

Diversity Performance as a Factor in Marketing Programs: A Comparative Analysis across Ethnic Group Target Audiences

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The realization that ethnicity can/should be used as a valid and appropriate segmentation variable has been in place for over fifty years. This research will explore the issue of how a firm's diversity performance is featured as a component in their marketing plan. The study utilizes content analysis to examine advertising placed in six periodicals. These periodicals consisted of a business magazine, and a magazine targeting a female audience, for each of three market segments. The three segments are general (or, non-ethnic) readers, African-American readers, and Latino-American readers. Findings indicate that firms place ads that showcase their diversity activities in minority publications at a much higher rate than they do in publications targeting a general audience. Implications of these findings for firms directing ad placement, media firms, and consumers are discussed.

INTRODUCTION

For some time, advertisers have looked to customize the look and feel of their message in accordance with the makeup of the targeted audience. There has been a fair amount of research describing the portrayal of racial minorities in advertising. The customized approach seems to have been well received. Blacks have been shown to display more positive attitudes toward the advertisement and the product itself when Black models are portrayed. In addition, general (non-ethnic) audiences have shown to react positively to the increased incidence of Blacks in advertisements.

Besides responding to audience demographics, corporations have found it useful to target potential customers based on other dimensions. There has been sufficient research attesting to the influence of corporate social performance (CSP) and corporate social responsibility (CSR) on consumers' purchase behavior.

The studies provide support for the existence of both company-specific factors, such as the components of CSR that a firm chooses to emphasize and product quality issues, as well as consumer-specific factors, such as their personal support for the specific components of CSR, and their general feelings about the appropriateness of CSR for profit-seeking enterprises.

This research explores the issue of how one recognized element of CSR (a firm's diversity performance) is featured as a component in the firm's marketing plan, and specifically to examine whether firms seek to equally utilize their diversity performance as a competitive advantage across both ethnic and non-ethnic audiences.

LITERATURE REVIEW

Evolution of the Ethnic Consumer Market

Recognition of Ethnic Consumers

The thought that ethnicity can/should be used as a valid and appropriate segmentation variable, was first validated by Coca-Cola in the 1950's, when they presented their commercial content in Spanish, in order to attract the patronage of the Hispanic consumer.

Today's emerging ethnic consumers represent the largest, most overlooked market in America. According to the 2000 U. S. Census, by 2050, people of color will represent 55 percent of the population. Ethnic Americans – African-, Hispanic-, and Asian-Americans – are increasing in populations seven times as fast as the non-ethnic majority. Ethnic Americans have economic clout. Their spending power has grown tremendously doubled in the past decade and is now almost \$3 trillion. They are rapidly opening businesses, buying homes, going to college, and living the American Dream at rates that far outpace mainstream white Americans.

Advertising Support

There is strong evidence that shows the benefits of using ethnic media to reach African American, Hispanic and Asian American consumers. Brand-loyal customers of color buy an extensive variety of products and services in greater numbers than their white counterparts. Extensive research shows minorities' willingness to use much of their almost \$3 trillion in annual spending power, and other data has ethnic media delivering significantly higher returns on investment for advertisers than general-market advertising. Yet minority-focused media continues to be overlooked by the ad community, as only a small fraction of advertising budgets is put into approximately 1,700 ethnic media outlets. It isn't standard practice for agencies to propose ethnic buys as routine parts of media plans, a questionable strategy driven by a fundamental lack of understanding of how cultural cues and trust in minority-formatted media can impact an advertiser's bottom line. Ethnic markets are consuming products at rates that far outpace their representation in the population. Yet, the advertising dollars spent to reach these segments badly lags both population representation, as well as consumption. Every dollar per listener earned by a general-market station garnered just 78 cents per listener in minority stations. Most multicultural media executives said they were optimistic about their future advertising revenues, expecting increases to grow through the next several years. But the prevailing opinion was that they weren't receiving their fair share of ad revenue. And most believe minority-focused media is considered a fringe buy.

Portrayal of African-Americans in Ads

Since the mid-1960s, advertisers have been grappling with the sensitive dilemma of including African-American models/characters in their commercial presentations. As the existence of the ethnic market segments demanded increasing recognition from firms, attempts were made to address these segments with messages that were culturally sensitive. Research has shown that Blacks react more favorably to advertisements containing Black characters. By the same token, studies have shown that White audiences' reaction to Black characters range from neutral to negative, depending on elements of their demographic profiles. For example, white college students in a Midwestern university had positive reactions to Black characters (Whittler, 1989), but white adults, from a southeastern city, had less favorable reactions to the products using Black actors (Schingler and Plummer, 1972).

Hence, firms face a dilemma as they attempt to balance the positive and negative reactions of different demographic segments, while avoiding the trouble and cost of customizing their advertising message accordingly.

While there has been an increasingly clear presence of African-American models in both print and television advertisements, it is misleading to judge progress by considering raw numbers alone. Willkes and Valencia (1989) reported on a 1984 study that contained African-American images in 26% of television advertisements. Zinkhan, Quails and Biswas (1990) reported results of a 1986 study finding

16% of television advertisements contained African-American images. In 1995, Bristor and Lee reported 45% of the television advertisements they reviewed contained African-American images.

Ainsworth (2006) found that African-American males were more like to appear in hip-hop magazines than in more generally targeted magazines. However, both types of periodicals were consistent in their portrayal of African-American males, containing few images in business and work-related settings.

Briggs and Torres (2005) examined the impact of ethnic presence in service advertisements, finding that strong ethnic identifiers were useful in low-involvement purchases, but not in high-involvement circumstances where additional attributes outweighed ethnic considerations.

Print advertisements have utilized an even smaller percentage of African-American images, and even though the incidence of Black images has increased with time, the percentage of Black portrayals trails population percentages. Use of Black characters is generally higher in periodicals targeting the African-American community.

While there are other variables to consider, the growth of African-American images in advertisements can be viewed as a positive development. However, as Bristor and Lee point out, after a certain point, the emphasis should not be on whether an African-American is in the advertisement, but the concern should be what the African-American does, (or does *not* do), in the ad. These authors present five additional themes of racist techniques, much more subtle than simple exclusion:

- Role Portrayal – preponderance of athletes and lack of business professionals
- Family – lack of visibility of African-Americans in traditional (two parents, one or more children) family roles
- Screen Presence -
 - Tokenism -minor roles versus main/focus characters
 - Objectification – vague visuals, an entity but not a person
 - Marginalization – presence is minimized by lighting, camera angles, etc.
- Status and Power Balance -
 - Characters with lower socioeconomic power, e.g. subordinate vs. manager, athlete vs. coach
 - Blue collar image vs. white collar
- Cultural Values – use of white cultural values while utilizing African-American characters, e.g. use of light skinned women with Caucasian features to a far greater extent than darker skinned models.

This article is significant in that it points out the danger of relying on statistics alone to judge progress in this arena. In addition, the more dangerous stereotypical portrayals are not limited to those showing African-Americans as distorted caricatures of Vaudevillian days, but those that are, in many circles, considered signs of progress.

Corporate Social Performance and Corporate Social Responsibility

Besides responding to audience demographics, corporations have found it useful to target potential customers based on other dimensions. There has been an extensive amount of research investigating the issue of corporate social performance (CSP) and corporate social responsibility. Corporate social responsibility, also referred to as prosocial corporate endeavors (Murray and Vogel 1997) or corporate social performance (Turban and Greening 1997) has traditionally been conceptualized rather broadly as the managerial obligation to take action to protect and improve both the welfare of society as a whole and the interest of organizations (Davis and Blomstrom 1975). It manifests itself in activities such as corporate philanthropy, cause-related marketing, minority support programs, and socially responsible employment and manufacturing practices. For more than forty years, researchers have been attempting to develop a link between various components of CSP and a firm's marketplace success, usually measured by financial performance. One of the challenges of CSP/CSR research is that there are many difference sets of social and stakeholder issues. As a result, it has been very difficult to identify and isolate a relationship between social contributions and marketplace performance.

Rowley and Berman (2000) developed a framework that makes the connection between CSP/CSR and financial performance under two scenarios:

- 1) Socially positive behavior that better employee relationships will lead to better financial performance – through creating a more satisfied, therefore, more productive workforce.
- 2) Instances where social good and financial performance are joint outcome of specific activities, e. g. stakeholder's actions, such as boycotts, and the firm's response to that activity (compliance, public relations campaigns, etc.)

In a separate study, Greening and Turban (2000) examine the issue of whether a firm's social performance will be a source of competitive advantage in attracting a talented, quality workforce. They conclude that it is, and that prospective job applicants are more likely to pursue jobs from socially responsible firms, than from firms with poor social performance reputations.

Sankar and Bhattacharya (2001) investigate the impact that a firm's CSP/CSR activity will have on consumer's perception and evaluation of:

- 1) The company and its general product offerings
- 2) Specific product performance

Their findings conclude that the relationship is a function of company specific factors, such as which CSP/CSR issues a company chooses to focus on, or product quality issues, and consumer specific factors, such as their individual and personal support for the specific components of CSP/CSR and their general feelings about the appropriateness of CSP/CSR for profit-seeking enterprises.

We can conclude from this discussion that firms recognize the value of a positive social performance reputation, and that it can be used as a competitive advantage, attracting employees, stockholders and customers. The mitigating factor is that CSP/CSR activities will influence behavior by those consumers whose value set places a high emphasis on CSR, and on the components of CSR that are meaningful to them personally. In our investigation of the diversity component of CSR, we will expect to find that a firm's diversity activities will provide the most leverage in market segments that assign a higher level of importance to those activities. Most often that importance will not be dictated by pure social concerns, but will be motivated by a (perceived) contribution to the betterment of personal circumstances, i.e. simple self-interest. The challenge to the firm will be the ability to identify these appropriate segments by useful demographic and/or psychographic measures.

The studies provide support for the existence of both company-specific factors, such as the components of CSR that a firm chooses to emphasize and product quality issues, as well as consumer-specific factors, such as their personal support for the specific components of CSR, and their general feelings about the appropriateness of CSR for profit-seeking enterprises.

METHODOLOGY

Background

Ethnic audiences have seen their options evolve and expand over the last fifty years. While magazines such as *Ebony* (originated in 1945) attempted to address all needs of a specific demographic audience, the publishing of *Black Enterprise* (BE) and *Essence* in 1970 signaled the beginning of more targeted periodicals. BE continues to be the only viable instrument addressing business issues in and for the Black community. *Essence* has periodically been challenged by other entrants, but is the only magazine that has been able to sustain itself as a periodical aimed at general issues affecting the African-American woman.

For quite awhile, the Hispanic audience was served by Spanish language versions of mainstream magazines. This continues to be a major component of the targeted content for this set of consumers. In addition, the pattern of specialization has emerged in a fashion similar to that seen in the African-American market, and magazines were introduced that take into account facets of the Hispanic experience other than language. This development made it possible to select magazines that are similarly positioned to the two African-American magazines chosen, and described above.

Description of Periodicals

The magazines selected for the research described here were chosen so as to represent two dimensions of the target audience:

- Ethnic Grouping
 - African-American
 - Hispanic-American
 - White

- Interest or Subject Focus
 - Business
 - Women's Lifestyle

Black Enterprise published its first issue in 1970, and is currently published on a monthly basis. It is targeted towards black businessmen and women, professionals and administrators dealing with all aspects of black economic development. Features include money management, industry highlights, careers and high technology. The magazine also offers a career marketplace and classified, and publishes an annual list of the top 500 African-American owned businesses.

Essence also produced its first issue in 1970. It currently publishes on a monthly basis. This magazine is positioned as the preeminent lifestyle magazine for today's African-American woman, one looking for a rich source of useful, provocative information covering such topics as health, career, contemporary living, and family concerns as well as fashion, beauty, and fitness.

Hispanic Business first published in 1979, and currently is published monthly, with the exception of combined issues in January/February and July/August. The magazine is targeted towards upwardly mobile Hispanic executives and employees. Each issue reports on the latest corporate news, global developments, and specific trends relevant to Hispanic people. It also publishes an annual list of the top Hispanic-American businesses.

Latina published its first issue in 1996, is currently published monthly, and is positioned as the magazine for today's Hispanic woman; it's edited with a special understanding of her lifestyle and values. The monthly magazine features the latest information on fashion, beauty, health, fitness, and career opportunities, as well as profiles of today's newsmakers and celebrities.

Money is published monthly and its goal is to help its readers reach their financial goals. Each issue of Money offers smart, no-nonsense tips and strategies to make the most of your money. Its mission is to cover all aspects of the world of investing and spending to help readers gain the lifestyle they wish.

Harper's Bazaar magazine features comprehensive, insightful coverage of fashion and beauty. Since 1867, Harper's Bazaar has been edited for the modern woman who seeks the best for her home, in her travels and her entertaining. The magazine keeps her informed on all the news in fashion, beauty, entertainment, the arts, health, fitness and finance.

Every effort was made to find periodicals that were similarly positioned, by focus area, across ethnic lines. Amongst the general audience, there exists a much more diverse offering of magazines, one with a greater degree of specialization, and one which offers more choices within any given interest category. The female magazine (Harper's Bazaar) was chosen because it had the broadest mission, and was not as focused on fashion and beauty issues as other magazines like Glamour or Vogue. It still provides a less diverse range of topics than does Essence and Latina. See summary of periodicals in Table 1.

TABLE 1
PERIODICALS REVIEWED

AFRICAN-AMERICAN MAGAZINES	HISPANIC-AMERICAN MAGAZINES	NON-ETHNIC MAGAZINES
BLACK ENTERPRISE	HISPANIC BUSINESS	MONEY
ESSENCE	LATINA	HARPER'S BAZAAR

Research Focus

The purpose of this research is to explore the issue of how one recognized element of CSR (a firm's diversity performance) is featured as a component in their marketing plan, and specifically to examine whether firms seek to equally utilize their diversity performance as a competitive advantage across both ethnic and non-ethnic audiences.

The specific questions to be examined are:

- What is the level of commitment to advertising in the different periodicals?
- What is the mix of advertising contained in the various magazines, that is, which products and services are targeting the market segments addressed here?
- What is the frequency of ads depicting various aspects of diversity performance, and how does this vary across magazines and marketing segments?

Hypothesis

Given the results of previous research and our position that self-interest (through belief or benefit) generates support for CSP/CSR initiatives, we will expect a higher incidence of diversity messages in periodicals that target diverse market segments.

Data Reliability

Multiple coders were utilized, and so, a pilot sample was utilized to ensure coder consistency. Three months of each magazine were reviewed for their ad content. Results of each coder were compared, and Scott's pi and Cohen's kappa were calculated, yielding values of .86 for each, both surpassing the acceptance threshold value of .80.

Data Collection

The study utilizes content analysis to examine advertising placed in six periodicals, representing a business magazine, and a magazine targeting a female readership, for each of three market segments. Twelve issues of each magazine were reviewed. Advertisements of one-quarter page or larger were counted and categorized as product focused or related to a diversity initiative. Smaller ads were not included in the study. Multiple page ads (placed on consecutive pages), for a single advertiser were counted as a single ad. Ads were categorized as being product (or service) specific, or as being diversity focused. Total ads per issue were tallied, as well as total pages for the magazine.

Coding Categories

Dimensions of Diversity

- Employee Diversity - includes franchisees
- Supplier Diversity
- Charitable Contributions - contains scholarships, foundations
- Event Sponsorship

Product/Service Analysis

For those ads identified as being product or service focused, frequencies were tallied in the following product/service categories:

- Travel /Leisure – Airlines, Hotels, Tourism
- Autos – Cars, Vans, SUV's
- Services – Banking, Insurance
- Investment Advice – Mutual Funds, Stocks, Financial Advisors and Planners
- Consumables – Liquors, Juices, Desserts
- Pharmaceuticals – Cosmetics, Drugs/Medications, Personal Hygiene
- Housewares – Home Décor, Appliances, Entertainment
- Apparel – Clothing, Hats, Shoes, Accessories
- Luxury – Jewelry, Watches, Furs
- Entertainment – Movies, Television, Magazines/Newspapers

Findings

Product/Service Distribution

Product emphasis varied across both dimensions of periodical classification. As mentioned previously, the ethnic periodicals, with a more general focus, carried advertisements that spanned a greater variety of products and services. Predictably, the female oriented periodicals all carried more advertisements for fashion and cosmetics than their business counterpart in each ethnic segment. The ads in the ethnic business periodicals were more consumption oriented, and had fewer advertisements for saving and investing. These categorical results are summarized in Table 2.

**TABLE 2
ADS BY PRODUCT TYPE (% OF TOTAL ADS)**

	BLACK ENTERPRISE	HISPANIC BUSINESS	MONEY	ESSENCE	LATINA	HARPER'S BAZAAR
DIVERSITY	20%	25%	2%	10%	7%	1%
SERVICES	22%	25%	17%	5%	6%	7%
AUTOS	12%	15%	17%	6%	8%	5%
TRAVEL	12%	9%	2%	1%	2%	2%
INVESTMENTS	12%	4%	43%			
APPAREL	2%		1%	9%	9%	22%
COSMETICS			3%	45%	41%	38%
TECHNOLOGY	10%	15%	6%	1%	2%	
PUBLICATIONS	5%	6%	3%	4%	6%	
CONSUMABLES	5%	2%	3%	10%	14%	3%
LUXURY			15%			15%
HOUSEWARES			5%	7%		5%

Diversity Ads

As expected, and as seen in Table 2, firms have determined that advertising messages must be targeted to specific customer segments. They placed diversity-oriented advertisements in ethnic periodicals at much higher rates than in general readership periodicals. Implied in this strategy is the philosophy that diversity issues are not a priority for majority or general readership audiences. The companies that advertised in several of the magazines varied their content depending on the periodical. For example, American Airlines placed product benefit advertisements, (typically espousing the benefits

of greater legroom in coach), in Money but placed supplier and employee diversity advertisements in Black Enterprise and Hispanic Business.

Incidence of diversity advertisements was greater in the business magazines than in the female periodicals, and the type of diversity advertisements varied significantly by magazine positioning. Black Enterprise had a high representation of employee and supplier diversity advertisements, while the diversity ads in Essence and Latina were more focused on charitable giving and event sponsorship. Money and Harper’s Bazaar had virtually no diversity ad presence, only containing ads for community service. There was one ad in Money (in twelve months) focused on supplier diversity.

There was a difference in the event sponsorship advertisements in the business and female segments. Black Enterprise and Hispanic Business had advertisements that focused on career, business and entrepreneurship. Essence and Latina had advertisements that focused on music festivals and model/talent searches. Both Black Enterprise, and Essence have made forward strides into the event business and naturally both magazines had significant instances of advertisements that featured their own events (e. g. Black Enterprise Entrepreneurship Conference, and the Essence Music Festival). Diversity ads are summarized in Table 3.

**TABLE 3
DIVERSITY AD (AVERAGE PER ISSUE) DISTRIBUTION**

	BLACK ENTERPRISE	HISPANIC BUSINESS	MONEY	ESSENCE	LATINA	HARPER’S BAZAAR
EMPLOYEE DIVERSITY	13/55%	10/50%	0	1.75/23%	2.08/47%	0
SUPPLIER DIVERSITY	7/29%	6/30%	0.08/10%	0.33/4%	0	0
CHARITABLE CAUSES	2/10%	3/12%	.50/60%	2.08/27%	0.75/17%	.50/50%
EVENT SPONSORSHIP	1/6%	2/8%	.25/30%	3.50/46%	1.58/36%	.50/50%

Analysis of variance was performed on the different levels of diversity ad presence in the periodicals representing the three different ethnic categories. Results supporting the hypothesis are shown in Table 4.

**TABLE 4
ANOVA OF DIVERSITY AD PRESENCE BY MAGAZINE GROUP**

	Mean Square	F	Significance
Magazines	230.675	88.407	.002

IMPLICATIONS

The results indicate that advertisers recognize that magazine publishers have been successful in targeting specific customer segments by developing vehicles enabling them to direct specific and specialized content to these audiences. In the case of the ethnic publications, their audiences have indicated that they are receptive to, and even demanding of, a focused, targeted message. While there is no doubt that Blacks reading Money magazine have the proper demographics for consuming high end products, an advertisement, with Black characters and a positive message, in Black Enterprise goes a long

way towards telling those consumers that the advertiser is interested in their specific business. Firms looking to achieve their financial goals must develop messages intended for targeted audiences, and ensure that they be placed in periodicals that specifically target those consumer segments. On the other hand, firms using only minority media forms run the risk of alienating minority individuals that read periodicals that are not specifically aimed at their minority demographic. Not seeing images reflecting a minority perspective, may alienate, and drive away, these readers.

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