

Multicultural Shopper

HOLDAY NARKEING GUIDE

BLAVITY (360)

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FOREWORD

The multicultural market represents a significant and growing opportunity for brands. However, effectively reaching and resonating with these audiences requires deeply understanding their unique shopping behaviors, preferences, and influences.

This comprehensive report aims to uncover valuable insights by analyzing survey data from Blavity Media Group's diverse consumer base, community, and industry data. To provide valuable resources for brand leaders seeking to authentically connect with and meet the evolving needs of multicultural consumers, we will explore trends in:



By leveraging these insights, you will be able to craft more impactful and memorable marketing strategies, solidifying your brand's relevance and cultivating long-term success in this dynamic market.

METHODOLOGY

Blavity Media Group conducted a public survey using a broad dissemination strategy to gather the most accurate and relevant data. We utilized various owned channels, including social media profiles and branded email newsletters, to reach a diverse and representative sample of individuals across the United States.

Our survey received **1,561 responses** from participants across different demographic groups across the United States. This first-party data collection effort ensures we present you with real, actionable insights directly from our multicultural community.

INTRODUCTION: THE UNTAPPED POWERHOUSE

The Black consumer market in the United States is a formidable economic force, often underestimated and underserved. This report explores Black consumers' unique shopping preferences, behaviors, and influences, revealing crucial insights for brands authentically connecting with this vital demographic during the Q4 holiday season.



GEN Z DEMOGRAPHICS:

51% non-Hispanic White

25% Hispanic

15% non-Hispanic Black

20% Gen Z adults identify as LGBTQ+ (compared to 7% of all adults)

GEN Z VALUES/PREFERENCES:



are more likely to buy from brands that don't Photoshop or retouch people (compared to 26% of adults)



Gen Z places a premium on personalized experiences and a sense of community above affordability

These insights should shape your holiday campaign messaging as a brand marketer. You're not just selling to a demographic; you're engaging with a dynamic, values-driven community that expects authenticity and personalization. Your marketing strategies should reflect this understanding, emphasizing genuine representation and community-oriented messaging.

Sources: <u>https://passivesecrets.com/black-consumer-spending-statistics/</u>

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https://www.adweek.com/sponsored/19-surprising-things-about-gen-z-every-brand-needs-to-know/
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II. THE YOUNG BLACK CONSUMER LANDSCAPE: BEYOND THE NUMBERS

When developing your marketing strategies, look beyond surface-level statistics. Millennial and Gen Z aged Black consumers embody a dynamic, diverse, and increasingly affluent market segment that demands nuanced understanding.

A. ECONOMIC CLOUT

The young Black consumer market is a testament to the growing economic influence of this community. Millennials, now in their peak earning years, have matured in their spending habits, while Gen Z is swiftly growing theirs.



of our young Black community generate **\$75,000** or more in household income (BMG Survey Data)



QUOC BILLION in combined

spending power

22.2 MILLION **39**%

of Millennials & Gen Z in the U.S are Black

Your Takeaway?

- This is a market with significant purchasing power across multiple generations.
- Your marketing efforts should be tailored to resonate with established Millennial consumers and the emerging Gen Z powerhouse.
- Highlight your premium products and experiences to resonate with this affluent segment.
- Additionally, offer exclusive deals and loyalty programs to attract and retain these high-earning consumers.

B. HOUSEHOLD DYNAMICS

are primary household

These insights are crucial for your

marketing strategy. You're not just

addressing family units and primary

household purchases across multiple

appealing to individuals; you're

decision-makers who influence

of Black consumers in our community have children

decision-makers



Takeaway:

- Marketing messages emphasizing convenience, value, and quality for families can effectively engage this demographic.
- Highlighting educational and child-friendly products can appeal to Black parents.

Sources: BMG survey data

categories.

C. THE PARADOX OF INFLUENCE AND UNDERSERVICE

More than



of Black consumers aren't loyal to any particular brand

CHALLENGE

Many Black consumers are often located in "consumer deserts" with limited access to products and services.

Consumer Desert: a densely populated urban area where the nearest department store is ten miles away, and few residents own vehicles. In such scenarios, most people are left with whatever convenience stores are available nearby or online shopping.

OPPORTUNITY

Create mobile and online shopping solutions with reliable delivery services and establish pop-up shops in underserved areas to help bridge this gap. By addressing these access issues and tailoring your offerings to meet the specific needs of these communities, you can tap into an underserved market and build lasting brand loyalty.

Sources:

https://passivesecrets.com/black-consumer-spending-statistics/

https://www.adweek.com/sponsored/19-surprising-things-about-gen-z-every-brand-needs-to-know/

https://www.mckinsey.com/featured-insights/diversity-and-inclusion/a-300-billion-dollar-opportunity-serving-the-emerging-black-american-consumer https://www.pewresearch.org/social-trends/2021/03/25/the-growing-diversity-of-black-america/



III. THE BLACK CONSUMER PSYCHE: VALUES, INFLUENCES, & ASPIRATIONS

Black consumers are not just buyers but tastemakers whose choices influence mainstream brand and product adoption. Understanding their values and decision drivers is essential to earning their trust and loyalty.

A. BRAND VALUES ALIGNMENT

of Black consumers in our community say brands must share their values

75%

67%

of people decide what to buy based on a brand's diversity and inclusion record



These factors significantly influence purchasing decisions.

Are you actively supporting causes that matter to the Black community?

Is your corporate culture inclusive?



Moët Hennessy USA presents a great example with its sponsoring of the National Museum of African American History and Culture (NMAAHC) opening. Fenty Beauty is another brand that considers their community both in how they market and who they feature in their content and advertising.

Sources: Kantar's Brand Inclusion Index for 2024 | BMG Survey Data



B. REPRESENTATION IS KEY IN PURCHASE DECISIONS

Seeing themselves reflected in your brand's advertising is a powerful motivator for Black consumers. This goes beyond mere **tokenism**; it's about authentic representation that resonates with the community's diverse experiences and aspirations.



Takeaways:

- Ensure your advertising and marketing campaigns include diverse representation.
- Featuring Black models, actors, and influencers in your campaigns can create a sense of belonging and trust, encouraging Black consumers to choose your products.

C. THE "COOL" FACTOR

Winning over Black shoppers can pay dividends down the line, as their consumer choices create a halo effect, influencing mainstream trends. Their impact on popular culture is undeniable. This influence extends far beyond their direct spending power, shaping broader consumer preferences across demographics.



of Black consumers in our community self-identify as trendsetters



of Black audiences feel industry representation of their identity group is accurate

Takeaways:

- Hire individuals that are members of your target demographic.
- Highlighting Black consumers' cultural impact and trendsetting nature can enhance brand appeal and drive broader market adoption.

Sources: BMG survey data

Nielsen: Attitudes on Representation on TV Study October 2022



https://www.prnewswire.com/news-releases/nielsen-study-shows-media-industry-and-marketers-often-miss-the-mark-in-connecting-with-black-consumer s-301650294.html

D. DISCOVERY CHANNELS

60%

of Black consumers in our community discover new brands and products through social media ads or web browsing

This trend can be attributed to several factors. Young Black consumers often rely on digital word-of-mouth recommendations within their communities, finding peer reviews and shared experiences on social media highly trustworthy.

Cultural Relevance: Online discovery channels offer content that is more culturally relevant, allowing young Black consumers to connect with brands and products that reflect their identity and values.

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Support for Small Black Businesses: There is a strong inclination to support small Black-owned businesses, many of which have a significant online presence, making digital platforms the go-to place for discovery.

Underserved by Traditional Advertising: Many young Black consumers feel underserved or stereotyped by traditional advertising, leading them to seek out brands that authentically represent their interests and experiences online.



Higher Social Media Consumption: Studies have shown that young Black consumers have higher than average social media usage, making these platforms crucial for brand discovery.

Limited Retail Access: In some areas, fewer nearby retail options push young Black consumers to explore online shopping, where they can find a wider variety of products and brands.

LEARNINGS:

Black audiences have been ahead of the curve in reinventing the consumer funnel, heavily relying on social media for discovery. To effectively reach this audience, prioritize distributing engaging content and personalized ad experiences on platforms where Black consumers are most active.

Sources: BMG survey data



E. DEBT AND INFLATION FALLOUT



our community report inflation's impact on their purchasing

of Black consumers in their purchasing habits

This resilience underscores the importance of offering value, not just in terms of price but quality, representation, and alignment with community values.

TAKEAWAYS:



- Offer financial flexibility through promotions, discounts, • and installment payment options to accommodate Black consumers' financial pressures.
- As you craft your marketing strategies, remember that understanding these psychographic factors is just as important as demographic data.
- It's about connecting with a community that values authenticity, representation, and social responsibility.

Sources:

https://passivesecrets.com/black-consumer-spending-statistics/

https://www.adweek.com/sponsored/19-surprising-things-about-gen-z-every-brand-needs-to-know/

https://www.nielsen.com/wp-content/uploads/sites/2/2022/10/October-2022-Black-DIS-Report.pdf

https://www.voguebusiness.com/story/consumers/gen-z-broke-the-marketing-funnel



https://www.nielsen.com/insights/2018/black-impact-consumer-categories-where-african-americans-move-markets/

IV. SHOPPING HABITS: PRECISION IN PREFERENCES





When targeting Black consumers, it's essential to understand that they're discerning shoppers with clear preferences. They navigate a complex retail landscape, often paying a "Black premium" despite lower average incomes. Their choices are not just purchases; they're statements.

Sources:

https://www.investopedia.com/the-black-tax-5324177 https://www.nytimes.com/2024/04/26/us/black-americans-homeownership.html?unlocked_article_code=1.500.SUxF.zku9x65ldZX4&smid=url-share https://www.thequardian.com/books/2024/apr/22/black-tax-racial-wealth-gap-andrew-w-kahrl-book

A. ONLINE SHOPPING VS. IN-PERSON SHOPPING

The shift towards online shopping has been significant, particularly among African American Gen Z and Millennial consumers. This trend serves these demographics in several ways:

Accessibility: Online shopping bridges the gap in "consumer deserts," providing access to a broader range of products.

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Convenience: It allows for easy price comparisons and fits into busy lifestyles.

Representation: Online platforms often offer more diverse product ranges, including Black-owned businesses.

However, don't neglect the in-person experience. It can provide valuable opportunities for community engagement and personalized service when executed well.

B. PAYMENT TRENDS



of Black consumers in our community used pay-as-you-go or installment services in the last 12 months

Your payment options can significantly impact purchasing decisions. Consider implementing or promoting the following options to offer financial flexibility:

- Buy Now, Pay Later (BNPL)
- Flexible payment plans
- Clear, transparent pricing structures

These options can make your products more accessible and appealing to budget-conscious consumers without compromising quality or desirability.

C. SHOPPING PREFERENCES





2023

Black consumers spent **\$9.4 billion. 10% increase** compared to the **total market's 9%.**

Includes:



Black consumers continue to punch above their weight in the beauty industry, outpacing total market growth.

CHALLENGE

There's room for improvement in the shopping experience.

- Less than 1/4 of Black consumers said that salespeople could have sophisticated discussions about Black beauty brands and products
- Only 13% said that sales associates could make knowledgeable recommendations.

OPPORTUNITY

- Invest in training for your sales associates, particularly in understanding diverse beauty needs.
- Ensure representation in your beauty counters and sales teams.
- Offer a wide range of products suitable for diverse skin tones and hair types.



Black Americans are projected to spend



annually on automotive products by 2030

More than



of Black customers are not loyal to any particular brand, leaving tens of billions of dollars up for grabs.

CHALLENGE

- Black buyers often experience **discrimination.**
- They are twice as likely as white buyers to be **charged a dealer markup on vehicle purchases.**
- Black applicants are **less likely to be approved for car loans** than white borrowers with similar credit scores and incomes.

OPPORTUNITY

- Implement fair and transparent pricing policies
- Provide equitable financing options
- Train sales staff to provide unbiased, high-quality service to all customers



Takeaways:

- Leverage endorsements from trusted Black customers, influencers, and brand ambassadors, and ensure product availability to increase engagement and sales.
- Ensure your digital presence is strong, user-friendly, and reflective of the diversity within the Black community.

Sources:

https://passivesecrets.com/black-consumer-spending-statistics/

<u>https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/black-representation-in-the-beauty-industry</u> <u>https://www.nielsen.com/insights/2018/black-impact-consumer-categories-where-african-americans-move-markets/</u> BMG Survey Data



V. HOLIDAY SHOPPING: A SEASON OF STRATEGIC SHOPPING

A. THE MULTICULTURAL CONSUMER'S NEW WISHLIST

of Black consumers in our community **skip Black Friday and Cyber Monday,** choosing to shop before Thanksgiving or in December

of Black holiday shoppers in our community purchase for themselves while holiday shopping for others





Your holiday strategy should include:

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- **1. Extended Promotional Periods:** Don't concentrate all your efforts on Black Friday and Cyber Monday. Consider running promotions throughout November and December.
- 2. Self-gift Campaigns: Create marketing messages that validate and encourage "treat yourself" purchasing during the holiday season.
- **3. Early Bird Specials:** Capitalize on the pre-Thanksgiving shopping trend with early holiday promotions.
- **4. December Deals:** Don't let up after Cyber Monday. Many Black consumers are still actively shopping in December.
- **5. Flexible Shopping Options:** Offer both online and in-store experiences to cater to diverse shopping preferences.
- **6. Gift Guides:** Create curated gift guides that include self-gift options alongside traditional gift ideas.

The holiday season is not just about discounts. It's an opportunity to build lasting relationships with Black consumers by understanding and catering to their unique shopping patterns and motivations.

Sources: https://www.adweek.com/sponsored/19-surprising-things-about-gen-z-every-brand-needs-to-know/ BMG Survey Data



VI. ACTION PLAN FOR BRANDS

Now that you're armed with these insights, it's time to turn them into impactful strategies. Here's a recap on capturing the Black consumer dollar through authentic engagement, community investment, and a deep understanding of their unique needs and preferences.

A. EMBRACE MULTICULTURAL MARKETING



Remember, **"no multicultural strategy means no growth strategy."** A multicultural strategy is essential for brand growth.

YOUR ACTION STEPS:

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Develop targeted campaigns that speak directly to Black consumers' experiences and values.



Ensure diverse representation in your marketing materials across all channels.



Invest in research to continually update your understanding of this dynamic market segment.

B. ADDRESS ACCESS ISSUES

Innovate solutions for "consumer deserts" to make your products more accessible to Black consumers who may face geographical limitations.

YOUR ACTION STEPS:

Partner with local businesses for product distribution.

Implement mobile shopping solutions.

Offer free or low-cost delivery to underserved areas.

C. OFFER FINANCIAL FLEXIBILITY



of Gen Z consumers feel "grateful" to receive an exclusive offer



of Gen Z consumers appreciate follow-up emails for abandoned carts and limited-time offers

The high uptake of installment services indicates a need for financial flexibility. Make shopping more accessible and rewarding for your Black consumers, particularly Gen Z.

IMPLEMENT:



A variety of payment options, including Buy Now, Pay Later (BNPL) services.

Exclusive offers that trigger positive emotions



Follow-up emails based on site activity and engagement. Think abandoned cart and limited-time offer emails

D. DIVERSITY WORKFORCE AND PARTNERSHIPS

Ensure your internal diversity reflects the market you're trying to reach. This isn't just about optics; it's about having the cultural competence to create truly resonant marketing strategies.

STEPS TO TAKE:

Implement diverse hiring practices at all levels of your organization.



Partner with Black-owned businesses and influencers for authentic collaborations.

Invest in cultural competency training for all employees.

E. COMMIT TO COMMUNITY



of Gen Z consumers want brands to **support sustainability and climate change**



According to a study from <u>Brookings</u> that utilized modeling and survey data from Citizen Data, Black voters are more concerned about climate change than the national average, are less polarized, and are more likely to support climate policy initiatives.

ACTION STEPS:

Support Black-owned businesses in your supply chain.

Invest in educational initiatives in underserved communities.

Take public stands on social issues that matter to the Black community.

F. ENSURE EQUITABLE OPERATIONS

Improve the shopping experience through improved UX and leverage reviews. Remember, Gen Z is motivated by environmentally-minded and socially responsible brands.

In a recent <u>report</u>, Deloitte highlighted key concerns for Gen Z. These concerns included **cost of living (29%)** and **climate change (24%).** But uniquely, they're more focused on **mental health (19%)** and **sexual harassment (17%)** compared to previous generations. Moreover, **only 28%** anticipate economic improvement in the next year.



According to a recent <u>Nielsen</u> report,

38% of African Americans **aged 18 to 34 and**

41%

of those **aged 35 or older** expect the brands they purchase from to support social causes.

FOCUS ON:

Creating a seamless omnichannel experience.



Highlighting your sustainability efforts with specific, verifiable claims.

Encouraging and prominently featuring customer reviews.

By implementing these strategies, you're marketing to Black consumers and creating a brand that truly resonates with and supports the community. This approach will drive sales and build long-term brand loyalty and positive word-of-mouth in this influential consumer segment.

Sources:

https://www.nielsen.com/insights/2018/black-impact-consumer-categories-where-african-americans-move-markets/ https://www.adweek.com/sponsored/19-surprising-things-about-gen-z-every-brand-needs-to-know/ https://www2.deloitte.com/global/en/pages/about-deloitte/articles/genzmillennialsurvey.html



VIII. CONCLUSION: THE IMPERATIVE OF INCLUSION

Black consumers are

more likely to **switch brands** due to dissatisfaction.



As we conclude, we continue to emphasize that the Black consumer market is diverse and complex. Black consumer dissatisfaction represents both a challenge and an opportunity for businesses. Companies that effectively address the unmet needs of Black consumers can gain loyal customers and unlock significant market potential. By tailoring products, improving access, and creating authentic marketing, businesses can better serve this historically overlooked demographic and drive substantial growth.

Recognizing, respecting, and responding to the unique needs of Black consumers lets you tap into a market AND invest in the future of American commerce. The Black dollar isn't just strong; it's dominant. In today's diverse marketplace, understanding and authentically engaging with Black consumers isn't just good ethics—it's good business.

As you develop your marketing strategies, remember that authenticity is key. This guide's insights are not meant to be a blueprint for tokenism or surface-level engagement. Instead, they should serve as a foundation for building genuine, long-lasting relationships with Black consumers.

THANK YOU FROM BLAVITY MEDIA GROUP

Your brand has the potential to increase its market share and contribute positively to the Black community. By addressing the challenges highlighted in this guide—from consumer deserts to representation in beauty counters—you can make a real difference while also growing your business.

The future of marketing is multicultural, and brands that recognize and act on this reality today will be the leaders of tomorrow. So, take these insights, adapt them to your unique brand proposition, and create marketing strategies that resonate, represent, and respect the power of the Black consumer. The opportunity is vast, the potential for impact is significant, and the time to act is now. The team at Blavity Inc. can help brands authentically reach and connect with these audiences by leveraging their expertise in cultural trends, storytelling, and community engagement to create impactful campaigns that resonate with the unique experiences and aspirations of the Black community.

CONTACT US TO LEARN MORE.

