

From: MMRNews (Multicultural Marketing News) [mailto:MMRNews@multicultural.com]
Sent: Tuesday, November 10, 2009 12:12 PM
Subject: "Keeping it Real": The Black Consumer Marketing Edge by Lafayette Jones, SMSi-Urban Call Marketing, Inc.

"Keeping it Real": The Black Consumer Marketing Edge
by Lafayette Jones, President, SMSi-Urban Call Marketing, Inc. and Urban Call
Publisher



*SMSi-Urban Call Marketing, Inc. is the sponsor of the **African American Market** section of our 2009/2010 Source Book of Multicultural Experts. The Source Book is now available!*

Black Americans are truly "multicultural" Americans. We not only speak English, but also French, Spanish and native dialects. Because of the African Diaspora, our ancestors were spread around the world to South and North America and Europe. Our roots may be in the islands of the Caribbean or the West Indies. Our lineage is truly global. If there is any doubt that America is fast becoming a country where multicultural heritage and roots are growing in importance, one only has to look at the historic inauguration of the first African-American president, Barack Obama, on Jan. 20, 2009.

With the buying power of 39 million African-Americans set to rise to \$1.2 trillion in 2013 this is no small matter. The Selig Center for Economic Growth (www.uga.edu) attributes this capability to better employment; the number of African-American owned businesses have grown four times faster than the number of all U.S. firms. Education is also key. The number of black Americans attaining high school diplomas increased 10 percent between 1993 and 2003, the largest gain reported for any group; one in six holds a bachelor's degree or more. Black Americans also skew younger (median age is 30.2 years) meaning that a larger proportion is entering the work force or graduating from entry-level jobs. Meanwhile there is a growing segment of aging baby boomers who need financial planning, notes Aaron W. Smith in his book, "In the Black: Live Faithfully, Prosper Financially." He reports that 9 million African-American baby boomers are set to retire between now and 2029. Be it noted that the well-known association for older/retired people, the AARP, has named an African-American, Barry Rand, a former executive vice president for worldwide operations at Xerox, as its CEO.

According to Packaged Facts publisher Don Montuori, African-Americans currently have roughly the same purchasing power as Hispanics, though they tend to be left behind when

it comes to marketing and advertising because Hispanics are expected to have more rapid population growth. “Marketers would be wise, however, to tap into the American-American segments that outpace their Hispanic counterparts, particularly those with incomes greater than \$50,000, owner-occupied households, married-couple families, and African-American women – all sectors which offer huge potential in the consumer goods markets,” Montuori noted.

The number of affluent African-American households has grown. There are 2.4 million African American households with incomes of \$75,000 or more. These account for 45 percent of total African-American buying power. Data shows that companies offering luxury items and financial services are at a particular advantage, because affluent African-Americans are even more likely than their affluent counterparts to spend money on cruise ship vacations, new cars, designer clothes, health and beauty aid products, as well as life insurance. “In many product categories, ranging from automobiles to packaged goods, the African-American propensity for buying branded, high-ticket and high-margin items makes them more loyal and profitable customers than any other consumer segment,” adds Pepper Miller, author of “What’s Black About It?”

What is the best method of reaching these consumers? Yankelovich research says that “96 percent of African-Americans are inclined to buy products advertised directly to them in their own neighborhoods.” The same research company has noted that it is often the “real person” who is the best spokesperson. That is why we like to say at SMSi-Urban Call Marketing that “keeping it real” is the black consumer marketing edge. It’s true that “celebrity sells” and on-line Web executions can sizzle, but in the world of multicultural marketing there is nothing like non-traditional grassroots methods (high-touch) and access (getting the gatekeeper go ahead and endorsement.) The “digital divide” is still very much a factor as eMarketer.com notes: 70 percent of white Americans will be on line in 2013 compared to a significantly lower number of black consumers (56 percent).

The bottom line is that SMSi-Urban Call Marketing Inc., a leading multicultural marketing, sampling, promotions and publishing firm, has exceptional tools to assist businesses, associations and government agencies who want to reach urban neighborhoods and “keep it real.” These include free grassroots product sampling, Urban Call custom publishing and distribution; promotion and event planning and execution; urban retail merchandising, field marketing executions, multilingual community ambassadors, media relations and placements.

Urban Call

Urban Call, a 4-color custom tabloid size newsprint publication ranging in size from 8 to 64 pages, is a promotional element added to the company’s marketing mix in 1996. The custom-produced supplements carry brand advertising, advertorials and educational content and are used for a multitude of purposes, including themed corporate promotions, new product introductions, trade sell-in presentations and brand awareness building. They deliver messages in a highly favorable and editorial friendly environment and are distributed through appropriate SMSi networks or at culturally appropriate community

venues and events with other experiential promotion overlays and collateral (community health expos and exhibitions, festivals, venue signage, poster placements, brand sponsored micro-sites and seminars). Urban Call can be delivered with brand samples or distributed free standing. Another distribution strategy is placement of Urban Call as an insert in black community newspapers.

SMSi Community of Networks

Since 1978 SMSi's Community of Networks has used non- traditional high-touch marketing methods reaching more than 50 percent of African-Americans and Latinos in the top 20 urban markets in community venues. SMSi-Urban Call executes coop and customized national ethnic promotions through **beauty salons** (9,600 salons – reaching 2.4 million women), **barbershops** (8,000 shops – reaching 2.0 million men), **churches** (10,300 churches - reaching 3.1 million households), **colleges/jr. colleges** (100 schools reaching 500,000 students), **urban stores** (100,000 inner city outlets – serving 8 million customers), **healthcare network** (5,000 venues – serving 500,000 patients), **youth network** (2,500 centers – reaches 500,000 youth) and **opinion leaders** (civic, social, religious, professional and political groups/organizations – serving 500,000 members). It accesses grassroots gatekeepers and opinion leaders through community breakfasts, awards luncheons and special events. Multilingual community ambassadors and field marketers make the in-culture connection for urban retail merchandising. Use of urban print and radio supports the community-focused marketing.

Contact information:

SMSi-Urban Call Marketing, Inc.

4265 Brownsboro Rd., Suite 225

Winston-Salem, NC 27105

Ph. 336-745-8466

Fx. 336-759-7212

president@smsi-net.com

www.smsiurbancallmarketing.com

About This Newsletter

Multicultural Marketing News, is published by Multicultural Marketing Resources, Inc. (MMR). For a free subscription to Multicultural Marketing News, sign up for MMR E-News at www.multicultural.com

Lisa Skriloff, Editor
Multicultural Marketing Resources, Inc.
101 Fifth Avenue, Suite 10B
New York, NY 10003