

BLACK CONSUMER ALERT! Black Buying Power : Watch Where You Spend Your Money!

Written by David Alexander
Thursday, 08 September 2011 00:00



Most Big Advertisers Don't Respect the African American Consumer.

*Special to the NNPA
From Our Weekly*

How much do most big corporate advertisers respect the African American consumer—25 percent, 15 percent, 5 percent, or one percent?

If you guessed one percent you were wrong. It's less than that—.68 percent, to be exact.

Of the \$263.7 billion spent annually on advertising within the nation, less than one percent is used to target African American consumers, despite the fact that Black buying power is estimated at around \$857 billion, according to the 2010 census.

Pepper Miller, co-founder of the Hunter-Miller Group, a multicultural marketing firm, and co-author of the book "What's Black About It?" explains that one of the most common misperceptions advertisers have is that mainstream publications will reach all possible consumers. Since most African Americans speak English, they generalize, there is no need to market outside of the mainstream publications.

"Marketing is about segmentation, diversity and understanding who your customers are,"

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counters Miller, who has devoted many years to the field of diverse marketing. But why do advertisers feel that way when these facts are taught in most marketing classes, and when it is known that most African Americans generally distrust the mainstream media?

A 2008 study by Radio One entitled "Understanding Black America" revealed that only 13 percent of African Americans trust the mainstream media, and out of 29 million Blacks, only 2 million can be reached through mainstream publications.

In fact, there is a long history of corporations and organizations using Black newspapers for free press exposure while committing only a paltry amount of their vast advertising budgets to support the same papers that have opened up valuable editorial space to them.

A similar type criticism was lodged against Toyota by the National Newspaper Publishers Association (NNPA) earlier this year. The NNPA alleged that when Toyota's image was hurt by devastating recalls a couple of years earlier, the Japanese car maker sought help from the Black press to restore the brand's image and to encourage African American loyalty. The NNPA charged that Blacks stood by Toyota to the tune of \$2.2 billion. However, in its id=mce_marker.6 billion 2011 advertising budget, Toyota allocated only \$20 million to be shared by all African American media, including newspapers, radio and television. And when Toyota ran ads thanking American consumers for remaining loyal, none of the thank-you ads ran in the African American press.

R.L. Polk & Co., an automotive marketing research firm, says African American consumers represent almost 10 percent of Toyota's U.S. market share, with 15 out of every 100 automobile purchases by African Americans being a Toyota-made automobile.

Unfortunately, the slighting of African American media is a problem even among Black advertisers. The NAACP, the oldest and largest of civil rights organizations, ignored Black publications in advertising its annual Image Awards extravaganza. When doling out its advertising dollars for the event, the organization chose to utilize only mainstream publications. As a result, NAACP president and CEO Benjamin Todd Jealous was the target of much criticism from the Black press. Jealous claimed it was a "grave" oversight. "I am very sensitive to the need to support Black community newspapers. They are the only way to assure Black readers in a given community that you actually want your ads to reach them directly," he said in response to the criticism.

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This questionable marketing practice is also occurring in the music industry, where there are multitudes of African American performers. Despite this fact, the industry has invested few ad dollars targeting African American consumers.

This is occurring at a time when African American businesses and workers are hardest hit by unemployment and the ever-tightening economy.

Many executives in the movie industry are guilty of a similar myopia. They have operated on the assumption that African Americans will not attend a movie that does not have an African American lead and/or cast. However, a study conducted by BET this year revealed that 81 percent of movies seen by African Americans did not include an African American cast, lead actor or storyline. This same study also showed that the average African American goes to the movies 13.4 times a year in comparison to the general moviegoer who goes 11 times a year.

So the question becomes: why are these advertisers slighting their most reliable consumer?

According to a 2008 report from Packaged Facts, which publishes market intelligence on a wide range of consumer industries, Black buying power is projected to rise to about $id=mce_marker.1$ trillion by 2012. There are currently 343,300 African American households within the United States earning $id=mce_marker50,000$ or more, as well as "819,700 individuals who earn a minimum of \$75,000 per year."

Although a number of companies have profited by marketing directly to the African American consumer, such as McDonalds, Gucci, Lexus, Lincoln, Procter & Gamble, State Farm, Infiniti, Bank of America, Wells Fargo Bank, overall most corporations and organizations have left the African American consumer out when it comes to their ad dollars.

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In “Black Is the New Green,” authors Leonard Burnett Jr. and Andrea Hoffman write: “It would be foolish in the extreme not to tap into this rich buying segment, yet this is exactly what the marketing firms of companies (fail to) do all too frequently.”

While African American consumers are over-indexing (spending more dollars in certain consumer goods categories) in areas such as electronics, cell phones and the latest technology, those same corporations often do little to market directly to the African American consumer.

Marketers have a tendency to lump people into simple groups without considering their diversity within a category. The best example of this happens during February (Black History month) when marketers, if they advertise in Black publications at all, put all their eggs in one basket, so to speak, by only advertising in the month of February.

Although recognition of Black history is considered important, studies show that companies will fare better in the African American consumer market, if they appeal to the consumer throughout the year.

The term “urban” has been used to describe all African Americans for some marketers, despite the reality that the word really focuses more on African American youth, particularly fans of Hip Hop. This categorization leaves out many different segments within the African American population.

In “Black Is the New Green,” authors Burnett and Hoffman identify three key segments:

- Urban/Hip Hop/youth (18-34)
- African Americans (25-54)
- Affluent African Americans (25-44)

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Although these findings provide some insight into the African American market, it does not take into account Black teens, African American women, or the Black Lesbian Gay Bi-Sexual Transgender community, which are all demographic areas that have increased their buying power and play a key role in influencing purchasing decisions of the household.

BET's "African Americans Revealed" study, released last year, provides a much more detailed look at key segments within the African American consumer market:

- **Strivers:** Mostly in their late 20s to early 40s. Are adventurous, fashionable, social mavens who have their eyes on climbing the executive ladder
- **Conscious Sisters:** Selfless women who are spiritually connected and highly conscious of their culture.
- **Tech Fluentials:** Digitally savvy and travel in globally conscious circles
- **Bright Horizons:** Young adults in high school and college who are aware of all available technology and electronic gadgets
- **Innner Circle Elites:** Working women who are rich in cultural, ancestral and spiritual roots
- **Urban Dreamers:** Young, urban adults who are social magnets and trendsetters intent on living life to the fullest

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- **Survivors:** Risk-taking teen and young adult males who are hustling to keep their existence in check

With these more detailed insights into the market, advertisers are able to have more information to carefully craft a message and to use Black publications more effectively.

In “What’s Black About It?” Herb Kemp and Pepper Miller explain that many years of neglect have caused what Na’im Akbar, Ph.D., considered one of the world’s preeminent African American psychologists, calls “The Filter,” which he describes as the nucleus of Black experience and culture.

“The filter has predisposed many African Americans to become overly sensitive about feeling stereotyped, and not feeling valued, respected, included and welcomed,” explained Miller and Kemp.

Miller further explains that “the filter” is one of the most “distinguishing characteristics between Blacks and other races.”

“If I were a marketer,” says Miller, “I would want to understand the filter and how we (the businesses and the African American consumer) can connect on a deeper level.”

There is some debate however, as to how prevalent “the filter” is among African American consumers. In “Black Is the New Green,” the authors explain that the African American consumer is mainly looking for “value and responds favorably to exclusive discounts.”

While many corporations and small businesses have good intentions about marketing to the African American consumer, often the results are not successful due to lack of knowledge, not properly tailoring the message, or cultural insensitivity.

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“What Whites fail to see is very evident to the Black audience,” explains Robert Pitts, Ph.D., marketing professor at Chicago’s DePaul University. In “What’s Black About It?” he states that “Whites fail to realize certain social, respect and accomplishment values present in some advertising.”

Richard Poston, president of the Antelope Valley Black Chamber of Commerce, explains that one of the main misperceptions is that all African Americans “come from the same educational background and income.”

He further notes that African Americans have not been portrayed positively in the media. “When you have (some) newspapers that put images of African Americans getting arrested on the front cover or articles about Section 8 housing with pictures of African Americans, this creates false stereotypes. People get stuck on these stereotypes.”

Anthony Asadullah Samad, Ph.D., co-founder and managing director of the Urban Issues Forum, a nonprofit organization that holds monthly forums regarding local urban issues, explains that there has been a failure in, “not understanding the reach and base (of the African American consumer market).”

Samad also explains that many “advertisers do not think African Americans are brand loyal” yet he says that he and many other African Americans “continue to purchase a lot of the same brands that our parents did.”

Numerous studies have revealed some common mistakes of advertisers who attempt to reach out to the African American consumer:

- **Use of Ebonics:** The use of ebonics has been used in numerous ads in African American newspapers and magazines regardless of the type of reader the publication targets. Not only do many people find this insulting, but its use loses appeal to middle-aged and older consumers.
- **Culturally insensitive advertising:** Some advertisers have utilized the image of famous Black historical figures during Black History Month to promote products. Other examples include

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advertising that reinforces stereotypes.

- Not considering the publication: Some advertisers think of the African American consumer as a monolithic group without considering the main readership demographic of a publication. Does the publication appeal more to women, youth, baby boomers, affluent African Americans etc.? The message needs to resonate with the reader.

- Imagery: Many African American consumers have observed a lack of positive images when marketing to the African American community. Most want to see more positive images such as loving families, affluent African Americans, Black love, lifestyle-focused advertising and the beauty of African American women.

The key point to remember here is that African Americans are a diverse group like any other collection of people. Factors such as age, education, geography, interests and hobbies, income, gender, religion and other factors create different marketing segments to consider.

While opinions vary, many multicultural marketing firms such as the Hunter-Miller Group and Diversity Affluence agree that in order for businesses to increase profits by marketing to the African American consumer, there needs to be a level of understanding of different factors. These include: recognizing the strength of the African American consumer market, providing positive imagery and using culturally sensitive marketing.

Samad says, "The Black marketing industry (such as Black-owned advertising firms) needs to come together and develop unity and a consistent message."

Non-African Americans need to understand that there has been a long history of neglect, disrespect and misperceptions of the African American consumer market. Business owners and executives stand to increase profits significantly, if they take the time to move away from antiquated methods that are not inclusive of an ever-increasing diverse population as well as messages that miss the mark. Also, companies that profit from the African American consumer need to be held accountable, if they are ignoring the patronage of African American consumers. Editorials in the Black press and effective use of social media are just some of the ways that this issue can be brought to light.

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“Consumers have economic buying power that needs to be used better in their own self-interest,” says Smikle. “African American consumers should be asking if the brand (or store) they are purchasing from is making a contribution to the Black community or investing in the Black consumer market? How wide is the gap between purchasing (by the African American consumer) and investing into the African American consumer market?”

Smikle also explains that social media can play a role in bringing attention to the issue of how corporations profit from the African American consumer, and whether these corporations are acknowledging Black consumer patronage by investing ad dollars in Black-oriented publications and/or the community. {jcomments on}