Savvy Brands Will Continue to Prioritize Multicultural Marketing in 2023

Companies ahead of the curve are already prioritizing diverse agencies, media suppliers and vendors

Last October, **Marc Pritchard**, P&G's chief brand officer and one of the most influential people in marketing, delivered a message that some marketers have embraced for years.

At the ANA Masters of Marketing Conference, Pritchard explained two things to the several thousand attendees. First, marketers need to see multicultural marketing as mainstream marketing. No longer should brands silo audiences with messages that don't align with a brand's mass marketing communications; instead, multicultural messages should heavily influence a brand's mass messaging. Second, Pritchard would be investing heavily in Black-owned media to amplify those outlets and better reach the consumers who are driving growth for brands.

While brands like P&G lead with this in mind, many don't. Those who don't are missing opportunities to reach the next generation of consumers, who grow more diverse and inclusive with each passing day. Brands that don't shift their mass marketing to live out a multicultural message will fall behind their competitors, just as those who didn't embrace digital fell behind a decade ago. They must look within their teams and agency partners to fill the room with people who embody the changing demographics of the U.S. and make intentional decisions to shift their marketing and change how they work with diverse-owned agencies, vendors and media suppliers.

“The mass market is held together by very human impulses,” said Chaucer Barnes, CMO of Translation, **Adweek’s 2022 Multicultural Agency of the Year**. “The way to think about how to segment them is always more powerful when you focus on the things that connect them rather than the things that divide them.”

Chasing the youth

America’s shifting demographics make one thing clear: Each successive generation is more diverse and inclusive than the previous. From 2016 to 2060, the **Census Bureau** projects the white, non-Hispanic population to fall from nearly 200 million to 180 million—or from making up more than 60% of the American population to around 44%. The amount of people who identify as Asian or Hispanic will double in that time frame, and the total people who identify as at least two races is projected to triple.

Just as digital marketing in the past 15 years (and social, more recently) went from line item to core to any marketers’ strategy, Barnes sees multicultural marketing making that same shift—except savvy brands made that shift years ago.

“It maybe was a useful designation long, long ago,” Barnes said. “Now it’s so obviously the [incoming] expectation of anyone expected to move markets for real that it’s not even helpful to say.”

To win that next generation, Barnes said marketing must embrace multiculturalism because that’s now simply culture going into 2023.

“If you have a diversity problem, you definitely have a youth problem,” Barnes added.

Taco Bell chief brand officer Sean Tresvant acknowledged that while the brand is trying to sell to everyone, it is talking to “somebody” via its marketing. “That somebody is Gen Z,”

Tresvant continued. “Gen Z is the most racially, sexually, ethnically diverse generation that’s digitally native.”

And that means making multicultural content that has mass audience appeal. Tresvant pointed to a World Cup campaign from its cultural agency Cashmere that starred soccer player Ashley Sanchez and featured music from Niña Dioz, Mexico’s first openly queer rapper.

“Let’s just create a big, great piece of content that … appeals to Latine, but it was not a Latine ad,” Tresvant said. “It was an ad that everybody resonated with.”

‘You can’t take your foot off the gas pedal’

If—or, more likely, when—budgets tighten up in 2023 because of the economy, CMOs have actionable advice.

The first was widely agreed upon: Brands should not adapt a mass market message to multicultural audiences. It should be the other way around.

“If you don’t have the ability to do nuanced things, find where the insights are the same,” said Carla Hassan, CMO at JPMorgan Chase. “Find where there is an intersection of needs and wants. Your brand can authentically play there and have messaging that resonates with everybody.”

Ultimately, marketers always need to drive growth, which, for most companies, came from non-white groups during the pandemic.

“[Multicultural marketing] is front and center and integral to our marketing plans for 2023 and beyond,” said Kristin McHugh, svp marketing and creative at Verizon. “You can’t take your foot off the gas pedal.”

Brands need to look for simple human truths to leverage across all of their marketing, Hassan said. “We use those truths to turn into actionable insights that turn into good content,”

she added.

Companies also need to look within at who is creating their messaging.

“When you focus on DEI and your employee base starts to mirror your customer base, you begin to make the right decisions. And that includes how you market, how you target customers and how you message,” said Chris Byrne, president, marketing operations and digital acceleration at UPS.

Diversity across agency partners

Better work will only come from a room where a cross-section of groups have a seat at the table, not just at the brand but also with its partners.

“You cannot produce marketing that resonates with a multicultural audience if you’re working in an echo chamber,” Hassan said.

It’s one thing to have people of different backgrounds find a home within a brand’s marketing team. It’s another to create a pipeline for the next generation of diverse talent to quiet those echo chambers for good.

Verizon’s Adfellows program places new talent into brands like Anheuser-Busch, American Express and Kellogg’s, as well as within agencies, and has a 95% industry retention rate. The brand plans to expand enrollment to 250 people by 2026.

According to McHugh, Verizon has pushed for diversity across its agency partners, as marketers can go wrong when the people creating the message don’t reflect the communities they’re trying to reach. To that end, Verizon reported in June 2022 that people of color made up nearly 40% of its marketing and agency partners.

Payment terms persuasion

It’s critical that brands develop strong relationships with its agency partners and vendors, especially diverse-owned and women-owned companies, which **have been vocal** about how longer payment terms are often more harmful to them.

While procurement teams often dictate payment terms, McHugh said it’s on a brand’s top marketers to develop relationships, educate them and push for exceptions when a supplier absolutely cannot stomach a 90- or 120-day payment term (which has become all too common in the industry).

For CMOs who do take the time and effort to successfully persuade procurement teams to change its terms, a bigger seat at the table awaits them, Barnes said.

“If they are willing to lean over a little bit to perhaps operate outside of their remit or just be a bug in somebody’s ear, they’re going to get amazing returns on that effort,” Barnes added.

Expanding media suppliers

Another area where brands can be more thoughtful with their budgets is where they buy media.

Many brands have made pledges to support programs like **GroupM’s Media Inclusion Initiative**, which requires them to increase spend with Black-owned media companies. One common refrain from some media buyers, however, is that there’s not enough inventory to go around.

Barnes poured cold water on that, pointing to how Black-owned outlets aren’t typically sold through.

“We would be seeing a different kind of media environment if indeed there wasn’t any inventory left. Whenever we run out of commodities, like wheat, we know what happens,” Barnes said of how CPM prices should be increasing dramatically when they aren’t.

Brands can turn to influencers to diversify their media spend, but it's their responsibility—not influencers' or creative agencies' responsibility—to close the pay gap, Tresvant said, adding that microinfluencers need to get paid on the same scale.

Barnes also suggested brands could be reallocating money in programmatic buys on social platforms directly to the creators that make those platforms thrive.

"You're probably not going to get a Black alternative to Disney," Barnes said. "But you're definitely going to get—and you already have—a Black alternative to Taylor Swift."

Thinking About Measurement

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UPS runs a quarterly survey that evaluates brand relevance using three key components:

- Consideration for the brand.
- Momentum of the brand.
- How the brand is performing in ESG (environmental, social and governance).

"We think that's a really important set of measurements for us to say, 'How are we doing?'" UPS' Chris Byrne said. "Without that kind of ongoing measurement, you're not knowing if your activities and your campaigns are successful."

UPS also uses Morning Consult to quickly do custom surveys with high sample sizes because it delivers a "pretty robust set of insights across brands," Byrne added.

https://www.adweek.com/brand-marketing/savvy-brands-will-continue-to-prioritize-multicultural-marketing-in-2023/