
The ‘New Majority’ growth opportunity

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In the US and beyond there are huge growth opportunities in diverse audiences. Ronald Méndez, Managing Partner & Multicultural Lead at MediaCom USA, explains how brands can benefit.

The way our industry describes the process of engagement with multicultural audiences in a meaningful way has changed throughout my 20-year career; from multicultural marketing to marketing to a multicultural nation to Total Market. With each evolution the goal was to be more inclusive, more holistic.

It's not been smooth sailing – with every step there has been pressure to move further and further away from understanding the details of these audiences and closer to a one-size-fits-all approach. We've become great at finding the thread that brings everyone together,

but less good at understanding the nuances among these growth audiences that allow brands to build meaningful and long-term relationships.

Getting this right is increasingly critical for brand growth in many markets. The US population, for example, is currently undergoing a seismic shift and multicultural audiences are playing an increasingly important role in the demographics and economy. Today, this community account for about 40% of the population, but this collective “minority” group accounted for more than 80% of the total US population growth over the last 10 years.

A “New Majority” tipping point is expected to occur by the year 2045, when multicultural audiences will account for over 50% of the U.S. population. In fact, among individuals under the age of 18, 52% of the population is already ethnically diverse (US Census, 2020)

It shouldn't come as a surprise that this community represents a growth engine for the US economy, accounting for \$3.9 trillion in buying power (Selig Center for Economic Growth, 2019). This demographic change is already having a profound impact on many of our clients' businesses, resulting in double digit growth across key categories/verticals. Some recent client research identified that if the US Hispanic market was a country, it would be the second-biggest market globally for one OTC allergy treatment, with annual dollar sales worth almost \$90 million more than Russia. Additionally, six US States already have a population where the multicultural community is the majority.

This kind of market power explains why GroupM teamed up with eight of the US's leading media owners to create the [New Majority Ready Coalition](#), designed to help brands adapt to these changing demographics and help them adapt their audience planning and media strategies.

The coalition – which includes Disney, Google, iHeartMedia, Meredith Corporation, NBCUniversal, Twitter, Univision and Viacom – has been developing new tools that ensure media investment strategies are as well developed as brand owners' initiatives on diversity, equity and inclusion, allowing them to benchmark their performance.

As we move into 2021, the number of brands activating against multicultural audiences has more than doubled since launch, almost tripling Y-O-Y overall investment and we are continuing to conduct multiple brand assessments that influence long-term business plans.

Teams will continue to evolve to a more inclusive approach in developing audience strategies and assessment of media partners that engage with audiences more authentically.

While this scale of population transformation is specific to the US market, such understanding is also critical in other countries. In the UK, MediaCom has already [committed](#) to transforming its media planning efforts to ensure that diverse audiences are no longer only considered for specialist briefs.

Inclusive Planning is designed to ensure the agency's work truly reflects the diverse population of the UK – [14% identified as Black, Asian or Minority Ethnic in the last census](#) – ensuring advertising is relevant and effective. As with the US New Majority Ready initiative, MediaCom UK will be working with external consultants to boost understanding and engagement with these audiences.

Globally, there are three key areas brands need to consider to stay one step ahead:

- **Self-Assess:** Evaluate whether your organisation is structured to address and meet the needs of multicultural audiences. Understand your knowledge gaps and build a learning plan to fill them.
- **Starting Points:** Don't assume that your brand health is consistent across segments. Brand challenges may differ by audience and require different tactics.
- **Commitment:** Manage expectations and set realistic goals. Don't expect to have results immediately especially if this is your first time to engage a new audience. The same due diligence applied for "general market" should be applied for multicultural audiences. If you first don't succeed,

regroup, adjust and try again.

Every single market in the world is in constant transition, with an influx of new populations and cultures. As new cultures come in, culture evolves, there is acculturation and assimilation but there is also fusion. Brands that can adapt to these shifting patterns of consumer culture will have a business advantage.

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