

Marketing to a Diverse Customer Base

By Gail Cox
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This article was written in honor of Vince Cullers, founder in 1956 of what is considered to be the first ethnic marketing agency in the United States, the Vince Cullers Group.

In 1956, the first ethnic marketing advertising agency, the Vince Cullers Group, was born. The agency was created out of a need for marketing that engaged ethnic customers and presented them in a positive light in national advertising.

At that time, African Americans and Hispanics were less than 10% and 3% of the population, respectively. Efforts and resources invested in reaching these ethnic minorities were minuscule.



Vince Cullers

However, there were great marketers like McDonald's, Coca-Cola, Bristol Myers and BP Amoco that recognized the value of ethnic customers and that recognized that reaching them with relevant and engaging messaging required the expertise of professionals steeped in those cultures and experienced in that work. This gave birth to a much-needed specialty in the marketing space: Multicultural Marketing.

Unfortunately, the adoption of best-practices for actively courting multicultural consumers has been very slow. Efforts have been plagued by limited budgets and inauthentic and ineffective attempts that scratched the surface instead of being well-funded and carefully considered strategic actions.

Fast forward a few decades, and with a surge of immigrants during the 1990s and early 2000s along with the

growth in other ethnic and mixed-race populations, ethnic populations today comprise about 40% of customers. But spending against all multicultural segments still amounts to significantly less than 10% of all advertising spending.

Sadly, most of the efforts in multicultural marketing remain “plug and play” efforts: Scripts totally lacking in cultural relevance and a random mix of faces of color are placed into advertising; materials are conceived by general population agencies clearly lacking in any diverse talent and any depth of experience in reaching multicultural audiences.

DOES MULTICULTURAL MARKETING MATTER?

Some might ask if the disproportionate diversity investment vs. diversity representation matters, especially when most

multicultural consumers speak English.

Consider, however, whether or not you would recommend marketing to women the same way that you market to men, even if both campaigns were done in English.

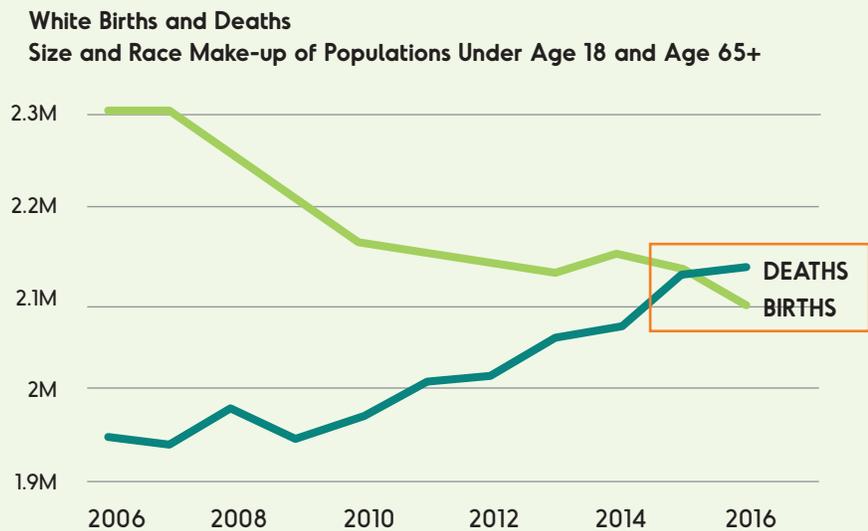
- Whether or not you would market to people in their 20s the same way you market to people in their 60s.
- Whether or not you would market to low-income customers the same as to wealthy customers.

It is important to understand that when companies market to multicultural audiences, there is an opportunity not only to reach and optimally engage them as consumers, but also to engage them as employees who are a part of the process and to do so while supporting minority-owned agencies, minority talent and minority-owned media ... in essence, to support these diverse seg-



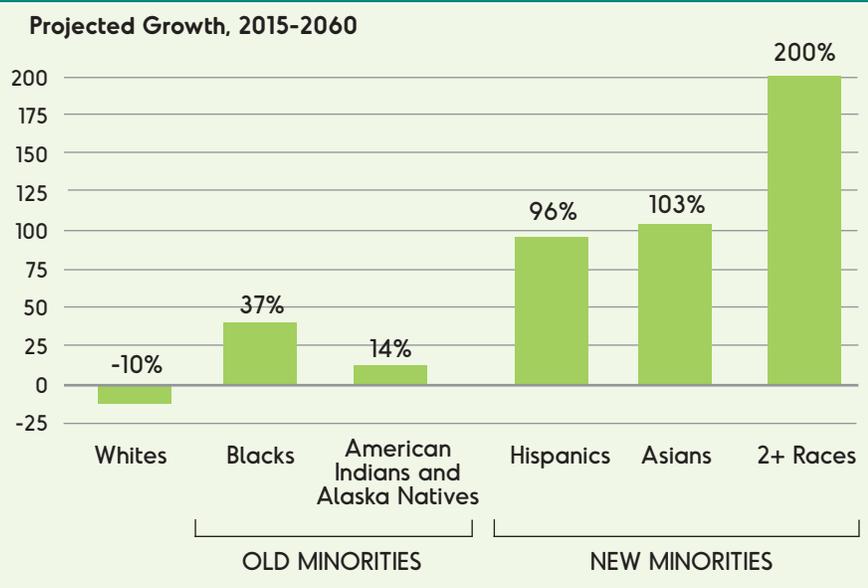


MORE WHITE DEATHS PER YEAR THAN WHITE BIRTHS, CONTRIBUTING TO WHITE POPULATION DECLINE



Source: Pew Research Center, Census Bureau

ETHNIC MINORITIES ARE EXPECTED TO DRIVE ALL US POPULATION GROWTH



ments as engines in the overall economy.

Ultimately, this participation benefits all Americans and the overall growth in our economy.

While some people may postulate that participation in the economy by the ethnic population is neither critical nor necessarily a high priority, it is important to note that without the active participation of most members of the U.S. population, our economy will suffer.

Furthermore, to put it bluntly, the non-Hispanic White population in the US is declining, and most of the growth fueling all facets of our economy will be driven by multicultural populations who are quickly becoming the emerging majority in many parts of our country, and eventually in our country overall. (See chart top left.)

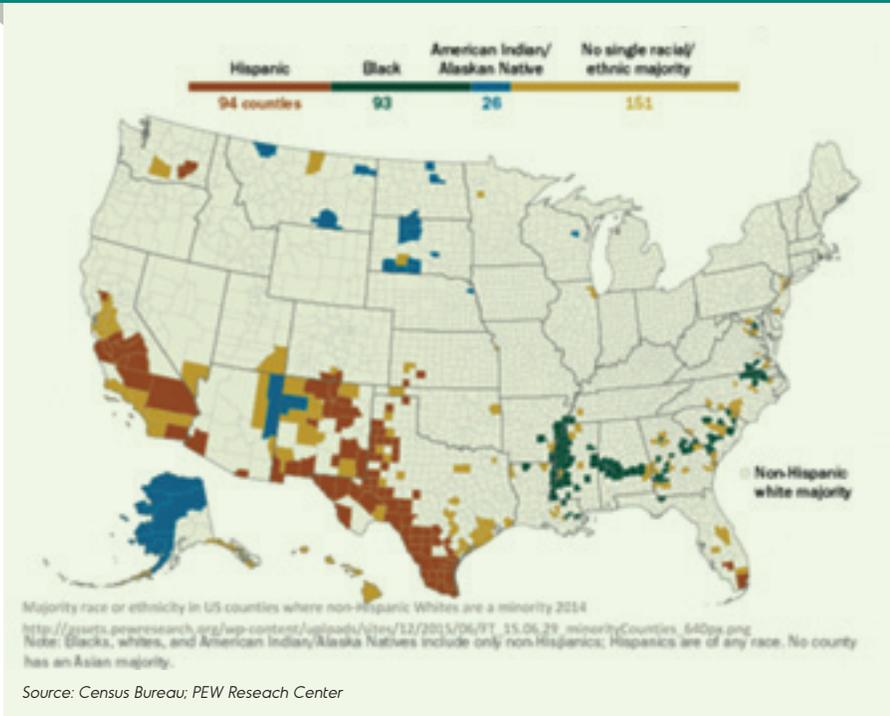
This trend is now accelerating, in part, due to Covid-19. Not only is the White population declining, but White spending in key categories is also declining. In fact, in the past two decades, 90% of the growth in the population and resulting growth in key categories occurred primarily because of multicultural customers.

Multicultural customers drove new household formations, home mortgages, car sales, consumable-goods categories and entrepreneurial start-ups. Additionally, these populations make up the majority of critically important essential-worker occupations including nurses and home-care aides, food-processing workers, construction workers, package sorters and delivery workers.

These tangible economic growth contributions don't even consider the important cultural contributions these segments make in setting trends and defining pop culture in everything from music, sports, entertainment, fashion and even food. For example, most people don't realize that tortillas have surpassed bread, and salsa has surpassed ketchup in sales. These items are not only being purchased by Hispanics; they have truly become mainstream. (See chart bottom left.)

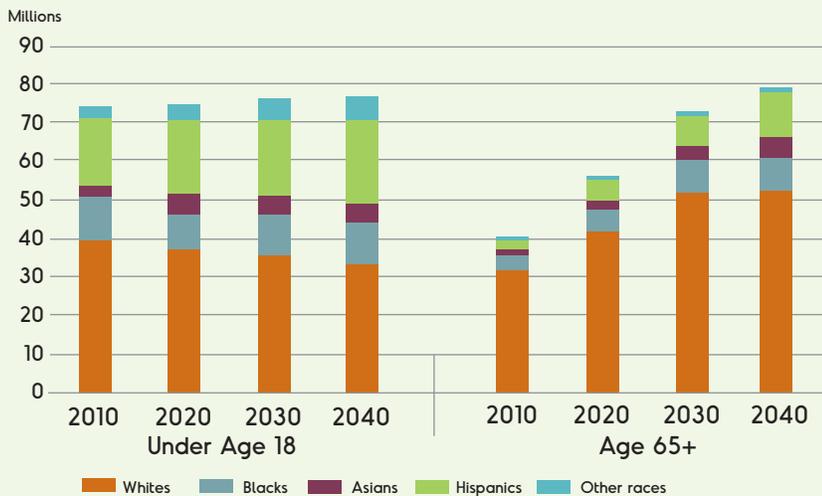
It is also important to remember that while almost 40% of the population, on

WHERE MINORITIES ARE ALREADY THE MAJORITY



POPULATION UNDER 18 MORE ETHNIC / POPULATION 65+ MORE WHITE

Children and Seniors, 2010-40 Size and Race Make-up of Populations Under Age 18 and Age 65+



average, is non-White, in some parts of the country, minorities are already the majority, representing as much as 97% of the population. (See map above.)

When protesters in Charlottesville angrily chanted, “You will not replace us,” their chants were reflective of the knowledge of the aforementioned trends and their fears were that White

people and White culture are under attack from multiculturalism and non-White races.

Their assumption is that the American economy is a zero-sum game and that improving the plight of the growing, non-White populations can only come at the expense of others. However, research and data from top demog-

raphers show that the opportunity for the U.S. economy to grow increases as we improve the conditions and the opportunities for all—especially when we are able to impact the economic prosperity of the specific segments that are already growing the most from a population perspective.

SO YOU WANT TO GROW YOUR CUSTOMER BASE?

Given that the average credit union has approximately \$250 million in assets and that advertising budgets tend to be less than 0.10% of assets, it is estimated that most credit unions have somewhere between \$200,000 and 400,000 annually to spend on marketing efforts.

With such small budgets, it can be difficult to participate in traditional marketing tactics like TV ads, and efforts may be limited to extremely targeted and non-traditional tactics, especially when attempting to reach multicultural customers as part of the marketing mix.

Many people tend to think of multicultural marketing only in terms of adding a few people of color into the images that carry your brand through media to the end-customer, or in terms of translating a few key messages into different languages.

In reality, marketing is so much more than that. Multicultural or Diversity Marketing is about understanding who you have as members and who the up-and-coming populations are that you need to get in order to grow. It is about understanding their needs, their cultural cues and their motivations. It requires understanding the ways that you can legally address them, especially in a regulated environment.

It is also about being honest with your organization about whether or not you have properly prepared to serve the customers you have and the new customers you might want to reach for growth.

WHO ARE YOUR MEMBERS TODAY?

As you develop marketing plans each year, it is important to update your understanding of your customer base. In cases where blind customer data is



Customers of color now are even more inclined to scrutinize who is working in your branch lobby, in your drive-through and in your main office.

available with demographic identifiers, that data can help you to easily identify how you would demographically describe your customers overall and to identify any patterns or clusters in the data based on things like age, ethnicity and life stage.

If analyzing your existing data is not an option, perhaps you can gain a deeper understanding of your customers through intercept surveys as

people walk into the branch or pull into the drive-through. You can also conduct surveys via email, phone or mail so you better understand who your customers are; their awareness and utilization of certain services; and what they anticipate needing in the future.

WHO ARE ALL OF YOUR POTENTIAL MEMBERS?

Depending on whom your credit union serves, there may be data resources that might be available to help better understand the demographic profile of potential incremental members.

If the credit union is based on an employee type, an associational group or members of certain trades or professions, demographic profiles may be available from employers or professional associations.

Worst case, profiles can be developed using occupational data from the Bureau of Labor and Statistics like this file on “Employed persons by detailed occupation, sex, race, and Hispanic or Latino ethnicity.”¹ Other files are also available on age distributions and income.

Once you better understand your current and potential customers, you can understand the size of the incremental opportunity.

DOES YOUR ORGANIZATION REFLECT YOUR DIVERSE MEMBERSHIP AND THE DEMOGRAPHICS OF YOUR SERVICE AREA?

Especially given the heightened understanding of racial bias and the impact it can have on someone’s life, customers of color are even more inclined to scrutinize who is working in your branch lobby, in your drive-through and in your main office.

- When someone picks up your literature, what diversity do they see in leadership of your organization, in the contributors to your publications, in the illustrations and photographs featured?
- Would they take away from all of these observations that they are welcome?
- That your credit union is “for people like them”?
- That there is someone working in your bank whom they can trust and with whom they can establish a relationship as they navigate complex financial issues?

If you answered “no” to any of these questions, know that this is marketing, too. Think of it as you “preparing your home” before you invite in new guests.



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ARE YOU PREPARED TO ASSIST MEMBERS IN THEIR PREFERRED LANGUAGE?

While Hispanics and many other immigrant populations are able to communicate in English or are bilingual to some degree, many are not (especially older adults).

Furthermore, while many customers who are dominant in another language may speak some English, they may prefer to communicate

in their native language, especially for more complex and important transactions in their lives like banking.

In fact, in the United States one in five people speak another language at home.

When customers come into your branch, it will go a long way toward making them feel welcomed, valued and comfortable if they are able to find someone who can communicate in their language.

As you evaluate this, keep in mind that in the end, language, though important, is still just a tactic; your efforts in reaching multicultural audiences should not end with simply translating content, but should include an overall strategy and messaging that is culturally relevant and resonant.

It is also important to keep in mind that speaking a language, being able to listen to and understand a language, being able to read a language, and being able to write in a particular language are all very different things, and customers may have vastly different capabilities with each.

Questions to consider:

- Will customers be able to communicate their needs correctly and easily based on the language capabilities of the workers on staff?
- How important is it to make sure that every branch has one or multiple people with language capabilities on staff at all times?



Research and data from top demographers show that the opportunity for the U.S. economy to grow increases as we improve the conditions and the opportunities for all.

- If that is not an option, are there enough employees who reside in other branches or the main office who speak an alternate language who can quickly be reached via phone to assist customers who come into or call into any one branch?

- If that is not an option, have you considered engaging one of the top on-demand interpreter services like Language Line?²

- When someone with limited English capabilities calls into your customer service numbers, are they quickly and easily able to get to an op-





erator who can speak in their language, or are they able to access “prompts” in their preferred language, especially if that language is Spanish?

Keep in mind that depending on where your credit union is, there may be needs for some of the other most commonly spoken languages in the United States like Chinese, Vietnamese, Tagalog (Filipino), Korean, Arabic, Hindi and Russian.

If these languages are common in the area around your branch, then hiring someone should be prioritized. However, until employees with the needed language capabilities are available, interpreter services like Language Line are able to assist on-demand in dozens of languages.

ENGAGE A MARKETING AGENCY PARTNER WITH MULTICULTURAL AND RELEVANT EXPERIENCE

As you seek partners to help in your diversity marketing efforts, it is important that you choose organizations that in some way reflect the audience you’re trying to reach and have expertise in developing strategies for diverse audiences.

If you are not able to confirm that your agency can bring diverse talent in management and leadership positions to the table for your projects, then perhaps it is time that you found another agency

partner who can actively participate in the strategic planning, media planning, creative development and production of your campaigns in a way that includes growing your business with the growing population.

USE PROVEN TACTICS FOR REACHING CUSTOMERS IN LIMITED GEOGRAPHIES

While there is certainly an opportunity for consideration of multicultural audiences in every media type and aspect of marketing, there is a short list of tactics that are especially effective when clients have a limited number of locations and a limited budget and yet they want to reach multicultural customers as part of an overall strategy.

Those tactics include social media, paid social, digital ads, digital radio, AdWords and radio. Many of these can be geo-targeted within a radius around branch locations. Optimally utilizing these requires that clients work with an agency with experience ensuring that multicultural customers are reached in a way that is legal, feasible, safe and effective as part of an overall strategy.



In the United States one in five people speak another language at home.



ULTIMATELY, IF YOU WISH TO GROW, MULTICULTURALISM MUST BE CONSIDERED IN EVERYTHING YOU DO

With each successive generation, the question is asked, “What does it take?”

That is, what is required to guarantee opportunities ... not just for one person of color at a time ... but for many? What does it take for reasonable women and men to recognize that our fates are mutually connected?

This country’s fate is dependent on us creating opportunities for all people to participate and to thrive, and that there is an obligation to do so on every level of the socio-economic ladder. It is imperative that every organization is considering these multicultural audiences as entry-level employees and as leadership, as credit union members and as suppliers and partners, as agency and media partners, as consumers and as businesses.

Know that there are certainly tons of viable ethnic customers just waiting to be engaged, and certainly what credit unions have to offer is a compelling proposition.



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Gail Cox

During her career, she has led the development of strategic marketing plans for Fortune 100 companies in health care, home improvement, retail, fashion, financial services and sports. Cox was a speaker at ACUMA’s 2020 Conference. Previously, Cox was Marketing Director of Home Decor at Lowe’s Companies, and Director for Lowe’s Multicultural Marketing. Prior to that she was in Health Care Brand Management & Retail Customer Marketing at Procter & Gamble. Cox can be reached at gail.cox@acmconnect.

Footnotes

¹ <https://www.bls.gov/cps/cpsaat11.htm>

² <https://www.languagein.com/>