

# Minority research paper

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Description of the Market Market specifics need to be carefully analyzed and marketers should become familiar with the data for each. In order to market a brand or specific goods/services, marketers should be sensitive to each group and shouldn't be afraid to tap into each market. Below is information on the three largest minority groups in the United States and what each one prefers.

## **African Americans**

The total numbers in the US is 42 million (“ United States Census Bureau”). African Americans make up 13. 6% of the total US population (“ United States Census Bureau”). •The rate of growth for this minority group from 2000 to 2010 was 15. % (“ United States Census Bureau”). The average household size is 2. 7 (“ United States Census Bureau”). The average age for African Americans is 32. 1 (“ United States Census Bureau”). The percentage of African Americans 25 and older that hold a bachelors degree or higher is 18% (“ United States Census Bureau”). The median income per year was \$32, 068 (“ United States Census Bureau”). More than half of the African-American population (55%) live in the Southern states. Texas, Florida, and Georgia have a population of about 3 million, while New York still has the highest with 3. 4 million (“ Black Demographics”).

Metro areas with the largest African American population with 1 million or more are:

- New York, NY
- Atlanta, GA
- Chicago, IL

- Washington, MD-VA
- Philadelphia, PA
- Los Angeles – Long Beach, CA
- Miami – Fort Lauderdale, FL
- Houston, TX

The brands that have a higher than average purchase rate among African Americans are Procter & Gamble, L’Oreal, Yoplait, General Motors, Oreos, Slim Fast, Tide, Campbell’s, Ragu, Lexus, Pampers, Jell-O, and Levi’s (Sampey). Specific products that have above average usage for this group are basicfoodingredients, beverages, personal care items, and beauty care. The best media to use in order to target this group is television because African Americans watch more TV than any other minority group. The next best would be the Internet and the radio.

## **Asian Americans**

The total numbers in the US is 17. 3 million (“ United States Census Bureau”). Asian Americans make up 5. 6 percent of the total US population (“ United States Census Bureau”). •The rate of growth for this minority group from 2000 to 2010 was 46% (“ United States Census Bureau”). The average household size is 3. 53 (“ United States Census Bureau”). The average age for Asian Americans is 34 (“ United States Census Bureau”). The percentage of Asian Americans 25 and older that hold a bachelors degree or higher is 50% (“ United States Census Bureau”). That is higher than any group in the United States. The median income per year was \$67, 022 (“ United States Census Bureau”). About three-quarters of the Asian American population live in metropolitan areas such as the San Francisco Bay Area, New York

metropolitan area, and the Greater Los Angeles Area (Beckwith). They make up for 1-2 million people in each place.

They are mainly concentrated in five states, which are:

- California
- New York
- Texas Illinois
- Hawaii

A few brands that have a higher than average purchase rate among Asian Americans are Toyota, Honda, Coca-Cola, IBM, Head & Shoulders, and Tylenol (Lindorff). Wealthy Asian Americans tend to buy luxury brands, such as Chanel, Rolex, Louis Vuitton, Armani, and Nordstrom (Lesonsky). Specific products that have above average usage for this group are furniture, footwear, clothing, food, and vehicles. The best media to use in order to target this group is the Internet and newspapers, as well as direct mail printed in their language. Hispanic Americans The total numbers in the US is 52 million (“ United States Census Bureau”). Hispanic Americans make up 16.7 percent of the total US population (“ United States Census Bureau”). The rate of growth for this minority group from 2000 to 2010 was 43% (“ United States Census Bureau”). The average household size is 4 (“ United States Census Bureau”). This is most likely due to a high fertility rate among this group. The median age for Hispanic Americans is 27 (“ United States Census Bureau”). The percentage of Hispanic Americans 25 and older that hold a bachelors degree or higher is 13% (“ United States Census Bureau”).

That is the lowest amongst the three groups. The median income per year was \$37, 759 (“ United States Census Bureau”). Hispanic Americans are concentrated in the South and the West geographically. About 50% of the population lives in California, Texas, and Florida. California has the highest than any other state, which is 14 million (“ infoplease”). Examples of brands that have a higher than average purchase rate among Hispanic Americans are Corona, Sunsilk, OPI, Ouidad, and Goya (Genuario). Specific products that have above average usage for this group are small appliances, footwear, furniture, and food. The best media to use in order to target this group is through Spanish television networks and printed media.

## **Business Potential**

**African American:** The African-American community is a very important market because of their great spending trends and buying power. Their buying power is estimated to reach \$1. 1 trillion in a few years (“ Multi-ethnic Demographics”). This ethnic group consists of 43 million individuals and marketers should be worried if they haven’t tapped into this ever-growing market (“ United States Census Bureau”).

African-Americans are one of the most brand loyal customers and make trips to the store more than any other group. If a national marketer were to get the attention of this ethnic group, the brand they would be promoting would grow, since African Americans stick to their brands. A new middle class has emerged for this group, thanks to more educational opportunities that result in higher incomes. This growing middle class is very fashion, brand, and price conscious and goes shopping for pleasure and social fun. This alone

should encourage more marketers to pursue this minority group and give ideas on how to market specifically to this group.

Asian American: The Asian American population is growing faster than the total population due to immigration. It's growing even faster than the Hispanic group and is the fastest growing ethnic group in the US ("Multi-Ethnic Demographics"). The overall business potential for this minority group is very high because Asian Americans are more likely to be rich than any other minority consumer. That is because they are better educated, even more so than the average American. They are in a lot of top-level jobs and have high specialties. Their buying power is very high and continues to grow.

Currently, they spend more than \$500 billion annually and their buying power is projected to reach up to \$697 billion by the year 2014 (Lasonsky). Much of the valuable market segment is still underestimated and overlooked. That's why it is important to dig in to this market and develop a great marketing strategy. This group spends more on education, housing, and food than the average US household. As a marketer, there is a good start already by knowing what the consumer wants. A lot of brands have an attitude that asks why they should target this market if they're already buying the product.

Well, it's important because there is a huge opportunity to build long-lasting relationships and customer loyalty. Asian Americans are consumers that like to educate themselves about prices and products before they dive in and buy something. So, if you would like to catch this market's attention, make sure you emphasize great deals and focus on product quality. Hispanic American: The Hispanic American market is a very important part of the US

economy. This group is growing quite rapidly and marketers should be aware of all of the data. By 2015, the buying power for Hipics is expected to reach \$1. trillion (“ Multi-ethnic Demographics”). In the last few years, the increase in income and population has given marketers new opportunities. This allows them to come up with a whole new marketing plan to serve the Hipic American’s needs. This market should be approached as a long-term investment. Since the median age for Hipic Americans is 27, we can see that this ethnic group is younger than the others (“ United States Census Bureau”). This gives marketers a chance to succeed in using geographic, demographic, and psychographic segmentation.

By using this information, marketers can position themselves favorably and gain market share. Since many Hipic Americans speak both English and Spanish, this gives marketers a chance to develop marketing synergies. Marketers should also make sure their general market message reflects the Hipiculture because if a consumer feels that the brand does not care about them, their message would be ineffective. In order to reach Hipic Americans through marketing, make sure you know their backgrounds, give them a feeling of ‘ home,’ and most importantly build relationships.

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