Multicultural marketing is all about the metrics

Business, Marketing

There is no doubt that big data plays a crucial role for marketing departments in today's insight-driven campaigns. However, the data that marketers need to pay much closer attention to reflects the buying patterns and preferences of the multicultural population.

After all, this group, which will represent 138 million members of the total U. S. population by 2020, will greatly outspend white non-Hipic households throughout their lifetimes. To be exact, currently active Asian and Hipic households on average will out-spend white non-Hipic households by more than $800, 000 and $300, 000, respectively, during the remainder of their lifetimes.

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To understand the multicultural customer poses a unique challenge to marketers, as each demographic group is more complex and diverse than race alone. Preferences depend on the countries that customers emigrate from and where they put down roots, and purchasing decisions vary based on the amount of time that they have spent in the U. S. These factors contribute to buying history and preferences, of which marketers must have a deep understanding to attract the attention and dollars of this powerful consumer pool.

With an eye towards more granular, data-driven multicultural campaigns, here are three multicultural marketing metrics that truly matter to brand success.

1. Country of origin

Simply put, consumers from two different countries are likely not purchasing the same products. It is crucial that marketers use data on these buyers to sort them based on country of origin. Doing this allows marketers to analyze what people from each country prefer, how much of it they buy, when they buy it, and how much they are willing to spend.

Consider the following example: Alex from Mexico has moved to New York City. Simultaneously, Marie from Honduras has also moved to New York City. They live in the same neighborhood and shop at the same grocery store. The marketer whose surface-level data reveals that both consumers are from Latin America, but does not offer insight on their specific countries of origin, will create a genericadvertisement, assuming the preferences of Latin American customers.

Conversely, the marketer whose granular multicultural data reveals the countries of origin of these two buyers will experience greater marketing success due to his ability to understand more deeply what Alex and Marie want, thus enabling him to create targeted marketing messages for both consumers.

2. Neighborhood-level demographic insights

Two consumers living in the same state -- or even the same city – does not mean that the same marketing strategies will attract them both. It is essential to have specific data on exactly where buyers live and shop on a neighborhood level to build informed and personalized campaigns that speak to each customer.

If we return to Alex from Mexico and Marie from Honduras, let's imagine that the two have both moved to New York City but live in different neighborhoods. Alex lives in a predominantlyMexicanneighborhood, while Marie lives in a neighborhood heavily-populated by Hondurans. Both are likely to shop at stores closer to their homes.

Now envision that a convenience store is considering opening a location in New York CIty. It will be essential that the store's marketing team be aware of which ethnic group occupies each neighborhood in order to stock the shelves accordingly.

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3. Acculturation level

Acculturation is the level of which multiculturals retain their native cultures while incorporating elements of the newculturethat they have joined. In the past, many immigrants sought to rid themselves of their native cultures to blend in with American culture, seeking acceptance. Today, this has changed drastically -- immigrants to the U. S. want to retain their cultures, share it with those around them, and also integrate elements of their new culture.

Marketers must understand how acculturated consumers are in order to develop the best product messaging, place merchandise in the right locations and price goods to attract the right customer, which in turn will maximize consumer spending.

Let's examine another case: Rosa and Gabriela moved to Texas from Peru. Rosa has been in the state for 12 years, while Gabriela arrived just four

months ago and is getting accustomed to the American lifestyle. These two women walk into a large grocery store shopping forfood, however, they will not have the same items in mind. Gabriela may shop for groceries that remind her of her culture, while Rosa is more acculturated to the American way and is less focused on buying foods that remind her of the culture that she came from.

The marketer who has data on Rosa and Gabriela's different levels of acculturation is able to connect with them on personal level, marketing the right food products to the right buyer.

4. Buying history and preferences

Both country of origin and acculturation level contribute to the buying preferences of multicultural consumers. As these consumers spend more time andmoneyin the U. S., marketers collect more and more data about their buying history, creating personas for each unique buyer. With these personas in mind, marketers are empowered to create marketing campaigns that connect with each persona.

To continue our previous example, Gabriela, who is highly acculturated from Peru and is familiar with American brands of clothing has her specific buying preferences. In contrast, Rosa's unfamiliarity may cause her to be hesitant to try new brands and styles. The only way to truly differentiate between both consumers is to examine their buying history.

Without granular multicultural data, marketers ineffectively attempt to sell their products to those who do not yet understand them or feel compelled to

buy them. They waste money and time developing campaigns that few

consumers will connect with. Acquiring a deep appreciation for the

differences that make multicultural consumers unique pays off in the long

term, allowing marketers to cultivate lasting relationships with customers.

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