Targeted Food and Beverage Marketing to Black Consumers

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Presentation to the Communities Creating Healthy Environments (CCHE) Webinar on the targeted marketing of junk foods to communities of color
Presentation Outline

1. Background: obesity
2. Why focus on targeted marketing?
3. The process of targeted marketing
4. Examples of targeted marketing
5. Summary of academic research
6. Some complexities to consider
The Obesity Epidemic

- Obesity has increased among all age groups in the U.S.
  - Has tripled among children (ages 6-11) and adolescents (ages 12-17) since 1980.
  - Approximately 15% of youth aged 2-19 are obese.

- The numbers mask significant differences by age, gender, and ethnicity
Obesity Among 12-19 year olds
BMI > 95th percentile (2003-2006)

Obesity Among 2-5 year olds
BMI > 95th percentile (2003-2006)

Prevalence of Obesity: Adults 20 Years or Older

Why focus on Target Marketing?

• Marketing is a system designed to affect consumption.
  – Affects the awareness, availability and attitudes about food and beverages
  – Influences consumer choice

• Targeted marketing environment may hinder or limit effect of general initiatives.
Black Consumers and Marketing

- Attractive target for marketers; one of the fastest-growing segments and trendsetters.

- Food marketing may be synergistic with underlying audience characteristics.
  - Media usage patterns
  - Consumer orientation
  - Response
Youth Media Usage by Ethnicity

Total Media Exposure, by Race/Ethnicity

<table>
<thead>
<tr>
<th></th>
<th>Among all</th>
<th>White</th>
<th>Black</th>
<th>Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV content</td>
<td>4:29</td>
<td>3:36</td>
<td>5:54</td>
<td>5:21</td>
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<tr>
<td>Music/audio</td>
<td>2:31</td>
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<tr>
<td>Computer</td>
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<td>Video games</td>
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<td>1:25</td>
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<td>Print</td>
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<tr>
<td>Movies</td>
<td>:24</td>
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<td>:43</td>
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<tr>
<td><strong>TOTAL MEDIA EXPOSURE</strong></td>
<td><strong>10:45</strong></td>
<td><strong>8:36</strong></td>
<td><strong>12:59</strong></td>
<td><strong>13:00</strong></td>
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Note: Statistical significance should be read across rows, by section.
Defining Marketing

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

(American Marketing Association 2008)
The Target Marketing Process

**Segment**: Find ways to group consumers according to their needs e.g. Demographics, usage, purchase behavior

**Target**: segment(s) toward which to direct marketing actions e.g. African-Americans, light users, frequent customers

**Position**: Take marketing actions to reach target segments

4 P’s
- Product
- Price
- Place
- Promotion
This new report provides an in-depth analysis of the attitudes and behavior of African-American consumers. With a population exceeding 38 million and with buying power projected to exceed $1.1 trillion in 2012, African Americans remain a crucial part of the American consumer economy.

The report examines how food, drink and personal care manufacturers should address this growing market, dispels common myths and provides key insights into best practices.

How can you benefit from this report?
* Assess current and future trends for new product development;
* Understand ethnic market drivers, nuances and pitfalls, identify best practice examples in targeting ethnic consumers.
Targeted Marketing Environment

Product Strategy
- Types of Food
- Packaging
- Portion Sizes

Distribution Strategy
- Food outlet Presence
  - Fast food
  - Supermarkets
- Variety and quality of food available

Price Strategy
- Actual Prices
- Relative Prices
- Cost to Access

Promotion Strategy
- Advertising
- Sales Promotions
- Sampling
- Cross-promotions
- Cause-Related
The Psychology of Target Marketing

- Distinctiveness
- Similarity
- Identification
- Persuasion
Target Marketing Example

- Radio and TV ads feature Venus and Serena Williams.
- Tom Joyner highlights ‘little-known black history facts’ and lauds McDonald’s sponsorship.
- Black history posters in stores, black music month celebration and Kenyan vacation raffle.
- Booklets distributed to youth through school program co-sponsored by McDonald’s and Coca-Cola.
Soft Drink Target Marketing

- Consumption of sweetened beverages contribute to weight gain, obesity, diabetes, and dental decay.

- Heavy targeted marketing of soft drinks to African Americans
  - Major companies have had “special units” since the 1930’s.
  - Research suggests African-Americans targeted disproportionately relative to Whites.
Price-based Marketing

The Dollar Menu appeals to lower-income, ethnic consumers.
It’s people who don’t always have $6 in their pocket.

Steve Levigne, McDonald’s vice president for U.S. Business Research (Warner 2011)
Digital Marketing
Research on Targeted Marketing to African Americans

- Research has also documented that food and beverage marketing to African Americans is oriented toward less healthful products
  - advertising and other promotions
  - digital marketing
  - store locations and variety

- Review of research
Are African Americans more likely to be targeted with unhealthy foods than White consumers?

Systematic review of empirical research related to targeted food marketing to African-Americans.

What types of food and beverages are African-Americans made aware of, do they have access to, and what do they cost?

Search identified 20 articles from 1992-2006. Data was limited but consistent.
Summary of Review Findings

• Promotion dominated by low cost, low nutrition energy dense food products such as candy, soda and snacks.
  – Positive nutritional messages less frequent

• Relative to predominately white neighborhoods, predominately Black neighborhoods:
  – have fewer supermarkets, and healthier food choices may be less prevalent.
  – have a higher density of fast food outlets
  – yet fast food may cost significantly more
Some Complexities

- Consumers may see no problem with food marketing
- Food marketing may provide benefits to Black consumers
- Black businesses may also benefit
- Food marketers may come from the community
QUESTIONS OR COMMENTS?