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A Lesson in Reaching the Multicultural Holy Grail

Dear Client:

You've heard us beat this drum before: marketing to multicultural consumers is vital because by 2050 white consumers are predicted to be the minority. But depending on whom you ask, the future is now. The white population is already the minority in nearly every major metro area in the US, according to EthniFacts, a multicultural research firm that has worked with Beam, Deutsch Family, WSWA, Moet Hennessy and Glazer's among many others. "Looking at the total US and saying 'This is going to happen someday.' is a real misnomer because it's already happened," EthniFacts Chief Mike Lakusta tells WSD.

Going forward, EthniFacts has agreed to supply WSD with semi-regular drink trends among multicultural consumers, with a skew toward Hispanics. Today, Mike will lay the groundwork on how to think about the Hispanic demographic and what type of marketing is the most effective at reaching them.

The alcohol industry tends to think Hispanic consumers over index in the beer category and under index on wine and to a lesser extent spirits. Mike says in broad terms that are true; when Hispanics immigrate into the US, they gravitate toward beer and a select number of spirits brands. However, lumping all Hispanics together is a no no, he says. "You really can't put 100 Hispanics in a room and say, 'They all do this.' There's so

much granularity by country of origin, by acculturation levels -- you name it, there's all kinds of things."

DEFINING GENERATIONAL DISTANCE: In fact, EthniFacts divides the Hispanic demographic by what they call generational distance. First, you have native born and foreign born, but then there's five different gradation within those two categories. The foreign born Hispanics are separated by if they've been in the US: (1) less than 25% of their life, (2) 25%-50% of their life and (3) over 50% of their life. Native born consumers are separated into two categories based on whether their parents were immigrants or born in the US.

"When you measure an industry or a product or a brand over those five gradations, and do quantitative studies, you really see movement," says Mike. "You see this particular category or this particular brand started really high because it was something they were [consuming] in their home country, but as they've spent time in this country, it starts to tail off. That's an issue for a marketer of that brand."

For example, EthniFacts once worked with a Tequila company that was very popular in Mexico, but as consumers spent more time in the US they were bombarded by so many choices that they jumped ship. "What we suggested to them at the time, was come up with a halo brand," he says. "Come up with a brand that may be \$5 more a bottle, but it's still your name. It's a premium of your name, but it's still your name. That way, when people trade, they can trade to your product, as opposed to somebody else's."

Then there's the flip side, there's brands that Hispanic immigrants are not familiar with in their home country, but get familiar with the longer they spend in the US. For a marketer of wine and spirits or beer, it's really important to know where you fit into that fingerprint, as we call it, in generational distance."

THE HOLY GRAIL: There's one demographic of the Hispanic immigrants that Mike refers to as the "holy grail for marketers" in the

US. He's referring to a segment of immigrants EthniFacts calls Ambicultural. Ambicultural immigrants are people who are equally comfortable in both of their cultures. "It's kind of an effortless duality," he says. And the companies that can win the battle for the Ambicultural consumers will be the ones to thrive going forward.

The advice Mike gives for winning with these consumers is pay attention to the cultural nuances. It's not enough to have a Spanish language commercial on a telenovela and then another for general market advertising for all other consumers. "In other words, probably the best quote on that is, 'It's not about language, it's about culture.'" Marketers should ask themselves, "'What are the hot buttons that I can touch that are going to make people go to their roots and go back to their culture?' If you can touch on that, you're going to reach people that aren't in these two polar opposite buckets on each end. "They're in the middle, and that's the growing bucket."

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