

Ties That Bind

Looking to increase market share in ethnic communities? A smart first move is to partner with multicultural businesses. Here's how to go about it **By Lynn Russo Whyly**

A RECENT STUDY by Diversity Affluence, a marketing and business development consultancy in Hamburg, N.J., found that affluent ethnic consumers wield \$110 billion in purchasing power. As a greater number of minorities become affluent, multicultural markets throughout the U.S. are expected to grow in economic muscle. "Today, we're in Multicultural 2.0," says Larry Moskowitz, vice president of integrated marketing and business development at New York-based Global Advertising Strategies. "Minorities are the majority in one-third of the most populous counties and the top 10 [designated market areas] in America. If you're still wondering whether or not you *should* [conduct multicultural marketing] — find a new job. You should be moving on to the how, not [be stuck on] the why."

To compete for market share in minority communities, a growing number of companies are partnering with multicultural product and service suppliers. Here are five ways to form a winning alliance:

1. Target your existing suppliers.

Florida-based Sunbeam turned to its multicultural consumer marketing partner, Nu America Agency, to get its new Oster professional hair clippers in front of African American barbers. The reasoning was simple: Nu America already had in-depth knowledge of how to successfully penetrate a new market, as well as the appropriate contacts. "We determined through research that Sunbeam was losing the battle at the barber schools," says Brett Wright, cofounder and CEO of New York-based Nu America.

So the agency created the "Shape Up Tour," the centerpiece of which was a 40-foot-long bus — a barbershop on wheels,

complete with two barbers, a flat-screen TV, and a DJ booth. The bus was parked in front of barber schools in 10 African American markets, where consumers and trade students could learn how to use the Oster hair clippers.

To help publicize the event, Nu America sent direct mailers on Sunbeam's behalf to members of the National Barbers Association and placed ads on the National Barber Shop Network, which airs in about 3,000 shops across the U.S. The tour culminated in the first "Golden Clipper Awards," in which several African American barbers were honored in four markets. Sales of the Oster hair clippers spiked, and Sunbeam continues to have strong brand awareness of the product at the barber school level.

2. Utilize your field agents. When Northbrook, Ill.-based Allstate Insurance Co. wanted to gauge interest in its Your Choice Auto insurance product among ethnic consumers prior to rollout, the company reached out to its business-to-business partners — its vast network of field agents across the country in African American, Hispanic, and Asian American markets. Allstate then used the feedback to shape both its consumer advertising and the sales tools the agents would need to sell the product, including laminated tabletop sell sheets, quick reference guides, and brochures. "We got feedback from the agents on everything from naming the product to what features should be offered," says Steven White, senior marketing manager of African American and Asian American communications at Allstate.

The company also maintains an agent extranet, sends out regular e-mail messages to its agent base, and has an internal diversity group that interfaces with



Sunbeam paired with Nu America to create a barbershop on wheels to help promote the sales of the Oster hair clippers.

COURTESY OF NU AMERICA AGENCY

FOR MGM MIRAGE, DIVERSITY IS A LONG-TERM COMMITMENT

THE MGM MIRAGE in Las Vegas has been a best-practice leader in diversity management for seven years, as evidenced by its plaudits in *Diversity Inc.*, *Black Enterprise*, and *Hispanic Business* magazines. The company's approach to diversity has five prongs:

1 Strategic planning. Identify all the ways we can reach potential customers and employees and secure business from emerging markets. Engage with other planning disciplines throughout the company, including advertising, sales, and human resources, to achieve our goals.

2 Strategic alliances. Identify and create strategic alliances with national, regional, and local organizations throughout the U.S. (The company maintains a dedicated diversity Web site, mgmmiragediversity.com.)

3 Media. Utilize both diversity and general market media to ensure we are managing our reputation relative to diversity and creating a positive message through editorial content.

4 Business alignment. Generate a return for our effort.

5 Measurement and analysis. Audit and publicly report our performance annually.

MGM MIRAGE offers a special conference booking incentive to consumers who fit the company's diversity profile. "The idea is to create a platform whereby people would be encouraged to experience what we have to offer," explains Debra Nelson, vice president of corporate diversity and community affairs at MGM MIRAGE. "If they enjoy it on a personal level, we believe they will be encouraged to bring their business here in a more significant way."

Additionally, MGM MIRAGE conducts one-on-one meetings with various organizations looking to book conventions, meetings, and trade shows, and offers diversity champion training to managers and will soon roll it out to line-level employees "to help them understand how to receive diversity customers in a meaningful way." — L.R.W.



database and look for whatever relationships they need for a specific situation."

Each supplier is required to submit information such as a standard industrial classification and North American industry classification code, as well as its D&B DUNS Number (if available) to determine where it might best fit as a Wyndham partner. "After the supplier fills out the form, we send an automated e-mail to the applicant to acknowledge receipt," says Phil Harvey, vice president of procurement services for Wyndham Hotel Group. "Then we prioritize the applications on the basis of what our needs are, and we look for completeness. We will go back and request further information if necessary."

To publicize the six-month-old registration page, Wyndham held an event for registered diversity business owners with the support of leading organizations, including the National Minority Supplier Development Council of New York/New Jersey and the Women's Business Enterprise National Council, to learn best practices.

"Success," Harvey says, "is defined by doing the right thing, both for the communities we support and the markets we serve. Time will tell, but I believe we already have been making strong inroads where we involve the use of this database."

5. Take aim at minority business owners. "You're already reaching many of them through your existing suppliers," admits Global Advertising Strategies' Moskowitz. But to fill in the gaps, such as getting your product into bodegas, Chinese restaurants, or specialty stores, he suggests utilizing targeted ethnic media and partnering with associations. For example, to reach Chinese real estate investors, you might consider advertising in Chinese-language newspapers, which Moskowitz says reach a large professional community, or direct mail to Chinese-specific realtor associations.

Moskowitz also suggests looking for similarities between a general market small-business owner and, say, a Latino small-business owner. "[The latter] will have more in common with a small-business owner of the general market than they will with someone of their own ethnic group who is not a business owner," he says. ■

agents in multicultural markets. "If we're interested in how something is going to work within the Asian community, we might go to California and meet with agents there, or with the African American community, we might go to Atlanta," White points out. "There are a lot of ways we can tap into the voice of the agents."

3. Immerse yourself in diverse markets. Las Vegas-based MGM MIRAGE has formed diversity partnerships with 27 local, regional, and national organizations that cover the African American, Hispanic, Asian American, Native American, GLBT (gay, lesbian, bisexual, and transgender), and women's markets. In a recent study, the entertainment company learned that it has the potential through its myriad relationships to reach more than 4 million

people, 4,000 of whom are considered industry influencers. "They belong to a host of other organizations, social clubs, fraternities, sororities, etc., so the potential reach becomes even greater," says Debra Nelson, vice president of corporate diversity, communications, and community affairs at MGM MIRAGE.

4. Build a database of diversity suppliers. As part of its supplier diversity initiative, Parsippany, N.J.-based Wyndham Worldwide recently launched an online registration page for minority, disabled, and women-owned business leaders. "When you register, you check off a category or service, such as advertising or catering," explains Andrea Hoffman, founder and CEO of Diversity Affluence. "Then Wyndham is able to go into their