

## THE FUTURE IS NOW

**T**he explosive growth of the United States multicultural community has marketers abuzz on how to connect with this ever changing and increasingly powerful demographic. The game has changed and we can no longer play by the rules as defined by the 2000 Census.

The future is now and yesterday's approach to "ethnic" or "multicultural marketing" in today's diverse marketplace is outdated and ineffective, often alienating the very consumers marketers are seeking to attract.

Today's "multicultural" consumers are multi-dimensional, micro-segmented and reflect the changing tastes and lifestyles within the general market, further fragmenting the marketplace and redefining the concept of "multicultural marketing" as we have understood it.

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Relying on yesterday's one-size fits all approach, language or ethnic stereotypes such as featuring an Asian Indian woman wearing a sari, a Latina mother cooking in the kitchen, or an Asian man tapping away on a laptop, are tired and clichéd. They don't sell. They irritate.

**Not Multicultural, Transcultural!**

Our previous definitions of the "ethnic" or "multicultural" consumer, "general" or "mainstream" market are no longer applicable. Today's marketplace is sophisticated, cosmopolitan, and globally interconnected—it is *transcultural*.

Asians, Latinos, and Asian Indians living in the United States have crossed borders and cultures while simultaneously adapting and adopting new and familiar cultures to create a new transcultural identity. This is the definition that we'll use in this book when we refer to today's transcultural consumer; the Asian, Latino, and South Asian/Asian Indian consumers living in the U.S..

Why only Asians, Latinos and Asian Indians? According to the U.S. Census Bureau these are the fastest growing consumer segments in the U.S.

and these three “transcultural” markets represent a trillion dollar gold mine for those companies astute enough to understand precisely how to identify and connect with them.

In order to connect with this powerful demographic, marketers must go beyond yesterday’s macro-segmentation models of race, language or acculturation to discover the wants, needs and aspirations of these consumers.

Marketers need to understand the psychographic and contextual makeup of their prospects. Who are they? Go beyond Asian, Latino, and find out where they are from. What brought them here? Where are they now? Where are they going? Who drives the decisions? Where are they in the purchase/adoption cycle? Are they loyalists or rejecters? Do they want, or have a need for your product or service? Do they understand how to use it? How are they using it?

If you can’t answer these questions about your marketplace, it’s time to do some serious research to understand who your customers really are.

## The Rules Have Changed

This is a book about understanding and marketing to the new “transcultural” consumer. You know the rules have changed. In this book, you’ll discover how the new rules operate—and how you can transform your marketing message to resonate deeply with the transcultural consumer.

It’s not just simply “Asians” or “Latinos” or “Indians” anymore. Instead, the market actually consists of myriads of thinly sliced sub-segments including first-generation Taiwanese immigrants marrying second-generation Filipinos; Hapas; ABCDs or “American-born but confused Desis” (the term Asian Indians use by which to refer to themselves); Vietnamese Americans who emigrated in the 1970s but never learned English; their Vietnamese American grandchildren, who never learned Vietnamese; and on and on.

Similarly, there’s no longer one un-fragmented “Hispanic marketplace,” if there ever was one. Instead, a campaign must accurately address who the target is; Argentineans arriving in the United States bearing huge amounts of flight capital due to political instability in their

homelands; Mexican immigrants working in the United States for a period of years in order to send money back home; others from Latin America who spend half the year in the United States and half the year in their native country, never feeling completely at home in either culture.

### **Understanding the New Rules**

Those who understand that the old model is broken and are looking for a solution to connect with this diverse and seemingly incomprehensible market will benefit from this book.

Lack of research inevitably leads to a misunderstanding across cultures. Misunderstanding the target leads to embarrassing, costly, and ultimately unsuccessful campaigns. The companies that most successfully market to transcultural consumers begin their marketing campaigns with one critical step—research!

Companies must start by answering several key questions:

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- Who are the consumers? Get specific; go beyond the label of Asian, Asian Indian, Hispanic, etc.
  - Is the consumer a young urban or suburban Vietnamese American who is buying his or her first car?
  - Are they Mexican-American Boomers who own their own businesses and need to provide benefits for their employees?
  - An Asian Indian couple buying their first home, who will be not only having children, but having their parents' move in at a later date?
- Where are they? Not only where they live, but also where are they in the purchase and adoption cycle of your product or service?
- Why are they not using a specific product? Why do they go to Dunkin' Donuts® instead of Starbucks®?
- Do they understand all of the features and benefits of your product or service? Are they

using the product to its full capacity? (For example, if you sell concentrated laundry detergent, do your customers know how much they should be using? Are they measuring the correct amount, or are they using the blind pour method? The only way to find out is to watch them actually use the product.)

- Where is the disconnect between brand essence and perception—as in “I would never buy brand X” or “I only buy brand Y”—why do they feel this way?
- Where’s the communication breakdown between brand promise and delivery?
- Who’s driving the purchasing decision—kids, moms, grandparents, etc?
- What are the barriers to adoption; language issues, accessibility or availability, etc.?

## Understanding the Players

Data collection methods themselves can lead to invalid and biased data. For instance, mall

intercepts (researchers interviewing consumers in shopping malls) usually don't capture data on the unacculturated or recent arrivals, who generally spend little time at malls.

One of the most frequent mistake is when questions for panels are only provided in English, omitting all respondents who prefer or require questionnaires in their native language.

"Saving Face," a dimension upon which we will expand later in the book, is highly prevalent in the Hispanic and Asian communities and affects data collection; Some Hispanics would rather not completely understand something than risk looking uneducated or uninformed in front of the interviewer.

Another dimension, "Power Distance", manifests itself when Asians respond in a way they think the interviewer expects. Asians will avoid disagreeing in order not to disrupt the group consensus. This is similar to Saving Face, when the interviewee doesn't want to make the person in power (interviewer) lose face by openly and publicly disagreeing or challenging him or her.

With varying degrees of Internet penetration across different segments of the transcultural market, Internet-based surveys can also provide inaccurate results. Such surveys reach only those consumers with the time or inclination to use the Internet.

Rather than relying on these outdated or biased methodologies, go into the home of the target consumer and spend a day or two with the family unit to observe and record who goes online, what they do online, and how long they spend on the Internet. This provides a clear definition, of who the Internet users are, and what products and features they use or don't use—and even more important, why they make those choices.

Sometimes these results shatter stereotypes and assumptions about users; it's not just the young and acculturated that go online! Monolingual and older members of the household also use the Internet to stay connected with friends and family, and keep up with news and events in their country of origin.

It used to be that marketers could segment their targets by ethnicities as defined by the U.S.

Census and plan their strategies accordingly. Today, those definitions, and categories are too rigid, outdated and almost useless in today's fragmented marketplace.

We can no longer operate under the old assumptions based on macro demographic trends and one-dimensional segmentation models. Instead, we have to understand the micro-segments, which more accurately represent today's changing tastes and lifestyles.

These micro-segments further fragment the marketplace and have completely redefined the concept of "multicultural marketing." The key to defining and understanding the marketplace is identifying the consumer's needs, wants and desires. Research reveals the insights that allow us to create the campaigns that touch the soul of the consumer. In order for the message to resonate with the consumer, the message needs to deliver on the premise that it understands who the consumer really is. Only then will the consumer feel that "Heineken® understands *me*, and it understands *my* people!" Or, "Toyota® understands *me* and what it means to me to be a parent in *my* culture."

What was effective yesterday is no longer relevant. What's effective today may not resonate with tomorrow's transcultural consumers. The transcultural market is not monolithic but is increasingly dynamic and complex. So how can marketers connect with this moving target?

We need to go beyond the language debate, beyond "in-culture marketing," beyond the tired, re-purposed marketing clichés and use the tools necessary to understand the drivers behind behavior in today's evolving transcultural marketplace.

In this book, we will discover how marketers can use these tools to develop relevant and effective connections that resonate with the core of today's transcultural consumer.

We will identify the typical faulty assumptions that marketers, advertisers, and manufacturers make, and how to avoid them. We will discover an entirely new way of looking at these seemingly incomprehensible and impenetrable markets. The goal is to increase understanding, thereby maximizing sales to this increasingly economically powerful demographic.

**BEYOND** TRANSLATION**What This Book Is, and What It Is Not**

The book is designed as a guide for marketers to quickly understand the who, what, when, and why of transcultural marketing.

We'll answer these questions:

- **Who** is today's transcultural consumer?
- **What** are the dimensions that drive the transcultural consumer?
- **What** methods work best to connect with this moving target?
- **When** to use which methods?

And the most important question of all;

- **Why?** Because if we do not understand who the transcultural consumers are, what it is they want, and how to resonate with them, we will spend more and more money with little to show for our investment.

As a research firm providing insights to advertising agencies, marketing firms, and manufacturers, we have a keen understanding of the importance of doing one's homework before pulling the trigger on an expensive campaign. Understanding the marketplace, very simply, is the difference between success and failure.

Obviously, as in the general market, *understanding the consumer* is the key to developing a successful market strategy.

Many of the insights in this book will focus on the key dimensions of culture and context and how they can influence seemingly irrational behavior. We will reveal how to create effective communication between marketers and today's transcultural consumer.

This is not going to be a data-heavy book. Anyone can find overwhelming data sets to support any segment they wish to target. Facts and figures jump out at us from the headlines, are announced at conferences, and are offered dazzlingly in countless PowerPoint™ presentations. With enough numbers and statistics out there to confuse anyone, we will only

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look at key numbers and data that will serve to either confirm facts or repudiate common misconceptions.

However, before we begin to examine transcultural consumers in depth, let's first explore how or our own backgrounds, assumptions, and beliefs, affect the process.

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