

# Multicultural Customer Profile

## Part Two

### **CLASSIFYING THE “AVERAGE” AMERICAN**

As the multicultural population in North America explodes, so does the market potential and workforce become based on this multicultural dynamic. Companies and entrepreneurs often miss market penetration because they fail to understand specific target groups' cultural values and customs. Cultural and ethnic diversity is challenging the way we do business with multicultural communities. To penetrate the diverse multicultural population, we might first think we need to define a typical customer profile.

Despite conventional thinking, the idea of the “typical” American customer is a fiction. Rather, from the “tossed salad” that is the American population, several dominant populations comprise the American market base. Based on racial origins, Americans fall into one or more groups: Hispanic, Afro-American, Asian or Caucasian.

### **Hispanic**

Hispanics are the largest minority group in the United States, accounting for 13% of the population, according to the 2000 census. The Hispanic race refers to people of Latino origin, recalling their ancestry to Spain, Latin America and even a few Mediterranean countries. However, with generations of intermarriages between Whites and Hispanics in the United States, the distinction between the two races is diminishing. Nonetheless, Hispanics are known for their strong family ties and close family upbringing involving continuous interactions with extended family. They take their individual honour and respect, and that of their family, very seriously.

With improving education, jobs and improving lifestyles, the spending power of Hispanics has increased considerably. They controlled \$686 billion in spending in 2004; therefore, marketing to the Hispanic market bears tremendous potential. The Hispanic consumer is passionate about the things he or she loves, and your approach to this population must include a deep understanding of its strong cultures values. Because Hispanics are generally high-spirited, family-oriented people, marketing approaches that use family themes have a very strong appeal. A good sense of humor and wit are also generally appreciated. Companies reaching out to this population should use Spanish to market products, as Hispanics have a pronounced native language preference. Advertising through ethnic media also has become a very effective way to reach out to this population.

### **Afro-Americans**

The Afro-American or Black American demographic segment owes its origin to Africa. Although a large number of Africans were brought into the United States as slaves during colonial times, voluntary immigrants from Caribbean, African, and South American countries who are seeking better lifestyles also constitute this population. Interestingly, surveys indicate that most Afro-Americans consider themselves a homogenous race, irrespective of their particular ancestries.

The average Afro-American's spending power has increased significantly, and middle-class families today spend considerably on individual gratification. A majority of this population's income goes to housing and related costs. However, as their income has increased, Afro-Americans have tended to spend more on personal goods than household ones. In addition, even though this section of the population is more price conscious, it is highly motivated by quality. Afro-Americans are influenced heavily by the media, especially by television and magazines; they are reported to recall what they read more than other all other groups of readers. The witnessed increase in spending power is largely due to better job opportunities for women, and these increases are reflected in this population's increased spending on cosmetics, hair care, manicures and massages. A significant part of this demographic's purchasing power, therefore, is now concentrated in the hands of Afro-American women—a market that most enterprises fail to identify and exploit.

### **Asians**

Asian-Americans are the fastest growing demographic segment in the United States. Today, they are also the most diverse ethnic group in the United States with influences from more than fifteen different cultures, including Bangladeshi, Cambodian, Chinese, Filipino, Indian, Indonesian, Japanese, Korean, Laotian, Malaysian, Pakistani, Sri Lankan, Taiwanese, Thai and Vietnamese.

Asians and Latinos share their culture-bound strong bonds to their families and seemingly traditional world-views. Asians have strong desires and motivation to achieve middle-class or professional-class status. The average Asian-American is better educated, better paid, and younger, making them an affluent and educated section of the population. Asians are known to be brand-conscious, with a preference for highly advertised brands. If your business is eyeing the Asian market, advertising through Asian media is likely to help you break into the Asian markets. Word of mouth is very effective with this population as well.

### **Caucasians**

Although the word Caucasian (or Whites as they are more commonly known) has complex and debatable anthropological connotations, the distinguishing factor between Caucasians and others in the United States is skin colour. These people are believed to have originally been inhabitants of the mountainous Caucasus area, which today comprise of parts of Europe, Russia, Central Asia and South Asia.

Caucasians make most purchases on credit. They are far less clannish compared to other populations; decision making is an individual affair and seldom involves consultation with parents or extended family. When you sell to Caucasian consumers, remember that they look for the best you can offer; the rhetorical question they often ask is what they can gain from transacting with your business. They lean toward higher standards of living, convenience and luxury—the reason that many advertisers market products by packaging them into a dream to which these customers aspire. Many Caucasians value good customer service and are willing to pay extra to be assured that they are in good hands.

### **The Future of Marketing to a Diverse Population**

Businesses today no longer cater to a faceless population. The boons of customizing products and services to suit specific customer needs are simply too profitable. Understanding your customers well is the first step to greater customer satisfaction, retention and expansion.

Until recently, advertising and marketing floodlights have been directed at White America. Now, with the growing knowledge of North America's changing demographics, more and more corporations have begun to realize the benefits of targeting ethnic groups separately. There is a goldmine out there waiting to be tapped. It's time we realized it and began marketing better.

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## **About David McLaren, Ph.D.**

David is a diversity specialist who speaks five languages. He brings a wealth of education and expertise to businesses and brilliantly helps companies increase their profits and productivity through diversity.

A highly sought-after keynote speaker, facilitator, and expert on diversity, inclusion, and multi-cultural issues, David consistently energizes, educates, and empowers his audiences.

Call today to book him for your next conference! **888.897.4224**

Helping you maximize diversity through connector,

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