

Background

Today's marketers are faced with different obstacles that they need to overcome for their products or businesses to reach their full potential. In this age of cost consciousness, every expense is being scrutinized and accountability has become a primary focus. Businesses, both large and small, expect to produce tangible results from their marketing strategies. As marketers face the very real scenario of most of their traditional markets maturing and even declining, they need to focus their energies on emerging and growing markets to remain successful. In this age of increase accountability throughout all levels of business, firms who strive to be successful can no longer avoid targeting their marketing strategy and implementation towards these individual markets.

The fastest growing segments of the United States population are ethnic consumers. Multicultural and mass marketers generally refer to this group as "minorities." The term was given many years ago to refer to a group differing, esp. in race, religion, or ethnic background, from the majority of the population in the United States. Within this large demographic, however, is the growing body of affluent ethnic consumers who need to be viewed quite differently. Marketers should devote special emphasis to this group of both upper middle class and wealthy **Royaltons**TM that spans ethnicities. Royalton is a term created to describe people of ethnic backgrounds who earn more than \$100,000 annually as individuals or at least 200,000 as a household.

The three major ethnic groups that are covered by the term are African Americans, Asian Americans and Hispanic Americans. This small but growing group already possesses over \$110 billion in buying power. This under-the-radar but overly influential consumer segment offers a wealth of opportunity and increased sales for all products, especially those of luxury purveyors.

Traditional Market Trends

Marketers' traditional markets consist mostly of white consumers. During the glory days of advertising and up until the 1980's marketers constructed one message and broadcasted it to all potential customers, regardless of age, gender, race or geographic location. As accountability for expenses grew, marketers had to become much more efficient and effective with their communications. They started to segment their customers into different demographic groups based on age, location and gender, though they commonly did not segment according to race as

the minority groups at that time were not considered to be strong enough targets to warrant a separate subsection.

For a long period of time this strategy paid off. Marketers began to target their messages directly towards specific demographic segments and the effectiveness of their messages grew. However, the growth trends within the traditional market segments began to shift. Fueled by the aging of the Baby Boom segment marketers are now faced with the very real scenario of maturing, and in some cases declining markets. Based upon the US Census Bureau's 2005 American Community Survey (ACS), there are now more than 68 million *mature Americans* (those over age 55), with 37 million (12%) over the age of 65. As consumers' age and move through the different stages of their earnings and life-cycles, their purchasing habits begin to change as well thus creating potentially huge sales shortfalls for marketers. This trend is projected to increase at a very steep rate as the population of US senior citizens will double over the next 25 years leaving marketers with a very big and very real problem.

What to do?

Faced with the situation of changing market demographics a marketer can react four ways: 1) they can create new products that would appeal to their current markets' changing lifestyle, (2) They can find new markets for their existing products, (3) do nothing or (4) undertake a hybrid strategy of numbers 1 & 2. The best case scenario is strategy number 4. However, marketers can not afford any missteps when entering new markets because they run the risk of losing credibility. As much of successful marketing depends on building and maintaining profitable customer relationships, a bad first impression can ruin any chance for future success. This can be done on many levels but the basic level is to create a superior value proposition for the customer. Product development and marketing is a series of meeting customers' wants and needs. These needs and wants differ by each customer's situation. The successful marketer accomplishes this by understanding their market and formulating their marketing strategy; product, place, price and promotion, around this basic premise.

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