

GAIL BAKER WOODS

ADVERTISING

AND

MARKETING

TO THE NEW

MAJORITY



Advertising and Marketing to the New Majority



Gail Baker Woods
University of Missouri
School of Journalism



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Thomas Nelson Australia
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Victoria, Australia

International Thomson Publishing Asia
221 Henderson Road
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International Thomson Publishing Japan
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The questions are all too familiar to advertisers. How do we best reach our audiences with timely and interesting information about the products and services we offer? What do consumers need and want to know about us? How do we break through the clutter of myriad advertising and marketing messages? What compels people to buy and to become loyal to a particular brand?

As we all know, the answers to these questions have never been simple. But in today's world of diverse consumers, evolving markets, and new media, solutions to these issues are more complicated than ever. Audiences have changed. Many are immigrants who have come to the United States seeking a better life. Others are indigenous to this country, but their race or ethnicity distinguishes them from the mainstream culture. All are just awakening to their buying power and consumer clout.

On the one hand, racial and ethnic minorities—African Americans, Hispanic Americans, Asian Americans, and Native Americans—have a number of things in common with each other. Their numbers are steadily growing, and they share a common thread with all other Americans—they consume products. Thus, it is important to understand how they respond to advertising messages and what they expect from marketers. On the other hand, ethnic minorities are unlike each other and different from the mainstream in the way in which they hear, view, and interpret advertising messages.

That is what this book is about and how it came to be written. The advertising community is grappling with the best way to provide information to emerging audiences. Educators are seeking ways to teach students to be persuasive communicators in a rapidly changing marketplace. This book addresses these issues by looking at successful and not-so-successful campaigns aimed at ethnic audiences.

Advertising and Marketing to the New Majority is a compilation of cases from ethnic and nonethnic advertising agencies in the forefront of the changing business environment. It discusses special efforts aimed at ethnic audiences and the challenges facing those who wish to penetrate this market. Specifically, it focuses on what has been learned about how to appeal to ethnic audiences.

The book is divided into two parts. Part I is an overview of the changing marketplace, including the evolution of ethnic advertising, ethnic consumer behavior, and the legal and social environment in which advertising and marketing operates. Part II presents 11 case studies. Each case begins with an overview of a company attempting to appeal to ethnic groups. This background sets the stage for the campaign. Following the company profile is a discussion of what the company wanted to accomplish, how it executed the campaign, and the results of the campaign. Instructors can assign cases to groups or individual students. They can also use this format to have students develop entirely new campaigns based on what is discussed and learned from the cases presented.

A special feature of the book is a section following each case called “View from the Top.” In this section, we interview industry leaders, who share their insights, frustrations, and expertise. Each interview is preceded by a brief biography.

Discussion questions follow each chapter and case, and teachers can either use these or create their own.

The last chapter includes major lessons drawn from each case. These are based on what I learned. Readers can draw their own conclusions.

The book is aimed at upper-level college students enrolled in marketing, journalism, advertising, and mass communication courses. It is designed to stand alone as a text for a course in ethnic advertising, or to be used as a supplement in a survey course on advertising and/or marketing. Some professors find it difficult to incorporate this topic into the basic goals of their courses because the subject is often viewed as specialized information rather than as an integral part of advertising and marketing. However, the text is intended for all students of advertising or marketing because it highlights, discusses, and analyzes cases from the perspective of what is effective advertising—no matter what the audience or product.

The text approaches advertising and marketing to the new majority from a practical perspective. Students are privy to the plans, objectives, and executions of campaigns. They are treated as insiders who can bring their expertise to the cases. They have a chance to critique the work of professionals and decide how they might have done it better.

I wrote this book because, as a teacher, I wanted my students to understand the importance of target marketing. I could find no better way to teach marketing segmentation than to discuss it in terms of new and unique audiences. Looking at advertising from the standpoint of ethnic audiences offers a chance to teach simultaneously segmentation, racial sensitivity, good copywriting technique, research, strategy, management, psychology, and consumer behavior.

It's no secret that the government projects a continuous increase in minority populations. These growth factors, combined with declines in advertising budgets, the popularity of specialized media, and always present economic uncertainty, portend a move toward even more efficient and, it is hoped, effective advertising programs. This text will help prepare students for what they will face as professionals.

For the purposes of this text, markets are defined in terms of ethnic groups. Subgroups of the majority population such as Italians, Poles, Jews, Greeks, and others are not dealt with. A number of terms are used to describe these ethnic groups. Because there is no designation on which all members of the audience agree, several names are used interchangeably. For example, African Americans are sometimes referred to as blacks or black Americans; Hispanic Americans are, in some cases, called Latino. The terms used were gathered from the advertising agencies and reflect the words they use to describe their audiences.

I found the topic of advertising and marketing to the new majority to be timely and, just as important, fun. This book takes a serious look at the ad game without taking advertising too seriously.



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PART I The Changing Marketplace**➤ CHAPTER 1 Introduction to Ethnic Advertising and Marketing 3**

Why Study Ethnic Marketing?	4
The Growth of Ethnic Subcultures	5
Ethnic Audiences and the Marketing Mix	6
What Ethnic Cultures Contribute to Mainstream Advertising	8
The Role of Ethnic Advertising Agencies	10
Discussion Questions	14

➤ CHAPTER 2 The Evolution of Ethnic Advertising 17

The Early Days	18
Changes in Ethnic Advertising	21
Ethnic Images in Advertising	24
Discussion Questions	33

➤ CHAPTER 3 Ethnic Consumer Behavior 37

Overview of the Marketplace	38
Profile of African American Consumers	39
Profile of the Hispanic Market	42
The Asian American Market	46
The Native American Market	49
Barriers to Researching Ethnic Markets	50
Discussion Questions	51

→ **CHAPTER 4 The Legal and Social Environment 55**

- The Legal Environment 56
- Access to Advertising 57
- The Social Environment 58
- Protests Against Liquor and Cigarettes 59
- Ethnic Employment in Advertising 63
- Discussion Questions 64

PART II Case Studies

→ **CASE 1 New Campaign Dresses Up Old Product 69**

- Profile of the Company 70
- What Kraft General Foods Wanted to Accomplish 71
- Concept/Theme Development 72
- Execution 74
- Conclusion 74
- Discussion Questions 75
- View from the Top** *Tom Burrell* 75

→ **CASE 2 Corporate Giant Toots Its Horn to Gain Ethnic Consumers 79**

- Profile of the Company 80
- What General Motors Wanted to Accomplish 80
- Concept/Theme Development 81
- Execution 82
- Conclusion 84
- Discussion Questions 84
- View from the Top** *Sam Chisholm* 85

→ CASE 3 **Paper Company Attempts to Clean Up
with Hispanic Audiences 89**

Profile of the Company 90
 What Scott Wanted to Accomplish 91
 Concept/Theme Development 92
 Execution 92
 Conclusion 94
 Discussion Questions 95

View from the Top *Carlos Rossi* 95

→ CASE 4 **Company Seeks Asian Consumers to
Insure Continued Growth 99**

Profile of the Company 100
 What Metropolitan Life Wanted to Accomplish 100
 Concept/Theme Development 101
 Execution 103
 Conclusion 104
 Discussion Questions 104

View from the Top *Joseph Lam* 105

→ CASE 5 **Uptown Cigarettes Blow Up Before They're
Lit 109**

Profile of the Company 110
 What RJ Reynolds Wanted to Accomplish 110
 Concept/Theme Development 111
 Execution 112
 Conclusion 112
 Discussion Questions 113

View from the Top *Adriane T. Gaines* 114

➤ CASE 6 **Colleges Unite to Save Minds** 117

Profile of the Organization 118

What the United Negro College Fund Wanted to Accomplish 119

Concept/Theme Development 119

Execution 120

Conclusion 121

Discussion Questions 122

View from the Top *Valerie Graves* 122

➤ CASE 7 **Honda Strikes a Chord with Black College Students** 127

Profile of the Company 128

What American Honda Wanted to Accomplish 128

Concept/Theme Development 129

Execution 130

Conclusion 132

Discussion Questions 132

View from the Top *J. Melvin Muse* 133

➤ CASE 8 **Liquor Company Closes the Gap Between East and West** 135

Profile of the Company 136

What Remy Martin Wanted to Accomplish 137

Concept/Theme Development 137

Execution 138

Conclusion 140

Discussion Questions 140

View from the Top *Dana Yamagata* 141

➤ CASE 9 **Food Store Finds Gold in Hispanic Community** 143

Profile of the Company 144

What Jewel Wanted to Accomplish 144

Concept/Theme Development	145
Execution	146
Conclusion	146
Discussion Questions	147

View from the Top *Marta Miyares* 147

→ CASE 10 **The Big Brew Ha Ha over Malt Liquor** **151**

Profile of the Company	152
What G. Heileman Wanted to Accomplish	153
Concept/Theme Development	153
Outcomes	154
Discussion Questions	155

View from the Top *Vince Cullers* 156

→ CASE 11 **Tarzan Trades in Trees for Toyota Truck** **159**

Profile of the Company	160
What Toyota Wanted to Accomplish	160
Concept/Theme Development	161
Execution	162
Conclusion	162
Discussion Questions	164

View from the Top *Byron Lewis* 165

→ **Conclusion** 169

What It All Means	170
A Look Toward the Future	174
Discussion Questions	175

Index 176

P A R T

The Changing Marketplace



Introduction to Ethnic Advertising and Marketing



"Target marketing is a redundant term. All effective marketing is targeted. Ethnic advertising has always been aimed at specific audiences and therefore, is at the forefront of what we call target marketing."

—Tom Burrell

In this introduction to ethnic advertising and marketing, the intriguing and diverse nature of these emerging markets is revealed. This chapter discusses the influence of ethnic culture on general market advertising and reviews recent developments and new trends. The importance of subcultures, ethnic images, and portrayals in advertising is emphasized, as is the role of ethnic advertising agencies.

On finishing this chapter you should be able to do the following:

1. Define what distinguishes the ethnic market from the general market
2. Identify the common threads between the two markets
3. Explain the viability of the ethnic market
4. Describe why and how ethnic marketing leads the way for the study of marketing segmentation



Why Study Ethnic Marketing?

There are several compelling reasons to study ethnic marketing. First and most obvious is the growth in spending power of the ethnic markets in America. By the year 2000, one in two, or 50 percent of all elementary school children in America, will be ethnic minorities.¹ Nearly half (44 percent) of all U.S. residents under the age of 20 will also be nonwhite.² Marketers will not be able to survive unless they can tap this major economic force.

A second reason to study ethnic marketing is because old markets for products change, die out, or shift priorities. Again, product survival is contingent on the marketers' ability to uncover new places to sell products.

Third, economic instability has created a trend toward careful segmentation of the target audience as a means of avoiding waste and optimizing message exposure and acceptance. Corporate profits began to plummet in the early 1990s, and with the fall in profits came a decrease in advertising spending. In 1991, the Television Bureau of Advertising reported that network ad spending fell more than 7 percent over 1990 figures. Newspaper ad spending dropped by the same amount during the same period, according to the Newspaper Advertising Bureau, and magazine ad revenues dropped 5 percent.³ It is doubtful that advertising will ever experience the type of boom it enjoyed in the 1970s and 1980s, when spending grew faster than the overall U.S. economy.⁴

There are myriad reasons for the precipitous declines in advertising spending. Consumers are exposed to more messages than they can absorb. The average adult consumer is bombarded with at least 500 advertising and marketing messages daily according to some experts.⁵ Others estimate the number to be as high as 3,000 messages.⁶ The result is less recall of messages. According to a report from Video Story Board Tests, a market researcher, in 1986 viewer retention of ads they had seen in the previous month was 64 percent. Four years later, only 48 percent retained the message.⁷

Technology has also influenced the manner in which products are sold. Computerized market research can provide detailed information about target audiences; for example, names and addresses can be matched with consumer habits.

Direct marketing, once known as junk mail, has grown in scope and often competes head on with advertising. Its main benefit is that it is more targeted than advertising.

A housing developer in Chesterfield, Missouri, sends videotapes to prospective buyers. Cadillac offered a videotape presentation by mail to 170,000 potential owners of its cars. The Marriott Corporation gives prospective time-share condo buyers a videotape to take home after they have visited the properties. It features pictures of families enjoying the benefits of vacationing with Marriott. Spiegel teamed with *Ebony* magazine to introduce a catalog expressly for black women. *E-Style* features stylish clothing, bold colors, and special sizing designed for the body shapes and lifestyles of African American females. Spiegel placed inserts in its regular catalogs and offered a special 800 number on its billing statements inviting black women to order *E-Style*.

New media outlets, cable television, and specialty magazines all tend to cut the target market into narrower and more clearly delineated slices.

As the majority population declines and the ethnic population increases, there will be more opportunity for these targeted messages to reach the households of African Americans, Hispanic Americans, Asian Americans, and Native Americans. How will these markets react to direct mail pieces that feature only Caucasians or show ethnic people in unlikely and unrealistic situations? The likely response will be, "They're obviously not marketing to me." Affluent ethnic consumers will simply have the choice to spend their money elsewhere.

Ethnic marketing is actually a trend-setting technique from which the basic principles of segmentation can be learned and applied. The nuances and diversity of the ethnic market provide a platform for the study of all marketing. Marketers who are able to dissect and penetrate complex and diverse ethnic markets can segment markets along urban or rural lines, national and international audiences, youth and senior audiences, or any other markets that might emerge in the future.



The Growth of Ethnic Subcultures

Cultural homogeneity does not exist, nor has it ever existed in the United States. Ethnicity has always been a part of the nation's social character. For the most part, subcultures have lived in harmony with the mainstream. Berkman and Gilson define subculture as "any cultural patterning that preserves important features of the dominant society but provides values and life styles of its own."⁸ Chicago, for example, is known as a city of ethnic neighborhoods and a place where cultural heritage is celebrated. There are Polish communities,

Irish Catholic neighborhoods, and Greek enclaves, to name a few. Members of these groups often live near each other, worship together, enjoy the same standard of living, and share similar values.

The great migration of African Americans from the South after World War II, an increase in immigrants from Mexico and Puerto Rico, and a steady stream of Asian newcomers have changed the face and color of ethnic groups in the United States. Although they are easily distinguishable from the mainstream, that is, Caucasian ethnic groups, they, too, view themselves as Americans.

For ethnic minority groups, like other segments of the society, subcultures play an important role. Through membership in a subculture, minorities are able to find identity, cohesiveness, and unity. Subcultural behavior is a means through which heritage and pride can be openly communicated. Certain styles of dress, sometimes considered unacceptable to mainstream society, can be worn within the subculture without fear of rejection. The same can be said for hairstyles, use of language, and celebrations of events. For example, in New York's Chinatown, it is preferable to speak Chinese and read publications written in Chinese. In Atlanta, African shops and boutiques market colorful garb from Nigeria, Ghana, and a host of other nations. In Chicago, Puerto Ricans celebrate their heritage with a major parade that blocks the downtown streets for one day each year.

In each of these cases, and in many more similar examples, subculture participation has become a means of protecting and preserving what is unique and distinct about specific groups of people. While most members of these communities subscribe to America's "melting pot" theory, they are not interested in becoming indistinguishable ingredients of a bland national stew.

The lesson for marketers is that it is possible to reach minority ethnic consumers on two levels, as they exist in two separate worlds. Because they are Americans, messages of patriotism, nationalism, and participation can be effective, but their strong adherence to tradition and heritage means that messages with cultural appeal also have merit.



Ethnic Audiences and the Marketing Mix

All products and services have a life cycle. From the time a product idea is generated to the day when the marketer decides it is no longer viable, efforts are focused on pushing the product through the distribution channel. Most often, the strategy used to achieve the overriding goal of product success includes the marketing mix, which consists of the four P's (product, price, promotion, and place).