

THE NEW MAINSTREAM

How the Multicultural Consumer Is Transforming American Business

By Guy Garcia, author, *The New Mainstream: How the Multicultural Consumer Is Transforming American Business*

In the blockbuster comedy *Anchorman*, a local-TV news team led by Will Farrell has a West Side Story-style showdown with a rival news crew in an empty parking lot. As they face off for a fight, Channel 2 News joins the fray, followed by the local public-TV counterparts. Suddenly, maracas and mariachi horns announce the arrival of the Spanish-language news team. As the Latino newsmen, led by a mustachioed Ben Stiller, storm in waving machetes and whips, someone remarks, "Well, it looks like we got ourselves a bilingual bloodfest."

The scene is played strictly for laughs, but the social awareness it draws upon is no joke. In *Anchorman*, as in real life, Spanish-language TV is a force to be reckoned with, and its inclusion in a mainstream comedy film is a clear signal of its arrival as a player in American media. It is also a subtle reminder that the United States is in the midst of a socio-cultural shift that goes far beyond the fact that Univision—and other foreign-language networks like it—have entered the national consciousness.

So what exactly has changed, and why does it matter?

To be sure, most Americans know that if present demographic trends continue, European non-Hispanic Whites will eventually be outnumbered, that Hispanics have overtaken African Americans as the national largest minority, that foreign-born immigrants—both legal and undocumented—are changing the flavor, texture, and look of American neighborhoods, schools, and churches. They know that these newcomers are from many different countries and every race and speak many languages, though often not English. They might also know that salsa long ago replaced catsup as the country's most popular condiment, that Oprah can make or break a book, and that people of color can—and do—run major corporations and win national races for political office. They know that the world's greatest golfer is black, and the world's most famous rapper is a White man named Eminem.

But what most Americans don't realize is that the culturally charged images they see on TV and at the mall are just the visible tip of a deeper, more fundamental change. This transformation cuts across corporations, institutions and organizations and is putting a trans-national spin on the increasingly global realms of business, politics, and media.

Wider than a movement and deeper than a trend, this New Mainstream of multicultural consumers is an unprecedented intersection of demographic and economic forces that are remolding the rhythms and textures of American society and changing the way companies devise, develop, and market their products and services.

Today, the 80 million Blacks, Hispanics, and Asians living in

the United States make up more than one-fourth of the country; by 2050, non-Anglos will represent at least 47.2 percent of the population. Hispanics, Blacks, and Asians are already outpacing the rest of the United States in terms of population and income growth. The combined consumer buying power of African Americans, Latinos, Asians, and Native Americans is already growing much faster than that of non-Hispanic Whites, predicted to rise to \$1.5 trillion by 2009 from \$456 billion in 1990, an increase of 242 percent. Over the same period, the buying power of Latinos, already the nation's largest ethnic group, will reach \$992 billion, while the buying power of African Americans will rise to \$965 billion.

As a group, the nation's non-Anglo minorities purchase more consumer goods than the general population, are more brand-loyal, and collectively represent other important new social patterns, influencing everything from images in advertising to attitudes about religion, family, education, and the afterlife. What happens when so-called minorities become the new majority? What happens when the periphery becomes core?

Led by the growing statistical and economic clout of Hispanics, Blacks, Asians, and other so-called minorities, the New Mainstream is a loose but sweeping coalition of groups that, for myriad reasons, have been forced to forge an identity outside the old mainstream.

The new mainstream is taking hold in places where you'd least expect it.

The New Mainstream flows across age, race, sex, and region and is transforming how America will eat, work, play, learn, and spend in the coming years and decades. But the ultimate significance of the New Mainstream is greater than the sum of its many parts. The explosion of ethnic buying power is only part of the story.

Even as population trends and the profit-driven interests of corporations converge, they are being joined by a potent third force: the rise of the so-called "knowledge workers" or "creative class." This group, often referred to as "explorers," "first adopters," or "taste makers," tend to be not only tolerant of communities and cultures that are not their own but also more likely to find value in—and actively seek out—experiences and customs that add flavor, variety, and diversity to their lives. These are the people who bought tickets to see *The Motorcycle Diaries*. These are the consumers who turned the Afro-Cuban undulations of The Buena Vista Social Club into a music-industry phenomenon.

From 20th Century Fox to Procter & Gamble, from Aetna to General Motors, corporations are finally getting the message that diversity makes sound business sense and that understanding the sensibilities of New Mainstream consumers is the key to tapping that market. Businesses are also learning that navigating the New Mainstream requires changes that go far beyond hiring a few people of color in their marketing department. New Mainstream thinking is both strategic and tactical, with implications that reach from the stockroom to the boardroom.

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Allstate Insurance Co., after successfully reaching out to Hispanics and African Americans, launched a campaign targeted at the Chinese community in New York City, which has one of the highest concentrations of Asian Americans in the country. By translating its slogan, "You're in good hands with Allstate," into Mandarin and Cantonese, the company hoped to pitch a sense of security to Chinese foreign-born immigrants, who make up 65 percent of the U.S. Chinese population. Allstate used local community partnerships, ethnic media advertising, and in-language promotions and materials to educate potential customers on the psychological and economic benefits of insurance.

Such efforts have had a measurable impact on Allstate's bottom line. After investing \$60 million on marketing to Latinos in the late 1990s, the Illinois-based insurer saw its business among Hispanics increase from \$1 billion to more than \$2 billion.

The National Association for Stock Car Auto Racing (NASCAR) has launched a "Drive for Diversity" program to develop and showcase minority drivers and mechanics in an effort to tap the sport's expanding ethnic fan base. According to an ESPN sports poll, NASCAR's White fan base declined by 14.6 percent between 1995 and 2001, compared to increases of 631.3 percent for Hispanics, 111.7 percent for Asians, and 17.8 percent for Blacks. NASCAR, which claims a fan base of 75 million and runs about 90 races a year in 25 states, hopes to build on the 6.4 million Latinos and 2 million African Americans who follow the sport. NASCAR races are currently broadcast in about 100 countries. The Association, which acknowledges that its diversity effort is aimed at boosting audiences in the U.S. and abroad by making itself more reflective of multicultural audiences, ran its first race in Mexico this year.

New channels targeted to Latinos, African Americans and Asians are changing the face of the media—and the faces we see in the media. Si TV and Voy are testing the waters of English-language programming aimed at assimilated Latino audiences, while AZN, (formerly International Channel) targeting the Asian population, is following a similar trajectory. At the same time, advertisers are figuring out that culturally and racially diverse programming helps them connect with consumers of all colors, and that New Mainstream icons like Tiger Woods, J-Lo, and P Diddy can fuel the sales of not only records, movies, and golf but also SUVs, cosmetics, and credit cards.

The New Mainstream is taking hold in places where you might least expect it. The symbiosis between immigrants seeking work and the booming communities of the Creative Class are reshaping the nation's demographic profile. It's no coincidence that America's fastest-growing communities—Las Vegas, Atlanta, and Charlotte, N.C., to name three—also have some of the nation's fastest-growing Latino and immigrant populations. As middle-class Whites and assimilated

ethnic groups migrate to new towns and suburbs outside major population centers, they are followed by immigrants seeking entry-level jobs in construction, restaurants, and secondary labor markets created by the growing local economy.

It is an idea symbolized by the unfinished pyramid on the Great Seal of the United States, an emblem of American idealism commissioned by the first Continental Congress and later placed on the back of the one-dollar bill by Franklin Delano Roosevelt to remind the world that the United States was a country still in the process of being completed, a nation continually being redefined and reinvigorated by newcomers of different cultures and races.

As the demographic and economic currents of the New Mainstream converge and swell, the redefinition and affirmation of democratic principles—the universal right to life, liberty, and the pursuit of happiness—are being advanced simultaneously on multiple fronts: the aspirations of immigrants and minorities seeking to realize their version of the American Dream, the balance-sheet aspirations of corporations eager to tap the ballooning influence and buying power of the nation's ethnic minorities, and the financial windfall being enjoyed by cities and towns whose cultural riches are a magnet for the diversity-loving legions of the

Creative Class. The blending of these powerful interests, and the ways they are transforming every aspect of American life, represent the very definition of the multicultural consumer and the driving force behind The New Mainstream.

The multicultural consumer and the American consumer are one and the same. Americans come in every color and socioeconomic stripe,

they are U.S.-born and foreign-born, they speak dozens of languages, yet they are united by shared aspirations and a common capacity for transformation, evolution, and growth. As geo-relational databases, psychographic profiles, and behavioral models slice and dice the mind and heart of the American buyer, the images and messages of the media are reflecting and projecting thousands of different Americas, each one a piece of a larger picture that is only beginning to come into focus.

The "experiential economy," in which consumers place a greater value on things they can experience, is evolving into the "transformational economy," through which products, services, and experiences make consumers different, better people. Only by being transformed together, in a mutual recognition of our common destiny as a people of many peoples, a race of many races, a nation of many nations, can we attain and complete the apex of the unfinished pyramid on the one-dollar bill.

Diversity and dollars have become symbiotic and intrinsically linked. The new color of money is black, brown, red, yellow, and white. When the mix is right, everybody wins.

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