



## SPRING Seminar Series

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Food and Beverage Target Marketing Based on Race and Ethnicity:  
The Good, The Bad, and The Ugly

- 20 years ago, CNN interview: target marketing of uptown cigarettes
  - There is nothing wrong with target marketing, just good and bad aspects
- Advertising and marketing is part of the problem, but it's not the only problem: involved in the development of IOM chart, factors shaping food and beverage consumption
  - Opportunity for public health and industry to collaborate and achieve real solutions
- Content analysis of food groups in the movies (20 yrs ago), and developed a "movie pyramid" and compared this to the food pyramid
  - When African American actors were shown eating, it was usually junk food and fast food
  - The African American culture is often used to reach both African Americans and mainstream Americans
- Key Questions:
  - "Chicken and Egg" Dilemma
    - Are racial/ethnic food and bev brand preferences driven by marketing, advertising, and media strategies and expenditures?
    - Or, are marketing, advertising, and media strategies and expenditures designed to capitalize on racial/ethnic preferences?
  - Williams → probably a bit of both
- Mass media and target marketing: "good business" and "bad ethics"
  - Does a firm's target marketing take advantage of susceptible consumers? E.g. children
  - Does a firm's target marketing take advantage of vulnerable populations? E.g. age, maturity, income, education
  - Is there a cause and effect link between a firm's target marketing and increased consumption?
  - Does a firm's target marketing effort result in greater allocation of promotional dollars directed to minority consumers than would be warranted on consumption rates?

- Regardless of intended media message, does target marketing result in “actual” disproportionate hard to minority consumers in terms of social costs and other societal concerns?
- Understanding the 4Ps of marketing to racial/ethnic consumer segments
  - People (population statistics, Census)
  - Purchasing Power (buying power stats)
  - Propensity to Spend (consumer expenditures)
  - Preferences for Advertising/Marketing Communications (values, attitudes, motivations, preferences, response)
- 2010 Census, largest multicultural advertising campaign
  - Underscores idea that not all target marketing is bad
  - Minorities are targeted by the Census bureau because there are a variety of factors that affect why these groups are less likely to return form
- African American Buying Power is Almost \$1 trillion
  - Total spending by teens: \$98 average (\$107 Hispanic, African American \$100, White \$96)
  - Purchasing power worldwide, in 2008: Black America is 17<sup>th</sup>
- Consumer expenditure data – expenditures on food
  - What groups are spending the most?
- MRI index of fast food and drive-in, 100 is avg for whole country
  - Churchs/Popeyes/KFC have an index above 300 for Black/African American population
  - Is there a cultural preference for this? Or, is it because of the target marketing?
- How responsive is a multicultural audience?
  - African American and Hispanic children watch more television than White children
    - Food and beverage companies capitalize on this – chicken or egg
    - Is this fueling the consumption for the product? Or, do they want to be there because they like this product?
- Target advertising is underutilized (African American advertising effectiveness research)
  - Looked at several categories, including soda and fast food
  - Conclusions: targeted African American ads are more effective than any alternative ad type for three reasons
    - Achieve relatability
    - Unique AA insights to achieve credibility
    - Depict AA in manner that promotes pride for culture
- Of all commercials Williams has ever measured among African American audience, Tide commercial had highest rating:
  - Male was featured in nurturing and caring role, this resonated with the audience
- Study: examination of built environment, billboards and quick serve restaurants in area
  - What things were being advertised on billboards according to racial profile of neighbourhood?
    - Alcohol was highest in low income AA/Hispanic communities
- Current research looking at food categories / sales fluctuations
  - Why are we seeing these fluctuations?

- We live in a complicated world: viral marketing, guerilla marketing, ambush marketing, create “buzz”, non measured media, social media