Connecting Cross-Culturally

Reaching Multicultural Audiences in Moments That Matter

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As the voice and purchase power of the multicultural consumer continues to grow, and as shoppers increasingly engage with businesses that respect their individuality, brands are recognizing the importance of diversifying their marketing strategies. Otherwise, those brands risk leaving a huge percentage of their market underserved — depriving themselves at the same time.

In this report, you will learn how important it is to build a custom multicultural marketing strategy; one that works as well for your customers as it does for your brand.

Sources:

- 2022 Aki Diversity, Equity, & Inclusion Custom Survey, 1,000 US Census-Balanced Respondents
- 2022 Aki Consumer Personalization Custom Survey, 1,000 US Census-Balanced Respondents
- Third-Party Publications (cited where used)

The Value of Unique Engagement

Purchase Behavior: A Feature of Personalization

As much as it may be an industry buzzword in 2023, "personalization" is an art form that plays a critical role in multicultural marketing. Shoppers of all backgrounds want to see more of themselves in the products, services, and touchpoints they engage with. And when they do, they're far more likely to take action.

Through our custom consumer surveys, we've discovered that a personalized shopping experience will affect how 87% of consumers shop with a brand. Some will choose to engage with that brand more often, others will hold that brand in a higher regard — and 41% admit that they would simply spend more in a highly personalized shopping environment.

[Rough-in – Requires Product revision] *Aki Tip:* To activate a personalized campaign that better resonates with your individual consumers, use Aki's personalization capabilities to identify and target audiences through first-party demographic, purchase, and location data.

Inclusivity Improves Your Relationship with Consumers

Over half of shoppers have chosen to spend more with a brand because of how inclusive that brand's advertising appears. Another 41% have engaged with a new brand for the first time for the same reason.

And this effect is not limited to awareness or sales lift — consumers' overall perceptions of brands, new or familiar, are impacted by how that brand supports diverse communities. Black (85%), Hispanic (84%), Asian (84%), and LGBTQIA (86%) audiences say that these efforts make them like companies more. Source

What do shoppers appreciate about brands' efforts to emphasize diversity and inclusivity?

- 56% It's more relatable
- 46% It shows a brand's awareness of their environment
- 37% It allows me to see myself in the brand

Multicultural Initiatives Increase the Size of Your Market

By 2026, multicultural consumers will have over \$4.3 trillion dollars in spending power. Since 2021, this power has increased significantly:

- <u>5-vear percent increase in spending power (2021-2026)</u>Source

	+27% Native American shoppers +25% Black shoppers
+32% Hispanic snoppers	

This year, some 78M digital purchasers will represent diverse backgrounds and ethnicities — and as shown, these consumers will appreciate engagements that reflect their individuality.

So how do you build a bespoke marketing strategy that is respectful, motivating, and meaningful to individual multicultural consumers? First, you have to understand the **person** behind the **purchase**.

How Diverse Audiences Approach Shopping

Ad-Attentive Audiences

Attitudes toward advertising tend to be more favorable among multicultural shoppers. Asian and LatinX adults in particular are less likely to care about advertising if it means they receive free or discounted content — think ad-supported television or audio streaming. And, multicultural audiences are overall 10-20% less likely to feel annoyed by advertising that reflects their recent search history compared to white audiences. Source

Between the preference for social content, especially digital video, and increasing consumer spending among multicultural audiences, it's also no surprise that creator content is particularly impactful on purchase behavior — even up to 33% more effective for LatinX consumers, for example. Source

[Rough-in – Requires Product revision] <u>Aki Tip:</u> As diverse audiences move across channels — and pick up purchase inspiration along the way — leverage Social Unbound to extend the power of creator content beyond social platforms and into new environments across multiple screens (i.e. CTV, DOOH) as an authentic yet scalable way to maximize reach.

Making Sense of Multi-Media

87% of the total US population prioritizes digital video (download or streaming) as their preferred form of media content. But, digging deeper, it becomes clear that multicultural audiences are pushing that percentage higher — 88% of Asian and Black adults, and 91% of LatinX adults, consider digital video to be king. Source

Overall, visual- and video-based experiences tend to resonate more with multicultural audiences compared to forums or discussion platforms like Facebook or Twitter. **YouTube is the most popular social platform among multicultural audiences**, who also visit **Instagram 11% more**, and **TikTok 7% more** compared to the total US population. Source

A Diverse Shopping Journey

Multicultural audiences' preferences for digital video content and social media extend into product discovery and research. While individuals of all demographics do prioritize search engines to learn more about a product, multicultural audiences are more likely to get information from video sites and social media.

Finding Product Info on Video Sites:

- 28% of Asian adults
- 27% of LatinX adults
- 27% of Black adults
- 24% of Total US

Finding Product Info on Social Media:

- 27% of LatinX adults
- 27% of Black adults
- 26% of Asian adults
- 24% of Total US

Source

Overall, different preferences make the shopping journey distinctive for consumers of multicultural backgrounds. For example, LatinX and Black adults are more likely to trust celebrity endorsements, while Asian adults are up to 22% more likely to make purchases from a laptop. Source

[Rough-in – Requires Product revision] <u>Aki Tip:</u> Approach each shopper uniquely, and within their preferred shopping channels, with contextually-relevant messaging based on their individual signals and behaviors through Moments Media.

Brands That Are Doing This Well[See comment]

Personalization Prompts Purchase

A snack company sought to increase usage occasions and sales of its products at key retailers. Aki developed an action-inspiring campaign featuring personalized mobile video and animated banners. Using first-party demographic, purchase, and location data, Aki identified and targeted three specific audiences during four key occasions across multiple retailers.

The results:

- 3.7% sales lift in personalized versions, compared to 0% in non-personalized versions
- 2x higher engagement in personalized versions
- \$1.5M in incremental sales
- 449,953 permutations

- \$4.90 ROAS

Audience-Aware Digital Video Drives Lift

A healthy food brand wanted to drive awareness and sales at priority retailers during key seasonal occasions. The campaign leveraged CTV ONE, which uses patented personalization technology to dynamically deliver relevant and diverse creative. Ads were served in moments of high receptivity amid programming by ensuring that duplicates were not shown.

The results:

- 46% lift in sales for the brand's products
- QR code scans increased across creative variations, improving audience engagement with the brand

Creators Inspire Conversion

A leading international family entertainment and media enterprise wanted to inspire purchases among families and collectors/fans across several of its product lines at Walmart. Aki leveraged Creator Audience Insights to custom-curate family creators who shop at Walmart, and who have an affinity sharing the brand's product lines, ensuring brand and category fit. The content was promoted to drive traffic to the retailer via paid social targeting using 1st party purchase data.

The results:

- 3x higher add-to-cart transfers than estimated, exceeding goal
- 26,370 products carted for a single-campaign monetary value of \$407,766
- 2x Media ROI for a single campaign
- 33.85M+ impressions across all campaigns.

3 Multicultural Marketing Strategies

Personalize Messages at the Right Moments

[Rough-in – Requires Product revision] As shoppers of all backgrounds navigate their own consumer journey, leverage Aki's Moments technology to pair pivotal moments in that journey with messages that are personalized to their individual contexts and preferences. Deliver different advertising messages depending on their location, the device they're using, unique search terms, transaction data, and even the local weather.

Connect With the Most Impactful Creators

[Rough-in – Requires Product revision] Take advantage of Aki's Audience Insights to find the perfect creator voice and most receptive audiences on social. Ensure both creator and audience fit — going beyond the typical geographic and demographic parameters — by

leveraging over 70,000 audience attributes based on factors like retailer affinity, granular interests, and brand engagement and more.

Maximize the Value of Digital Video

[Rough-in – Requires Product revision] Lean on the popularity of digital video among multicultural audiences to broaden your reach while tackling the biggest problem with CTV advertising — repetitive ads. Aki's CTV ONE solution enhances your creative to evolve with a new message at every play. Layer in personalization by integrating unique elements informed by your audience's contextual signals to boost receptivity and engagement.

What You Can Do Now

In this report, we discussed the importance of recognizing shoppers' diverse backgrounds and understanding the nuances of multicultural audiences' shopping experiences. The next step is to consider your own shopper engagement strategy — is it working as well as it can for your brand? Is it doing its job for your entire audience?

Make use of the 3 recommended strategies and 3 brand success stories to better engage shoppers of all backgrounds. To learn more about how you can empower your advertising with personalization that engages and inspires consumers during their most receptive moments, <u>contact Aki Technologies</u>.

Aki Technologies, the Media Division of Inmar Intelligence® empowers brands and retailers to reach people by targeting pivotal moments in the consumer journey with personalized advertising. With four personalization patents, Aki's award-winning technology dynamically tailors advertisements in the moment based on region, weather, timing, and other historical and present factors. Proprietary transaction data elevates targeting precision, allowing advertisers to reach audiences according to their buying habits, informed by an exclusive deterministic data set. To learn how to reach people with personalized advertising during their most receptive moments across mobile, digital out of home, connected TV, desktop, social media and in-store displays, visit www.a.ki.