THE POWER OF
VALUES-DRIVEN MARKETING TO
BLACK CONSUMERS

TABLE OF CONTENTS

RESEARCH TEAM:

Melissa Hansberry, Michael Viveiros, Damian Benders,
Danielle Hester, Rusty Weston

ABOUT B CODE AND MY CODE

B Code is a data-backed digital media entity focused on understanding Black audiences and culture. B Code authentically reaches, informs and connects Brands with these audiences in the digital spaces they embrace most. Our mission is to empower brands and provide them with the right tools and resources to deliver meaningful and culturally nuanced messaging for Black audiences backed by proprietary data intelligence. Our marketing expertise, innovation, and resources make B Code one of the few digital media agencies that can provide it all: Media, Creative, and Data Sourcing. Through B Code's Publisher Network, we provide digital publishers with growth opportunities and access to increased ad revenue in order to dismantle investment disparities. Our overall insights-driven approach provides a constant pulse on ever-changing Black American sentiments, preferences, and habits.

OVERVIEW

Black consumers have long preferred authentic rather than purely transactional brand experiences. Many brands build or nurture customer loyalty by developing heartwarming media campaigns and sponsorships or seizing in-person opportunities to express their shared values to current or prospective customers.

But after several challenging years of a global pandemic, socioeconomic shocks, and social justice events, including the protests surrounding the deaths of George Floyd and Breonna Taylor, have audience values shifted? What must brands do to win the hearts of most Black consumers? A new nationwide study of this audience suggests that the old playbooks might need a rethink.

The Intelligence Center from My Code fielded the B Code Cultural Touchpoints Study of Black American consumers in September 2022 to 2,495 respondents. The study finds that many Black consumers do not trust the word of an advertiser or their advertisements and seek confirmation that a brand's public commitments and their actions in the community speak louder than its words. Should brands begin to focus on evolving Black consumer attitudes?

The answer is yes — most major advertisers have embraced the simple truth that Black consumers cannot be considered or marketed to as a monolith, and Black consumer attitudes continue to evolve rapidly as societal and economic factors impact the audience in various ways. Marketers should not expect Black consumers to march in lockstep about politics, purchases, identity, or cultural preferences. Another My Code Intelligence Study conducted in late 2021 found that only two-in-five Black adults feel brands and companies understand them very well, on average.[i]

In short, brand inaction speaks just as loudly as action to Black consumers. This study which explores the power of values-driven marketing, finds that Black consumers are increasingly exerting the power of their wallets — demonstrating a willingness to pivot when brands fail to meet their evolving expectations. Amid prolonged economic and social uncertainty, Black consumers' economic power remains significant and continues to grow at a faster rate than the country as a whole.[ii]

THE HIGH GROUND IS CLEAR

Values-driven brands enjoy a decided edge in reaching Black consumers.

According to our study, most Black consumers try to buy exclusively from purpose-driven brands. However, there are two significant complications that will be explored in this whitepaper. First, not every brand understands how to demonstrate and sustain a commitment that will earn the loyalty of Black consumers. Second, nearly half of Black consumers indicate that they often cannot determine whether a brand shares their values.

THIS STUDY FOCUSED ON SEVERAL KEY OBJECTIVES:

1. Do Black consumers feel a meaningful sense of loyalty toward purpose-driven brands and companies and, if so, why?

2. Can we better understand the landscape of cultural touchpoints for Black consumers and how to navigate them in media strategies?

3. Which events, if any, should marketers fund and sponsor to communicate their brand's commitment to positively impacting the lives of Black consumers?

This whitepaper will explore why brands should harness the power of values-driven marketing to Black consumers, identifying which values and cultural touchpoints signify an authentic commitment to reaching and supporting the target community. In addition, this whitepaper pinpoints multiple opportunities to connect with the Black consumer across various seasons, holidays, and cultural events throughout the year.

STUDY HIGHLIGHTS

The full study covers a wide range of consumer attitudes and behaviors. Here we present **5 key highlights** which provide insight and context to the power of values-driven marketing to Black consumers.

KEY HIGHLIGHT #1: CONTRIBUTING FACTORS

The study reveals 13 contributing factors that are meaningful to Black consumers in determining if a brand is values-driven, cares about the target community, and can be trusted to deliver on promises. Gaining clarity on what audiences are responding to is a big step forward, but meeting all 13 of these factors that are most likely to lead to positive brand sentiment won't be easy.
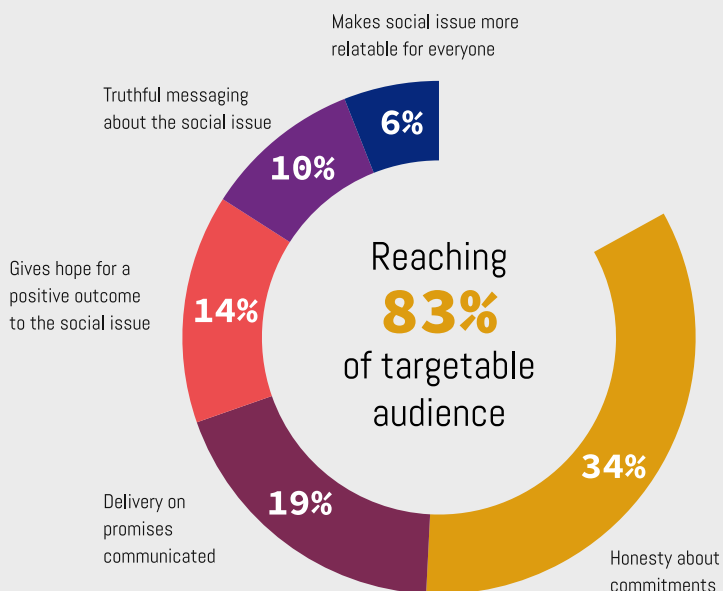
RANKING OF IMPORTANCE TO BLACK CONSUMERS

1. Delivery on promises communicated

2. Honesty about commitments

3. Truthful messaging about the social issue

4. Intentions reflect the values they communicate

5. Provides a clear perspective on the social issue

6. Gives hope for a positive outcome to the social issue

7. Transparent messaging

8. Provides unique information or perspective on the social issue

9. Makes social issue more relatable for everyone

10. Consistent messaging

11. Social issue opinions communicated are relevant to my life

12. Social issue opinions communicated as soon as something happens

13. Messaging about social issue connects with me emotionally

KEY HIGHLIGHT #2: OPPORTUNITY FOR REACH & RESONANCE IS GREAT

Executing all 13 factors can present a challenge for brands. Among the 13 factors, we've identified a subset of five (5) that together have the strongest possible impact and can positively "reach" 83% of the targetable audience of Black consumers. Brands that place emphasis on these areas have the potential for the highest incremental reach with the least amount of factors required: honest messaging about brand promises; truthfulness about social issues; relevance to the consumers' life; hope for a positive outcome; and delivery of the promises.

Makes social issue more relatable for everyone — 6%

Truthful messaging about the social issue — 10%

Gives hope for a positive outcome to the social issue — 14%

Reaching **83%** of targetable audience

Honesty about commitments — 34%

Delivery on promises communicated — 19%

KEY HIGHLIGHT #3: VALUES-DRIVEN BUILDS LOYALTY

66%

51% of Black consumers try to buy exclusively from purpose-driven brands. Two-thirds of Black consumers say that understanding the brand's purpose is extremely important in their decision-making process. Two-thirds (66%) of Black consumers feel proud to associate themselves with purpose-driven brands.

KEY HIGHLIGHT #4: FUZZY MESSAGES CRASH LAND

55%

Nearly half of the Black consumers we surveyed (48%) say they don't understand many companies' true brand purpose. Only 19% do. Three in five Black consumers who don't understand a brand's purpose think that it's important that they do. And 55% of Black consumers who aim to buy exclusively from purpose-driven brands concede they have difficulty identifying "a lot of companies' brand purpose."

KEY HIGHLIGHT #5: PROVE IT (OR SHUT UP)

74%

Trust is a perennial issue for Black Americans and the marketers who try to reach them. Black consumers express concern about validating the honesty of messages they receive and evaluating the depth of brand commitments. Nearly three in five (59%) Black consumers say they are "getting fed up with brands/companies that act in ways that don't match their stated brand purpose." Nearly three in four (74%) say they support brands/companies with a believable brand purpose.

Marketers navigate a dizzying array of options to reach their target audiences, but choosing the right channels is just one piece of a successful campaign. Perhaps a bigger challenge, particularly among Black audiences, is that winning consumer trust is not getting any easier. Considering the wide range of competition for consumer attention, it becomes clear that gaining a market-moving level of trust and loyalty is very difficult.

Despite the abundance of media at our fingertips, many Americans are still unaware of the corporate initiatives that impact their community. Many brands pledge to "give back" and "do good" by donating money to local causes with social, environmental, or philanthropic objectives. Many brands that make community investments do so under the auspices of Corporate Social Responsibility (CSR) or, more recently, Environmental, Social, and Governance (ESG) initiatives. ESG or CSR teams often measure their progress to see whether they're moving the needle on various causes.

The ESG and corporate social responsibility teams may post on the company blog about their initiatives and hope to spread the word via social channels. But the message often fails to reach Black consumers. There are multiple reasons why this disconnect can emerge. There are brands that launch programs or make significant investments that benefit the Black community, but they often harbor concerns that widely publicizing their efforts will alienate other vital audience segments. Even if that concern was partly justified, it might prove short-sided.

We are left with an essential question: How do some brands demonstrate a persuasive level of commitment while other companies fall short? The first step is to ensure that your brand understands how its brand values connect or impact social purpose initiatives. Consumers demand that these two be in alignment before the brand has any chance of successfully addressing questions of the marketing message or communication best practices. Without a compass or a map, it is difficult for marketers to hit any target efficiently.

CONSUMER SENTIMENT

74%   I support brands that have a brand purpose that is believable

72%   I support brands that have a brand purpose that is relevant to me

69%   I think brands with a clear purpose are different than ones without a clear purpose

68%   I love purpose-driven brands

67%   I think brands should deliver more than products/services to their communities

66%   I am proud to associate myself with purpose-driven brands

63%   I feel a stronger sense of loyalty towards purpose-driven brands

62%   I feel a stronger connection with purpose-driven brands

56%   I am getting fed up with brands that act in ways that don't match their stated brand purpose

CONSUMER BEHAVIOR

67%   I buy from brands that support the Black community

64%   I buy from brands that operate in a way that benefits society

64%   I buy from brands that are purpose-driven

63%   I am likely to defend a purpose-driven brand

51%   I try to buy exclusively from purpose-driven brands

NOTE: Respondents who agree/strongly agree
SOURCE: Intelligence Center from My Code, B Code Cultural Touchpoints Study of Black American Consumers, September 2022 | Base: Black Consumers (n1,246)

THERE IS NO ONE-SIZE-FITS-ALL PLAYBOOK

As brands look to successfully convey brand values or purpose in a way that connects with consumers and drives interest and loyalty, it is often helpful to review examples that are setting the standard in effective communication. While there is no easy answer, we see that it is difficult to top the classic, one-two punch of making a public commitment and then following up with a specific and quantifiable expression of that commitment.

BEN & JERRY'S

Few brands aspire to match Ben & Jerry's brand activism or support for racial justice. Yet, consider their approach. When the Vermont-based brand introduced "Pecan Resist" ice cream in 2018, they described it as a "movement to lick injustice." Importantly, they followed that up by donating a total of $100,000 to four progressive causes, demonstrating that they weren't grandstanding for the sake of publicity.[iii]

SEPHORA

When Sephora, the cosmetics retailer, launched a campaign in 2021 called "Black Beauty is Beauty," they spotlighted Black traditions and underscored their commitment to diversity, equity, and inclusion, which it calls a "DE&I Heart Journey." Following the Black Lives Matter movement in 2020, Sephora signed a 15 Percent Pledge to carry more Black-owned cosmetic brands.

This year, the retailer and other US brands partnered with Open to All, a nonprofit, to "design and implement actions that mitigate racial bias from the shopper experience." A brand's inclusivity efforts increase its authenticity with Black consumers.

AT&T

AT&T's Dream in Black initiative honors and supports "iconic Black future makers and everyday heroes." Billed as a contest, AT&T's Rising Future Makers program selects 25 HBCU students, providing each with $5000 along with a 5G phone, one year of AT&T service, and access to expertise and career opportunities.

Participants are asked to submit a video explaining how they're "making waves and doing incredible things in their community and on campus." AT&T backed that up by announcing that it "spent $3.1 billion with Black-owned suppliers," keying its diversity and inclusion commitment.

Though some brands may favor a stealthy approach, regulatory forces are pressing for greater transparency, and consumers will inevitably learn about a brand's ESG investments. US and European regulators have adopted ESG disclosure requirements, and the EU Corporate Sustainability Reporting Directive will go into effect in 2023, affecting American brands operating in Europe.[iv]

In a time of heightened ESG awareness and DEI sensitivity, Black consumers are investing more time now researching the brands they choose to use. In the next several years, it seems likely that the information consumers require to better understand brands will become far more accessible.

DEMOGRAPHIC IMPLICATIONS

Multicultural marketing involves a realization that as demographics define markets, they also define the future. For instance, Gen Z is not shy about what they believe brands should be doing to impact their communities. We collected a few open-ended responses from Gen Z survey respondents that reflect their affinity for transparency and authenticity.

> *They should incorporate the overall ideology into the brand. It should be a strong part of company culture. Not just putting up a politically obligated commercial but understanding the human beings that could be potential customers they are impacting.* — MALE, 18-24

> *I think they should be open and honest about their stance no matter how popular or unpopular their opinions are so that they'll attract consumers that value the same things and will be more loyal and supportive to their brand.* — FEMALE, 18-24

> *I think they should be open and honest about their stance no matter how popular or unpopular their opinions are so that they'll attract consumers that value the same things and will be more loyal and supportive to their brand.* — FEMALE, 18-24

Among Gen Z, those born between 1997-2012, only 57% of 18-to-24-year-olds somewhat or strongly agree that they buy from purpose-driven brands or companies — 7% below the average for all Black adults.

The study also suggests that Gen Z is more difficult to impress and potentially more skeptical of the claims brands make. When 18-24-year-olds were asked about understanding a company's brand purpose, the data suggested that it may simply be harder for younger adults to read the 'purpose' signals brands send. When this demographic were asked about their level of agreement with the statement: "I don't understand a lot of brands/companies' brand purpose," 39% indicated they neither agreed nor disagreed, which was the highest across generations. Brands should consider how effective the established communication methods are in reaching Gen Z. Are the messages missing them because they simply aren't aimed at them?

The study indicates that multicultural values alignment is progressing quickly, yet nonlinearly among young Black consumers.

For example, among Black adults, 57% of 25- to 34-year-olds and 56% of 35- to 44-year-olds are significantly more likely to buy from purpose-driven brands than older generations.

THE IMPORTANCE OF CULTURAL TOUCHPOINTS

Black consumers are paying close attention and are very aware of the typical list of national holidays, and events brands have been investing in over the past few years. In the study, 66% of respondents agree or strongly agree that brands should continue participating in events celebrating Black culture.

Traditional tentpole events such as Black History Month, Juneteenth, Black Music Month, and HBCU Homecoming might be considered table stakes at this point in developing a well-rounded plan to engage the Black consumer.

TABLES STAKES TENTPOLE EVENTS

76% HBCU HOMECOMING

71% BLACK HISTORY MONTH

60% JUNETEENTH

52% BLACK MUSIC MONTH

SOURCE: Respondents who consider attending concerts/festivals, consider attending sporting events, feel holiday is extremely/very important, consider watching award shows, HBCU students that have attended or plan to attend HBCU homecoming tailgate SOURCE: Intelligence Center from My Code, B Code Cultural Touchpoints Study of Black American Consumers Part I, September 2022 | Base: Black Consumers (n1,249)

The data suggests that support of these traditional events continues to resonate with Black consumers and that there is more opportunity to expand and deepen the relationship by adjusting the approach. To move beyond what the audience expects and begin to build stronger affinity-based relationships with Black audiences will require brands to develop a new understanding of what consistent and ongoing engagement looks like at various times across each calendar year.

In section 1 of this whitepaper, we reviewed a set of factors that Black consumers consider in understanding relevancy and commitment from brands. 'Consistency in messaging' will lead to positive results across all demographics within the Black community, and brands can lean into a broader set of cultural tentpoles, holidays, and events to create authentic engagements with this target audience.

> **"**
> 65% of Black consumers agree that brands that engage with the Black community year-round have earned their trust.

SOURCE: Intelligence Center from My Code, B Code Cultural Touchpoints Study of Black American Consumers Part II, September 2022 | Base: Black Consumers (n1,246)
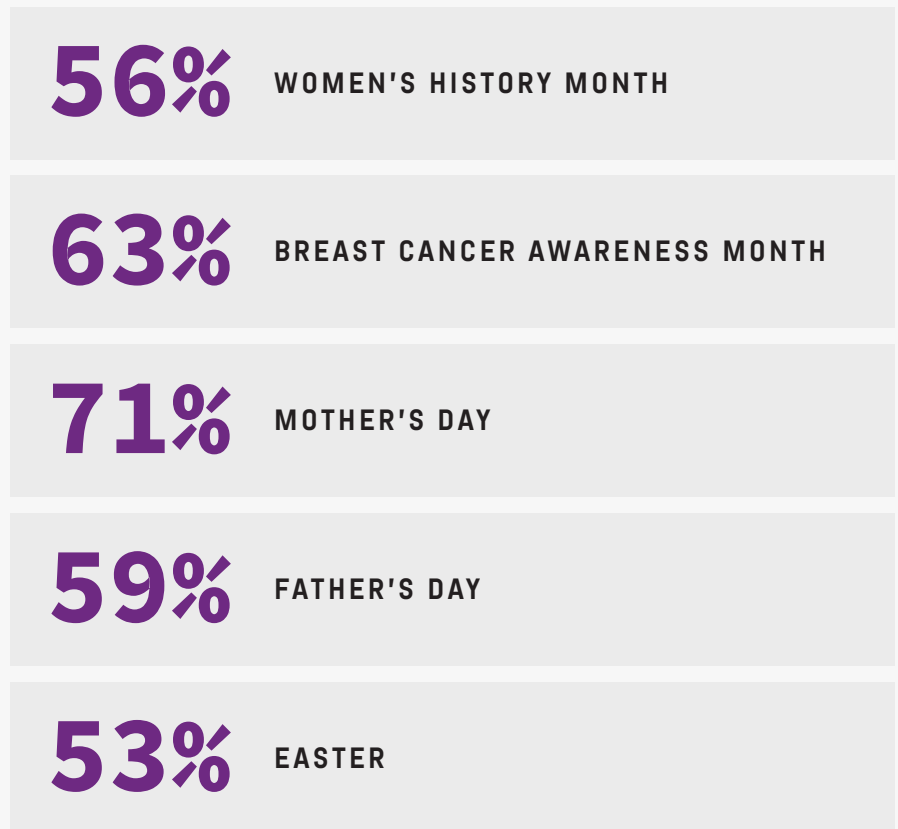
CULTIVATING LOYALTY & REACH WITH ADDITIONAL TOUCHPOINTS

To nurture ongoing authentic connections, advertisers should lean into solution-based tactics that lead with cultural data insights, community partnerships, and year-long engagement.[v] An 'always on' approach is more likely to be received well and engender support as it provides multiple opportunities to counter the skepticism among Black consumers that brands will not follow through on their promises.

This study indicates that Black consumers have a high interest and high affinity for a wide variety of events and holidays beyond the typical touchpoints that brands sponsor most.

Everyone knows that major holidays are popular touchpoints, but Black consumers do not always feel that brand messaging speaks to their specific experiences with those holidays. Brands looking to make deeper connections with the Black audience can consider activating additional holidays with a message tailored and customized to reflect the Black experience.

PERCENTAGE OF BLACK ADULTS WHO SAY THESE CULTURAL EVENTS ARE VERY/EXTREMELY IMPORTANT TO THEM PERSONALLY:

56% WOMEN'S HISTORY MONTH

63% BREAST CANCER AWARENESS MONTH

71% MOTHER'S DAY

59% FATHER'S DAY

53% EASTER

While major holidays present traditional opportunities to drive home your messaging, this study was developed to push further and understand where else the Black consumer can be reached and engaged. We explored key affinity categories like sports, music, and lifestyle with the intention of beginning a roadmap for brands and advertisers to activate programs beyond the typical. The study results are categorized and grouped as follows.

The study results identified a large group of highly resonant cultural touchpoints across four major categories. Below you will find the description of the category as well as the top 3 most impactful touchpoints. For expanded touchpoint lists for each category, please contact your B Code cultural expert.

HBCU

The community around Historically Black Colleges & Universities is vast and continues to grow in impact well beyond current students and alumni. What are the best opportunities to activate year-round rather than merely during Homecoming celebrations?

1. SPRING BREAK
2. FOOTBALL CLASSIC
3. BACK TO SCHOOL WEEK

Awards

Parts of the Black community emphasize celebrations of Black excellence, so does the Award season matter anymore? Which award shows resonate and will drive affinity?

1. BET AWARDS
2. NAACP IMAGE AWARDS
3. ACADEMY AWARDS

Sports

Marketers know that Black consumers consistently have a high affinity for Basketball, Football, and more. Which events are highly engaged consumers most likely to attend or watch? Does brand support for those events lead to positive sentiment?

1. SUPERBOWL
2. NFL PLAYOFFS
3. NBA FINALS

Concerts / Festivals

The world of live music has been a powerful anchor for marketing for a long time, but is there a particular set of events or activations that would cater to the Black consumer?

1. BET EXPERIENCE
2. ROLLING LOUD
3. ESSENCE FESTIVAL

SOURCE: Intelligence Center from My Code, B Code Cultural Touchpoints Study of Black American Consumers Part I, September 2022 | Base: Black Consumers (n1,249)

UPDATING YOUR MARKETING STRATEGY

There is no one size fits all solution because the audience and the world they navigate are increasingly complex and nuanced. We can and should look to best practices as brands and agencies endeavor to better connect with the audiences they covet.

So what steps should your organization consider to create a deeper and more rewarding relationship with Black consumers?

- **ALIGN INTERNAL BRAND VALUES WITH SPECIFIC GOALS AND ACTIONS.**
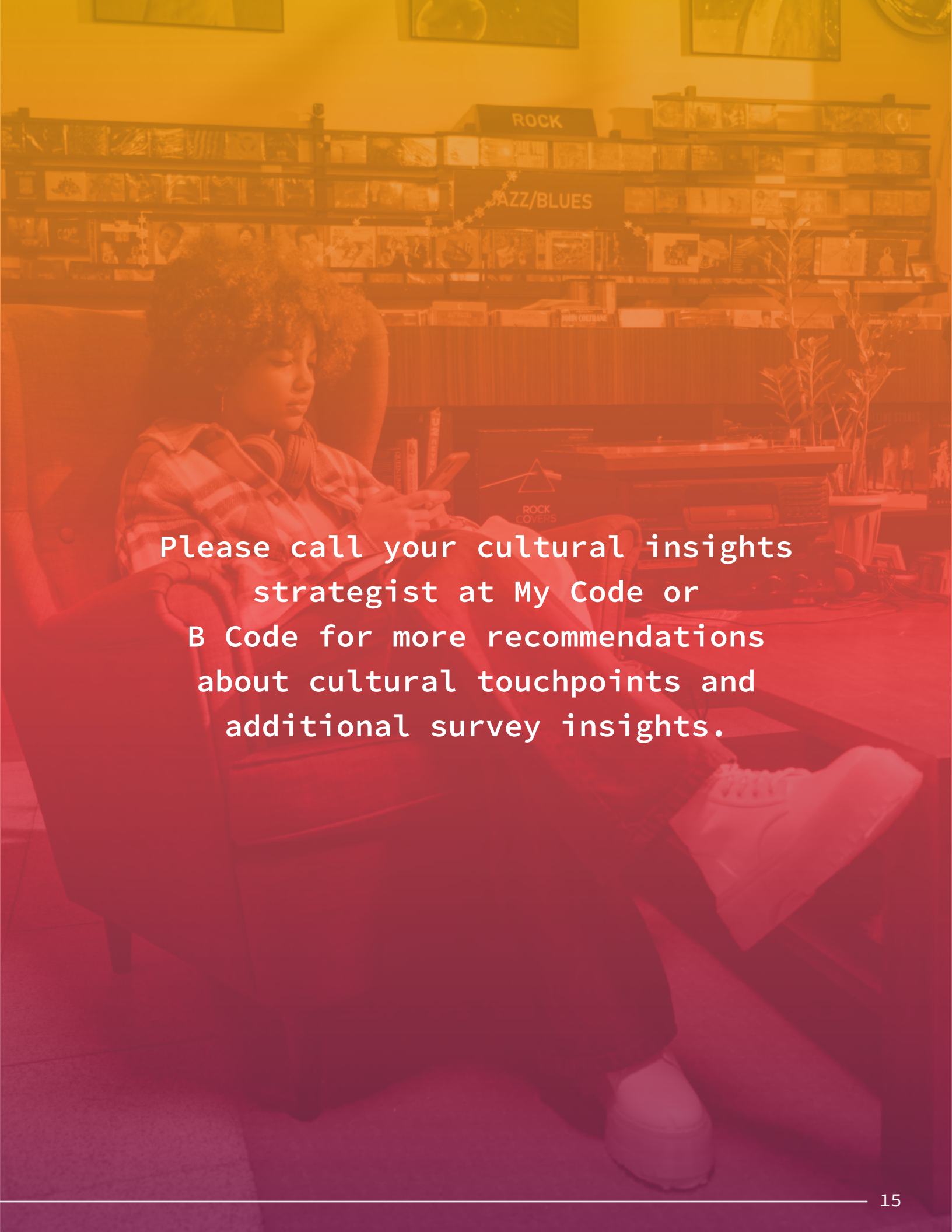 Consumers want to support brands that share their values, but vague or nonexistent messaging about the real connection between your brand's values and the actions the brand is willing to take only hinders attempts to grow and cultivate Black customers.

- **SHARE LOUDLY AND ACROSS DIVERSIFIED CHANNELS TO ENSURE THE MESSAGE REACHES THE TARGET.**
  If your brand believes that doing only limited promotion or announcement of the brand's purpose and community impact will help to avoid controversy, the findings in this study suggest that brands are likely conveying an indifference to your target customers that will be difficult to reverse.

- **EXPAND COMMUNITY SUPPORT AND CAMPAIGN INITIATIVES THAT REFLECT YOUR BRAND VALUES THROUGHOUT THE CALENDAR YEAR.**
  If the work is truly important to your ethos, the consumer expects that you address the community more often than one month or one week per year. Values-driven Black consumers are the majority of this target audience and they are clear that tapping into a broader array of cultural touchpoints is an essential way to demonstrate understanding, authenticity, and commitment.

ENDNOTES: [i] Intelligence Center from My Code, Industry Vertical Insights Study, October 2021, US Adults 18-64; [ii] World Bank, World Development Indicators database, World Bank, July 2021; [iii] Vox, Ben & Jerry's donating $100,000 to 4 progressive causes https://www.vox.com/the-goods/2018/10/30/18043054/ben-jerrys-political-pecan-resist; [iv] KPMG, US Company impact of EU ESG reporting requirements https://frv.kpmg.us/reference-library/2022/european-esg-reporting-directive.html; [v] My Code Intelligence Center, Black Consumer Fact Pack, June 2022

Please call your cultural insights
strategist at My Code or
B Code for more recommendations
about cultural touchpoints and
additional survey insights.

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**For more information, reach out to
team@bcodemedia.com or visit bcodemedia.com**

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