

The logo for Market 3, featuring the word "MARKET" in white, blocky, uppercase letters and the number "3" in red, blocky, uppercase letters, all set against a yellow rectangular background with a white border.

MARKET 3

**ON THE AFRICAN AMERICAN/BLACK
MARKET**

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Defining the African American/Black Market

“The U.S. Census defines African Americans/Blacks as people who have origins in, or are descendents from, any of the Black racial groups of the original people of Africa.”

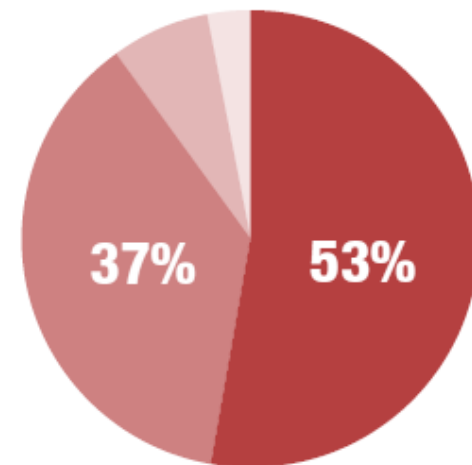


CURRENT STATISTICS AND INFORMATION

- Most AA/B want to be viewed as a heterogeneous group (Pew Research)
- The AA/B population comprises 13% of the total U.S. population (2007).
 - It is expected to grow faster than average.
- In 2006, 8.5% were foreign born compared to 7.4% in 1990 (Synovate).
- AA/B buying power was set at \$845 billion in 2007 and is projected to grow to \$1 trillion by 2012 (Selig).

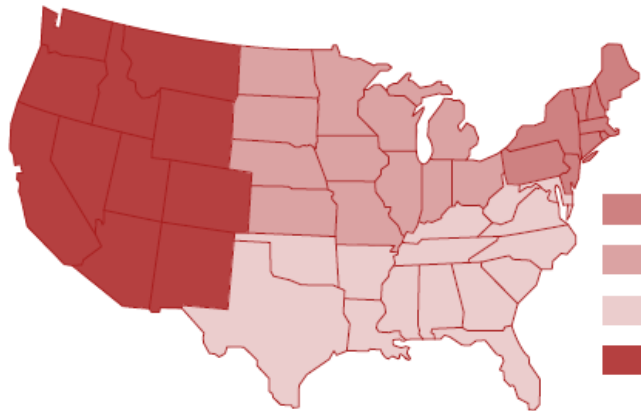
53% Single Race
37% Not a Single Race
7% Don't Know
3% Neither/Both

Note: Based on non-Hispanic Blacks
Source: Pew Research Center, 2007







CURRENT STATISTICS AND INFORMATION

- Most AA/B reside in the South.



Geographic Concentration by Region

AA/B = African-American/Black

		Population in Millions			
		Total U.S. Population	Total AA/B Population	Percent of Total U.S. Population	Percent of Total AA/B Population
	Northeast	56	7	19%	18%
	Midwest	66	7	22	18
	South	109	21	36	54
	West	70	4	23	10
Total Population		301	39		

Source: Selig Center Multicultural Economy Report, 2007

CURRENT STATISTICS AND INFORMATION

- By targeting the 10 metropolitan areas, marketers can reach 59% of the AA/B population.
- These 10 states account for 61% of AA/B 's buying power.

Top 10 States in Terms of African-American/Black Buying Power

AA/B = African-American/Black

	AA/B Buying Power (billions)
New York	\$77.8
Texas	63.1
Georgia	57.9
California	57.8
Florida	57.4
Maryland	49.6
Illinois	41.8
North Carolina	38.5
Virginia	35.6
New Jersey	32.9

Source: Selig Center Multicultural Economy Report, 2007

CURRENT STATISTICS AND INFORMATION

- Today's AA/B consumer is **Young**, **Increasingly Affluent** and **Educated**

Gender (%)	Male	Female	Median Age	
General U.S. Population	48	52	General U.S. Population	44.8
African American/Black	45	55	African American/Black	40.2

Source: Mediamark Research & Intelligence (MRI) Fall 2007

Median Household Income		Household Income of \$50,000 or More	
		Total U.S.	AA/B
General U.S. Population	\$55,415		
African-American/Black	\$36,191		
		2003	26.6%
		2007	30.2
		<i>Growth Index ('07 vs. '03)</i>	<i>114</i>

Source: Mediamark Research & Intelligence (MRI) Fall 2007

Percentages* of African Americans/Blacks Earning Degrees/Diplomas				
	2005*	2000	1990	1980
High School Diploma or Higher	80%	72%	63%	51%
Bachelor's Degree or Higher	19	14	11	8
Graduate or Professional	N/A	5	4	N/A

*Percentages refer to African Americans/Blacks age 25 and over.
Source: U.S. Census

AA/B TEEN MARKET

- 12-19 year old are consumers and creators of trends.
- Strong influencers of household purchases
- Valuable target for advertisers



IMPLICATIONS

- Spend more yearly on items such as apparel and technology-related products.
- Exert more influence on household purchases over a number of purchase categories
- Tend to be more brand loyal to a variety of groups, including personal products, footwear and food.

AFRICAN-AMERICAN MATURE

- These 55+ are a rapidly growing market segment. It is expected to increase 47.1% by 2010.
- Mature are seeking products, services and activities that help them fully enjoy life.
- Socially conscious matures often base their purchasing decisions on the company's contributions to their communities.
- Religion and church serves as a spiritual and social support and information center.



IMPLICATIONS

- Companies who respond to the social consciousness and spirituality of this group are more likely to capture their attention.
- Creative approaches to reaching the segment, such as through the church and the Internet, will also be successful.
- Messages should contain a celebration of African Americans' maturity, recognizing their desire to fully enjoy life.

AFRICAN AMERICAN INSIGHTS

- African Americans have a unique cultural experience in the U.S., as many of them are in the U.S. today as a result of being uprooted from their homes and societies in Africa.
- They suffer a historical scar: the legacy of slavery, legal segregation, and discrimination sets them apart from other U.S. cultural groups.
- *The Filter* is a nucleus of black experience and culture.
- *The Filter* has also predisposed many African Americans to become overly sensitive about feeling stereotyped and not feeling valued, respected, included and welcomed.

the AFRICAN
AMERICAN
experience



AFRICAN AMERICAN INSIGHTS

- Race and ethnicity play a significant role in consumer-decision making.
- African American culture is one in which greater distinctions are made b/w outsiders and insiders.
- African Americans ranked “respect from retail employees” the 2nd most important factor (after price) when determining where to shop.
- Black consumers may switch brands if doing so is in the interest of the black community.



AFRICAN AMERICAN INSIGHTS

- Black women exert a lot more influence in spending than white women on a number of big-ticket budget items and are more likely to consider themselves to be independent-minded.
- African American consumers, more so than the other groups, prefer to shop individually.
- Culturally sensitive, positive appeals that celebrate the culture rather than reinforce stereotypes continue to be elements that are more likely to gain attention and loyalty.



AFRICAN AMERICAN INSIGHTS

- Oral traditions is a means of keeping their history alive.
- Networking and word-of-mouth communication are the modern day version of oral tradition.
 - African American college students prefer word-of-mouth for receiving product information
 - African Americans seek the opinions of family members more so than Anglo-Americans
- These types of communication are seen as more trustworthy compared to information heard from ‘outside.’
- Ties to the overall black experience, black ideology, and black nationalism are becoming even more important as African Americans have been reconnecting with their roots more so now than at any other time in the past.

KEY COMMUNICATION ELEMENTS

- Given the history of racism and discrimination, African Americans are often very aware of where particular messages come from.
- Important Elements in Communication Include:
 - Trust
 - Respect
 - Open-Voice
 - Black-to-black
 - Street Credibility
 - Black Nationalism



AFRICAN AMERICAN PREFERENCES

- The ability to purchase high end brands fulfills a social need for African Americans.
- Badge-Value: why they might be more inclined to have brand-name items
- *Blacks have a different relationship with time.*
 - The use of time in African culture is driven by Kairos time (meaning, as it comes up) and the characteristic African American need for instant gratification vs. being clock or calendar driven.
 - A common saying in the African American community when describing the apparent disregard for their own punctuality and to distinguish black folks' timing vs. white folks' timing is the phrase "CP Time" (Colored People's Time).
 - CP Time is an inside joke within the community but is an unwanted stereotype when viewed from outside the community.
- *African Americans tend to be adventurous with color* (ex. Prefer blues and violets)
- Drawn to strong, saturated color, often in the red, yellow and brown families
 - This preference seems to be rooted in their African heritage

CURRENTLY MARKETING AA/B

- The AA/B market is targeted through cable TV, Internet, and Magazines.
- Community Relations
 - Sponsoring AA/B events
 - Creating open channels of communication with the AA/B market.
- Empowering the AA/B population
 - Recognizing AA/B achievements
 - Scholarships
 - Internships
 - Training Programs

Top 10 Advertisers to African Americans/Blacks

Company	2006 (millions)
Procter & Gamble Co.	\$65.4
Johnson Publishing Co., Inc.	22.2
General Motors Corp	20.3
National Amusements Inc.	16.3
L'Oréal SA	15.3
Dell Inc.	14.3
Time Warner Inc.	12.8
U.S. Government	12.4
Cerberus Capital Management LP	11.9
PepsiCo Inc.	10.5

Note: African-American/Black media includes media targeted to this population segment: cable TV (1 network), Internet (9 sites), magazines (6 publications).

Source: TNS Media Intelligence, 2007

MARKETING QUESTIONS

- Does socio-economic class affect the values and attitudes of AA/B?
- Do AA/B teens engage in more multicultural relations than their older counterparts?
- How would you have thought that the consumer-decision making process, in terms of durable goods, differs between African American and non-African American consumers?
- Will the presidency of Barack Obama increase the consumer behavior of AA/B in a significant way?
- Will there be a surge of products (toys, dolls, books) targeting AA/B children, especially girls?

SOURCES

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