

# Multicultural Mindset

How brands are creating strategies to connect with ethnically diverse Millennial audience segments

**Y**ou could say that Moët Hennessy USA has some really established brands. Among its 12 spirits, Dom Perignon was created in 1668, Moët & Chandon was established in 1745 and Ardbeg came to be in 1815. However, keeping these revered brands fresh and engaging to a younger consumer is a challenge.

"To be relevant today our brands must appeal to Millennial multiculturals," says Manny Gonzalez, senior director of multicultural programs at Moët Hennessy USA. "This is our consumer target. Forty percent of Millennials are multicultural. We're talking about making sure each of the brands in the portfolio are executing a universally appealing strategy. That everything is rooted in a single core brand strategy."

For Moët, and other marketers, the stats are clear: the face of the U.S. consumer is changing rapidly. More than one-third of the U.S. population is Asian American, African American or Hispanic. Strikingly, by 2019, some 135 million U.S. consumers will make up these three groups, according to Geoscape. The internal discussions among marketers on strategy are plentiful and passionate.

For Moët to execute on its strategy, it focuses where large populations of multicultural Millennials live. Those include urban markets in California (67%), Texas (62%), Florida (52%), Georgia (51%) and New York (49%).

Social and digital are the main communication channels. Forty-five percent of the marketing budget is dedicated to digital this year and Gonzalez expects that number to rise for 2016.

The strategy also calls for engaging Millennials emotionally and going out with messaging that is culturally relevant, not just based on language.

"It's not about pounding over someone's head some cultural elements," he says. "You don't want to come across as patronizing or alienating a certain segment that you're trying to reach, so a cultural wink might be the most impactful."

While Moët may have its multicultural strategy in place, a new survey has found that the conflicts within organizations over multicultural marketing are slowing these efforts.

Just over half of marketers, 51%, claimed that they have a multicultural marketing initiative in place, according to an August 2015 survey from the CMO Council. Even so, 32% described the efforts as

experimental. Another 36% claim it was a strategic move and 27% said it was "mission critical" for their organizations.

The reasons given by companies for not having such initiatives was that it simply wasn't a priority (36%), insufficient budgets (34%) and having a total-market strategy in place that would address multicultural marketing (26%).

Support from the corner office is lacking. More than

*Continued on page 3*



## A SPIRITED STRATEGY

### 5 TIPS FOR CONNECTING WITH A DIVERSE CUSTOMER BASE

Manny Gonzalez, senior director of multicultural programs at Moët Hennessy USA, shares five tips for connecting with a multicultural audience.

#### 1. Authenticity

Moët Hennessy used the example of being authentic with its more than 2-year partnership with multi-platinum recording artist Nas.

"He has unparalleled credibility from limited marketing exposure," Gonzalez said. "The audience embraced Nas because he brought us the most authenticity. He allowed the brand to power the example of the "Never Stop. Never Settle." campaign platform. We tested him in key markets with Hispanic and Asian Millennials and he was universally embraced because of the history of his talent. He passed consumers' critical sniff test."



"Hennessy x Nas: The Ride" video part of the "Never Stop. Never Settle." campaign.

#### 2. Be inclusive

Moët Hennessy uses sports to broaden and deepen its Millennial reach.

The NBA is global and multicultural with universal appeal to Millennials.

For 11 years, the NBA has been drawing attention to black heritage through celebrations in January and February. That made a good match for Hennessy, which celebrates Black History Month. It formed a partnership with the Cleveland Cavaliers that played out across P-O-P events at home games and other marketing efforts.

"We didn't want to spend zillions on having a full blown league sponsorship, but if there was a unique opportunity that fit with our brand strategy we would take it," said Gonzalez.

#### 3. Expansive reach

Using a popular figure that has long tentacles as an influencer can offer a brand great reach. To that end the company welcomed Dominican baseball player Hanley Ramirez back to Boston as a Red Sox player. There was a Hennessy-branded event around the campaign, "Never Stop. Never Settle." and tweets about the brand message from Ramirez. Latinos and baseball go together, Gonzalez said.

#### 4. Mainstreaming

If a James Bond film isn't mainstream, I'm not sure what is. In the 2015 film "Spectre," a Mexican bond girl, played by Stephanie Sigman, appears for the first time. Belvedere vodka partnered with Sigman, who appears in the opening sequence of the film. She also has roles in "Miss Bala" and "Narco."

"We promoted the partnership through online video and featured a 30-second TV spot with Stephanie and a behind the scenes video where she talks about working with Belvedere and her favorite martini. She was also featured in POS displays.

#### 5. Cultural

To integrate the largest champagne brand in the U.S., Veuve Clicquot, marketers made sure to tie to events that were cultural relevant. For example, it tied to Dia de los Muertos (Day of the Dead) with VIP events and extended those events to key on-premise accounts. It is also in its third year sponsoring a benefit for El Museo del Barrio in New York City.

And last year, the brand held an event in Los Angeles with UNICEF and invited Mario Lopez to elevate the Mexican-American essence.

"It has to be honest and sincere," Gonzalez said. "You can grow your audience by incorporating your history in a culturally relevant program."

*Continued from page 1*

half of respondents (55%) reported a lack of buy-in from the CEO and 60% said the board of directors is not on board. Marketers are the ones who truly get that multicultural marketing should be a priority, with 66% getting support from the CMO and 70% from brand management.

"Although marketing seems to understand the importance of multicultural efforts based on these numbers, without support from the top of the organization, marketing will be fighting a losing battle in terms of organizational commitment and budgets to execute on these initiatives," the CMO Council wrote.

That lack of support equates to a lack of budget dollars with 54% of those surveyed reporting only 0% to 10% of the overall marketing budget is allocated for multicultural marketing and only 14% reported more than 25%. When determining how much to allocate to multicultural marketing, 53% said it was based on growth goals, 49% on ROI and 48% based on the number of multicultural consumer targets. One respondent wrote in a disheartening comment, "what's left after everything else," according to the CMO report.

"Without making this critical area of marketing a priority, companies risk missing out on not only immediate sales, but also a lifetime of revenue that could be generated by building loyalty from these consumers," the CMO Council noted.

Despite the fact that marketers understand the importance of a multicultural marketing strategy, the lack of support and dollars is hampering efforts. Even so, marketers surveyed said multicultural marketing efforts will continue to increase in importance, with 16% expecting significant increases, 37% anticipating it will increase in importance somewhat, 33% see things remaining steady and just 2% saying it will decrease in importance.

The picture changes dramatically, however, with those organizations that market to individual segments (8%) of respondents. This group considers multicultural marketing mission critical and has a strong commitment from the CEO that is backed by budgets.

## SOCIAL FIRST

Allstate Insurance has committed to multicultural marketing with a social-first strategy to engage individual segments: LGBT, Hispanic and Asian/Indian communities.

To reach the LGBT community, Allstate turned to its long-term, highly recognizable tagline, "You're in Good Hands," paired with the simple image of two clasped hands.

"We understood the fear that same sex couples have of holding hands in public," Georgina Flores, vice president, integrated marketing communications at Allstate Insurance, said at the recent ANA Multicultural Marketing Conference.

*Continued on page 5*

**Thinking about your operational approach to the new mainstream consumer, how would you characterize the manner in which those efforts are deployed?**



Source: CMO Council

Even those marketers who are executing multicultural efforts, the majority (71%) are using a shared approach



## SURVIVING THE “DUMP” STOLI CRISIS

It was the summer of 2013 when Russian President Vladimir Putin sponsored the “Anti-Propaganda Law,” which at its core sanctioned violence against the LGBT community in Russia. Stoli Vodka, the largest and most well known Russian product in the U.S., immediately became the symbol of American outrage again the law.

The backlash was swift. It focused its sights on Stoli. “Dump Stoli” parties were staged at bars across the country. Bloggers and LGBT community leaders went crazy. Journalist and LGBT activist Dan Savage pushed out the message: “Seattle’s bars, gay and straight, must dump Stoli” among others encouraging boycotts. Competitors were quick to take advantage of the situation taking over Stoli shelf space and pushing out anti-Stoli propaganda. During some local events run by “Stoli Guy,” the brand ambassador, boycotts and protests took place making it difficult, if not downright scary, for people to enter the event or even support the event.

“Because we have Russian heritage—it’s on our bottle—we were the target because we stood for Russia,” Maria Lisanti, director of marketing east and control, Stoli Group USA, said at the ANA Multicultural Marketing Conference.

At the same time the Russian crisis hit, Stoli was working to launch the Stoli Group U.S.A. in America—an offshoot of parent SPI Group—to better market the spirit here and trying to ramp up staff.

“We were presented with a huge challenge,” she said. “We became a target of outrage. It was a difficult time for us from a business perspective and trying to get Stoli on its feet in the U.S. We were trying to get a company started and it was damaging information without a lot of the truths being out there.”

What wasn’t clear to the public, however, and those calling for a boycott, was that the grains for Stoli Vodka came from Russia, while the process was finished and the alcohol was bottled in Latvia. Add to that, in 2010 Putin made it illegal to bulk ship alcohol outside of Russia, so Stoli was no longer a product of Russia, even though the bottles still carried the words “Russian Vodka.”

“There were a lot of misguided stories,” Lisanti said. “We had to think about trying to educate people about the Stoli history and on top of that that our views are very different than what is being experienced in Russia.”



A poster encouraging a boycott of Stoli Vodka

Stoli had to act fast. It was losing relationships, sales and productivity. It went dark, other than a brief statement on its website: “Stoli stands strong and proud with the global LGBT community against the attitude and actions of the Russian government.” The CEO posted an open letter supporting the LGBT community.

“We didn’t know how to react,” she said. “We kind of just put a Band-Aid on it. We wanted to make sure we said the right thing. We needed subject matter experts.”

Stoli hired Edelman to lean on and guide it through the crisis.

“One thing we learned, lean on subject matter specialists. There are so many ways this could have gone,” Lisanti said.

The PR team got information out to CNN, the beginning of the education process that would eventually turn things around. In time, the Huffington Post, The Advocate, The New York Times, Sirius XM, Buzz-Feed and NPR came to Stoli’s aid. A New York Times reporter even traveled to Latvia to validate the production process.

At the same time, the Stoli team hit accounts of bar owners and reached out to distributors one-on-one to get the story straight and held focus groups.

*Continued on page 5*

*Continued from page 4*

President John Esposito met with The Association of LGBT Journalists and CenterLink, the coalition that supports the development of LGBT community centers. The groups asked for help in terms of resources for its communities and to fight bullying. Stoli pledged \$300,000 over the next three years in a partnership with the Los Angeles Gay & Lesbian Center.

Stoli had its playbook back in hand.

"It was critical to keep our lines of communication open with distributors, the sales force, the global team and the media and PR agency," Listani said. "We addressed all negative comments within six hours and put out written responses within 24 hours."

Today, the word "Russian" is no longer part of the Stoli label, although it still appears on some shelves due to the large amounts of inventory. It has been replaced with "Stoli The Vodka." Print ads include the words "All People are Equal. All Vodkas are Not."

#### KEY TAKEAWAYS:

- Write a crisis communication plan—even if you think you don't need one.
- All stakeholders must have an important role and stick to the script.
- Listen, but stay hyper focused on the key message.
- Activities within any community must be authentic and real.

**STOLICHNAYA® PREMIUM  
VODKA STANDS STRONG &  
PROUD WITH THE GLOBAL  
LGBT COMMUNITY  
AGAINST THE ATTITUDE &  
ACTIONS OF THE RUSSIAN  
GOVERNMENT**

*Continued from page 3*

During a strategy meeting, one team member shared the experience of being on a two-week trip and never having held hands in public. That insight led to new messaging.

"Everything worth holding onto is worth protecting. Everyone deserves to feel protected and safe no matter who they are. Everyone deserves to be in good hands," she said.

The campaign started with print and out-of-home.

"We knew we had a good campaign, but we didn't realize the response we would get," Flores said. "We got more unpaid impressions than paid. We had LGBT media talking about Allstate being an advocate for the community and to switch to Allstate. We got letters and emails from customers. What happened was really the definition of something going viral. We decided we had to do more."

Allstate went social, working with popular LGBT advocate, musician and songwriter Eli Lieb. He wrote a song and created a video, "Safe in my Hands," for Allstate. The supporting hashtag #OutHoldingHands was created for people to share photos.

"The video received over 10 million views online, but what was really meaningful for us is that Allstate was named among the 10 overall top brands among the LGBT community," said Flores.

The brand also launched [lgbt.allstateonline.com](http://lgbt.allstateonline.com) as a virtual chain of people holding hands. Some 2.2 million have participated so far.



Popular LGBT advocate, musician and songwriter Eli Lieb wrote a song, "Safe in my Hands," for Allstate that was expressed through video.

"You have to take a stand and embrace all that follows," she said. "It's our duty to be advocates; to stand up for segments that are underrepresented, and frankly mistreated, even if it brings [unwanted] attention to our brand."

The insights it learned in the LGBT community were that they are skeptical of support from big companies that can seem really superficial, especially insurance companies.

"You have to share a lot of personal information. There are complicated insurance laws," Flores said. "We had challenges, but we learned that companies that get it right have much more loyalty so we realized that we really had to get it right."

*Continued on page 6*

Continued from page 5

## CREATING MAYHEM

To reach Hispanics, Allstate leveraged equity it already had in place, even if it meant taking a risk.

Mayhem, the Allstate advertising character played by Dean Winters, is a metaphor for disasters that might befall anyone. After the five-year-old campaign took off, the next challenge was translating that concept to the Hispanic market.

"There is no literal translation of Mayhem," Flores said. "In the general market he personifies all the bad things that can happen. But Hispanics blame circumstances, not a person."

This challenge led Allstate to create "Que Mala Suerte," or "That Bad Luck." The character is a Spanish man where unfortunate sets of circumstances—not the man himself—create hilarious chaos. In one video, "Juego de la garra," or Claw Game, Mala Suerte pulls a black cat shaped like a ball from the game and gives it to a little boy standing nearby. The boy gets into his family's car, falls asleep and the ball slips from his hands and rolls under the brake pedal. You can guess what happens from there.



"We saw four times the engagement with his fans and followers than the industry average," she said.

Fast forward to the 2014 World Cup, a cluttered advertising environment where Allstate worried that it wouldn't gain traction if it didn't "own" anything. The insight was that Hispanics believe that both skill and luck are required in soccer.

"We had lots of debate and some unhappy meetings, but we decided this was the perfect place to instigate trouble with soccer players. In social media, Mala Suerte encouraged fans to send bad

luck to their team's rivals and to demonstrate how unpredictable luck can be.

"He provided real-time video responses for all matches and took credit for the follies on the field, like when Brazil regrettably scored on itself and Spain's early elimination from the tournament," she said. "Mala Suerte was there from the kick off from first match to the final whistle in last game," she said.

The results were positive. The hashtag was the No. 1 trending hashtag in the U.S. during the opening World Cup match. It drove 20,000 new fans on Facebook and Twitter in six weeks, site traffic increased 500%, but perhaps most importantly, insurance quotes were up 20%.

## CREATING AN ASIAN CONNECTION

The Asian/Indian marketplace is the fastest growing ethnic population in the U.S., has higher income compared to other segments and spends more than the general market. They are insurance savvy and like the personal touch of an agent.

"It's music to an insurance companies ears," Flores said.

"We needed to make the brand relevant by showing them we know how they truly live, that they are bi-cultural, succeeding in the U.S., but holding on to tradition; that they are living a better life in the U.S. and that's a direct result of their own effort and they understand the value of all they have to lose," she said.

The messaging that emerged was that "we understand what you have achieved because of your hard work and we can protect what you have," she said. The creative—print and video—picked up design elements from Indian textiles and cultural nuances from traditional spices the culture uses.

"We demonstrated that Allstate agents respect tradition and will be good partners," she said. "We increased brand consideration and are exceeding online metrics that we put in place." !



Patricia Odell  
Senior Editor, Chief Marketer  
podell@accessintel.com  
@CM\_Patty Odell

## ABOUT CHIEF MARKETER

The Authority on Measurable Marketing: Our mission is to seek out the best in measurable marketing intelligence—and then analyze, summarize and organize it for marketing and C-level executives.