



Target Marketing: connecting with diverse audiences for long-lasting business success

What is Targeted Marketing in a Diversity Context

Targeted marketing is about connecting with specific groups within society. The spending power of individuals from “diverse groups”, for example ethnic minorities, lesbian, gay, bisexual community, disabled people, as well as women, represents a substantial and increasing section of the UK’s economy. However, a one-size-fits-all marketing approach can often fail to connect with these different groups. Targeted marketing is the process of tailoring your communications and marketing towards these specific groups, to generate long-lasting business success.

Those responsible for marketing should have an understanding of the different needs and preferences of diverse groups. Recognising the diversity of customers enables innovation in product development and can be crucial to the bottom line as well as promoting a more representative and inclusive organisation.

General Business Case

In these tough times, businesses should be going all-out to identify or create opportunities in under-served and under-tapped markets. One such is the “minority market” – or, rather, a range of markets that includes ethnic minorities, older people, disabled people, women, and the LGBT community - and the spending power of this market is huge. Figures like **£32 billion** (the estimated disposable income of the UK’s ethnic minority market), **£70 billion** (the LGBT market’s disposable income) and **£280 billion** (older people market) should make sobering reading for anyone not up to speed. Recognition that women are the primary spenders in 77% of consumer markets in terms of proportion of spend directly controlled, and that one in ten UK business have an ethnic minority owner or owners, should help to further focus attention.

Now more than ever, businesses should be investing in marketing strategies that target these diverse groups. The potential reward for engaging these markets is huge; they represent vital and substantial new revenue streams. Conversely, businesses that fail to move first with targeted products and communications risk being left behind – especially when the upturn comes.

A five step process for Diversity Targeted Marketing

Diversity audit your market

The first step in targeted marketing is to know who you're targeting. You'll find this out by researching the demographics of existing and potential customers: their age, gender, sexuality, faith, ethnicity and disability and whether this difference has an affect on their purchasing behaviours. This can be done through:

- Customer satisfaction surveys
- Postal surveys
- Direct observation of consumers (such as in retail outlets)
- Telephone or face-to-face interviews
- Published data sources
- Customer focus groups
- Employee network groups

Through careful analysis, you can find out not only your market's demographics, but also the level of satisfaction that individual groups hold with your products and also any need that particular groups might have for a new product.

You can and should also utilise the diversity within your organisation to assess opportunities and challenges and develop solutions through engagement with different staff groups.

There are specialist agencies that can help you analyse results as well as help you develop the most appropriate way to ask questions relating to diversity and help you understand the demographics of your market.

Specify your business case

Once you've identified your target audience, you should review your business objectives to establish whether there is a need to segment your audience for your products and/or services. As part of your business planning process, are you able to demonstrate there is a business case for targeted marketing? For example, would your market share and/or return on investment increase through targeted marketing?

Should your business planning identify gaps and potential new markets, the five step process for targeted marketing outlined here will help you maximise these opportunities.

Develop the product and support systems

Develop the product to match the specific needs identified. One route to do this is by utilising the knowledge of your staff from a similar background to the target market. For example, many organisations have network groups for ethnic minority employees, LGBT, female, disabled and working parents as well as employees of minority faith groups. As well as helping to promote diversity within your organisation as a whole, a network group that corresponds to your target market provides a forum within which to get feedback on your targeted approach from a genuinely representative group of people.

Employee networks offer your organisation a forum within which to research and develop product ideas, starting with understanding specific market needs, product conception and development and right through to testing the effectiveness of the product to the targeted audience. In the longer term, employee network groups also help to ensure that your organisation is more in tune culturally with the expectations and needs of a diverse customer base. It is important however not to assume that all your employees will be happy to be seen as a representative of a particular group and therefore ensure steps are taken to approach your networks sensitively.

You need to go further than just the product of itself. Ask yourself what additional customer support is required and to what extent the staff providing the support are culturally attuned or trained to meet the specific needs of the target group. Customer support, the sales force, the call centre and any other functional areas that interact with your diverse customer base needs to be assessed. This may have implications for your workforce diversity strategy, and your recruitment and development practices.

Channels and messaging

Channel: delivering your message to the right people

Different people consume different media, live in different areas and attend different events. When auditing your communications, the first question to ask is whether your communications are getting into the right hands. Are you using the right channels to reach your target market?

If the existing or intended market for your product is wide-ranging, **mainstream channels** have a place in your marketing strategy. Most large marketing campaigns are delivered through mainstream channels: national TV channels, national radio stations, popular websites, outdoor advertising, mainstream events sponsorship and the national press. Communications placed in mainstream media can stand-out for minority audiences by including high-profile, positive depictions of a diverse range of people. This helps to illustrate engagement and understanding in a diverse marketplace – and is particularly important if your marketing budget extends only as far as mainstream channels. Take

care to avoid tokenism and where needed seek advice from specialist agencies on avoiding stereotypical depictions of particular groups.

It is also worth noting that mainstream media and specialist media can work together and need not be a question of an either / or solution.

To reach a specific segment of the population, **specialist channels** can be the appropriate route – either as a standalone marketing initiative or as part of a campaign that also uses mainstream channels. Specialist channels have a narrow reach but offer unparalleled opportunities for targeted messaging. In terms of cost, they can reduce wastage and maximise efficiency. They also offer two other main advantages: accessibility and targeted messaging.

The **accessibility advantage** is that specialist channels and media are often used by the entire spectrum of the group you're targeting. In some cases, using specialist channels is essential – for example, when your target market includes deaf/hard of hearing or blind/partially-sighted people, or members of ethnic minority groups who speak little English. With these groups and others, specialist channels are often the only way of delivering your message.

The **targeted messaging advantage** of specialist media is that it allows you to communicate a message targeted specifically to a particular group, explaining the benefits of your product through touchpoints that they find relevant. This helps your audience to empathise with your message and causes it to resonate more strongly.

Besides conventional media, there are also more community-specific outlets, of minimum costs, that could help you reach your audience. This includes:

- Partnering with community organisations to advertise in their newsletters
- Sponsoring community events, special occasions and festivals
- Leafleting in youth centres, community centres and bars
- Door-to-door canvassing in areas where your target market are known to live
- Advertising in 'talking newspapers' for the blind and partially-sighted

Messaging: addressing your audience and talking 'their language'.

The best targeted messaging explains the benefit of your product or service in a way that resonates with the targeted group. For example, one of the best diversity messages that you can communicate is that your product or service has been developed with your target market in mind. If this is applicable to your product or service, you should make it a leading focus of your messaging. Emphasising your targeted product development provides tangible evidence of your commitment to a diverse customer base, which will underline the credibility of your targeted messaging.

Also, you can bring your diversity message alive through the people you use to communicate it. Every group has its 'heroes': politicians, sportspeople, actors and musicians, for example. Choosing the right spokesperson to talk to a targeted group can help demonstrate your understanding of who you're talking to.

Avoid the mistake of just lumping individuals within diverse groups together. Every group has a diverse range of people within it - young, elderly, male, female, rich and poor members. This means that any shared touchpoint perceived as related to that group may not, in fact, be shared by all or even by the majority of its members.

Moreover, to achieve the results you seek you should ensure that your messaging is tailored and 'speaks' to the audience that you are targeting without excluding other sections of the population. For example, a campaign targeting ethnic minorities does not necessarily mean that white people should be excluded from the messaging, as multicultural depictions of life may be more pertinent across all groups particularly among younger people.

Sales materials

In order to engage the appropriate audience for your product or services, you should consider developing culturally attuned sales and marketing collateral. Materials should reflect the language, tone and imagery of your target market. You should also make your material accessible in various formats.

With the changing market place and the diverse media outlets available, you should tailor your materials to suit not only your audience but also consider the numerous channels of communication now available. For example, the growth in digital global media can enable a wider reach for your organisation, product, service and brand. This method of communication enables you to effectively segment your audience and monitor your return on investment.

Case study example – HSBC's Passport Account

In 2006, HSBC identified one fast-growing group of people whose needs weren't being met by existing financial products: recently-arrived migrants to the UK. This market's particular 'unmet need' is the circular dilemma involved in setting up a bank account: members have to produce utility bills or other proof of address to get a bank account; however, they need a bank account before they can establish an address.

HSBC took this and several other group needs into consideration to develop a highly-targeted product - the Passport account – which allows migrants to apply for their account online before leaving their home countries. Other features of the account include discounted international money transfers, a guaranteed debit card for international use and

a joining gift of a pay-as-you-go phone SIM card with £10 credit – all are highly-targeted features calculated to meet the specific and comparatively unusual needs of recent migrants.

HSBC's promotion of the new account was also well-targeted; Passport is marketed in part through a relocation guidance website that offers advice in eight languages on areas including work permits, driving licenses and accommodation as well as banking.

Within a little over a year, 75,000 new Passport accounts had been opened by new customers from more than 200 countries worldwide – a result that far exceeded HSBC's expectations.