

Multicultural Marketing And The C-Suite

Bridging The Gap



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Like the Wizard's chamber in the Land of Oz, the corner office of Fortune 500 companies is often shrouded in mystery. We know from past experience that there's likely a person behind the curtain, pulling levers frenetically, their commands reverberating throughout the corporation. What we don't know is, which levers does the Wizard pull and why? Who does he allow in the chamber? And, most critically, is there a big lever labeled "Multicultural Business - Building Strategy: Pull Here"?

This is a photo of my first CEO meeting. It was scary. But I soon realized that CEOs are very interested in profitable growth, increasing shareholder value, hiring a great workforce, and consequently, they are READY to embrace multiculturalism as a core business practice. They just need the right levers to pull.

Currently, there is limited understanding of what happens behind the curtain when it comes to C-level executive attitudes and behaviors regarding the multicultural business opportunity. To address these questions, Si Change Consulting has embarked on a five-year, multi-pronged benchmarking process; one which tracks marketing-level activities in organizations, and a parallel one which evaluates corresponding C-level involvement and commitment to those goals. Our objective is to ascertain whether there is a gap between practitioners on various areas of multiculturalism, including marketing, and the executives who are responsible for overall corporate strategy. If there is a gap, then what are the steps necessary to close the gap and optimize their business-building activities?

As an important input into our ongoing benchmarking process, we queried several hundred marketing professionals, who participated in the 2005 ANA multicultural Marketing Conference, on issues related to their firms' activity in the multicultural arena. We highlight some of the trends here.

C-Suite Issues

We began with a light-hearted dis-

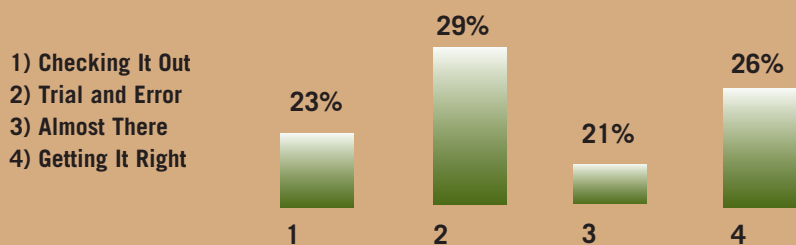


cussion regarding how the marketing community views CEOs. Almost half of the marketing professionals in attendance confirmed that they viewed the executive office of the CEO as the Wizard's chamber, while 35% did not (The rest were neutral or did not know.) Clearly, a few marketing professionals have been able to "pull back the curtain," yet a sizable number is still mystified by the corner office and what happens in it. What distinguishes those who have succeeded from those who haven't been able to penetrate the inner sanctum regarding multiculturalism?

One possible difference is the ability to provide solid information on the multicultural business opportunity, and further, an approach to measuring return on investment. Nearly half of participants felt that their CEO does not have sufficient knowledge to make informed decisions regarding multicultural, against 35% who do. This may explain why so many CEOs are not wholly committed to multicultural marketing; again, almost half of the professionals polled told us the C-suite is not fully engaged in the effort.

CEOs are known to establish clear priorities for the organization early in their "reign." These priorities become the mandates that determine organizational behavior. Alas, multicultural marketing seldom makes the list compared to other priorities such as shareholder value, mergers/acquisitions, and risk management (more on this later in this article). A whopping 60% of attendees shared that their CEOs have not built the "multicultural lever" into the corporate machinery. Still, a hopeful percentage of attendees, almost 40%, tell us they have met with their CEOs regarding multicultural marketing during the past 12 months.

How would you characterize where your company is in the area of multicultural marketing?



Organizational Issues

Are companies organized optimally around the multicultural effort? Over half of those in attendance told us their company lacked the right organizational structure for sustained multicultural marketing efforts. We invited every participant to place their company somewhere on the Multicultural Experience CurveSM, a diagnostic tool designed to establish an organization's strengths and weaknesses with the goal of moving companies forward in their multicultural strategy development. The chart shows where participants placed their companies. (Chart above)

Here are a few characteristics of an organization that resides in each of the four groups along the curve:

Checking It Out:

This phase is characterized by very low investment (budgets as well as staff) in marketing to the multicultural customer. Product customization, targeted consumer research, and/or customized messaging are also low. The company may just be becoming aware of the multicultural customer due to some successful attempts made by one or two industry players (maybe leaders). Hispanics are usually the first targeted multicultural subgroup. An individual with significant passion is attempting to develop an approach, oftentimes a task force regarding the issue of multicultural marketing. One of the most significant issues is the lack of ROI data and related metrics.

Trial and Error:

Multicultural marketing is beginning to be acknowledged as an approach that deserves incremental investment and attention from senior management. Marketing budgets, consumer research, and targeting advertising, promotions and other business-building activities

are growing at this stage. Perhaps more than one segment is targeted. The company is exploring engaging specialized advertising/media agencies. General market metrics are often tweaked/data mined with the goal of understanding multicultural ROI.

Almost There:

Multicultural marketing is more integrated into the company's marketing strategy, as reflected in budgets and staff allocation. The company may have begun product customizations or reviewed the multicultural customer experience or perhaps altered distribution strategies to more effectively deliver on their marketing promises to multicultural consumers.

Significant research and consumer behavior studies have been undertaken to become culturally sensitive to each segment's needs. A more detailed study of the subsegments within one or more communities has been undertaken. The company has significant support from specialized advertising/media agencies. Metrics are in place and oftentimes, employee compensation is linked to performance in the multicultural marketing arena. Senior management has provided additional support across multiple lines of business.

Getting It Right:

Multicultural marketing is at the epicenter of the company's future plans. Senior management includes multicultural marketing professionals in the "right meetings" BEFORE asset allocation decisions are made. The company has specific growth expectations/contributions from multicultural markets and marketing budgets and staff allocation are high and growing. A "Multicultural Center of Excellence" may be in place. There is a growing degree of product customization and

messaging, which emerge from continuous research or consumer behavior studies. The company relies heavily on multicultural advertising/media agencies and integrates their work in close collaboration with general market resources. Key business metrics are in place and ROI is at the center of every discussion. Plans are in place for a minimum of three to five years regarding multicultural.

Closing the Multicultural Gap: CEOs Are People Too:

We'll know soon exactly where CEOs place their organizations on the Multicultural Experience CurveSM and why, as we're in the midst of conducting a major survey among C-level executives to compare with the results from the ANA survey to really understand the gap.



In the meantime, keep in mind that behind the curtain of the C-suite is a regular person who is probably as concerned as we all are about the future ... after all, the CEO on average can expect 5.4 years in that position. Let's help them succeed by providing the "right" lever to pull ... multiculturalism. ■

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