts, there are several viable approaches. The 'multiagency reconciliation model' has Ethnic agencies weigh in on overall marketing strategy and efforts (e.g., Wal-Mart); the 'GM agency co-option model' where they co-opt or buy-out a MCM agency, or create multicultural competency internally to better serve a Multicultural total market (e.g. Ogilvy); and the 'Ethnic agency inversion model' where Ethnic agencies go after the total market, competing on their deeper consumer knowledge. Bottom-line, hire a true MCM agency, and try a new one - like INFUSION by Castells. **About Liz Castells-Heard** CEO/Chief Strategy Officer of INFUSION by castells Liz Castells-Heard is a 'tell it like it is' strategic thought leader and industry force with a Stanford MBA, finance and psychology training, 37 years

of Multicultural, GM and Client experience with hundreds of brands, and unique brand of 'brains, heart and grit' with her analytical acumen,

Her agency, INFUSION by castells, is a leading national Multicultural agency providing Clients best-in-class marketing leadership and consistent

results 'no matter what' by infusing strategic acumen, cultural insights and ROI-powered ideas. They create strategic brand and performancedriven creative with innovative 360° activation. The creators of Transculturation™, they guide clients McDonald's, Toyota and Charter Communications to profitably integrate Multicultural efforts across the P's. The agency, founded in 1998 and formerly known as Castells &

diverse skill-set, energetic style, solid values, and fearlessness.

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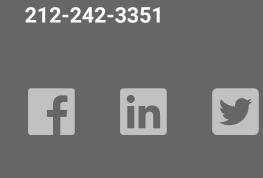
Asociados, is now minority and women-owned, expanded its Multicultural capabilities, and now has offices in both NY and LA. Liz is regularly tapped industry source, speaker, and sits on the board of The LaGrant Foundation, which offers scholarships, internships and

mentoring to Multicultural youth in pursuit of marketing/advertising careers. Education is her passion, which she calls the 'equalizer' to possibility. Liz is also a member of Easter Seals, AHAA/CMC, AMA, City of Hope, New America Alliance, SBSAA, Mentoring Partnership, Women In Management, and Who's Who. Fully bilingual and bicultural, Liz was born in Cuba, raised in Europe, Puerto Rico, and ten diverse U.S. cities. She lives with her husband Alan of 34 years in LA, has 7 godchildren, 2 German-Shepherds, a Chihuahua, and loud macaw (whose colorful personality matches hers). **Contact:** Liz Castells-Heard | CEO, Chief Strategy Officer | INFUSION by castells

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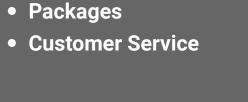




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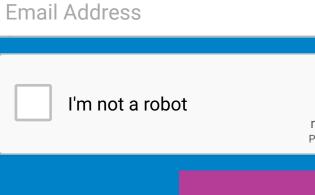
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