

Advertisers line up to make a minority appeal

Aditya Chakraborty

Inside a glass-fronted building and past a funky lobby, down the stairs and along some corridors, is Sanjay Shabi's latest project. Here is where the bells and whistles run out; instead, what you get is a corner of an open-plan office hemmed in by stacks of old magazines and newspapers. It feels slightly provisional which is appropriate since Mr Shabi's venture is something of an experiment for an entire industry.

Mr Shabi works for Media-Com, which is the UK's biggest media-buying group and has all the revenue and fancy office decor that comes with pole position. Yet just over a year ago it entered a market many consider too small to bother with, becoming the first mainstream advertising company to open its own ethnic media unit.

"Most people are happy a big network agency is finally taking this area seriously," says Mr Shabi, who runs the new department called CultureCom. "But some niche ethnic media outlets have been a bit cynical."

That is understandable. Marketing to ethnic minorities has never really interested the big advertising companies; a few tiny specialist boutiques have had the field to themselves. Given its clout, MediaCom's move was a bit like Roman Abramovich branching out into five-a-side football.

Yet if they previously saw ethnic marketing in Britain as a backwater, mainstream agencies are taking a keener interest in it now. In March last year JWT, the creative agency formerly known as J. Walter Thompson, launched its own unit named Diversify. Some expect more network agencies to follow suit.

"A lot of big firms would like to set up their own ethnic-minority agencies; they just don't have the skillsets yet," says Sandip Vadher, whom JWT hired to head Diversify. Monir Ali, who has worked for MediaCom as well as for independents, agrees: "Everyone's been watching these two launches. A lot of networks are just waiting for evidence of success before dipping their toes in the water."

There is more to this than rivalry between nattily dressed admen. Ethnic minorities in the UK make up 8 per cent of the population and are increasingly affluent; indeed, Indian men in work now earn slightly more on average than their white counterparts.

Big differences remain between the minority groups and between them and whites but the general picture is of greater success educationally and economically. Marketers typically treat ethnic minorities as part of the mainstream and target them in the same way. But one size does not fit all: communities differ in the way they consume media. A 2004 report from the media group Starcom found that black people aged 16-34 watched twice as much music television as the general youth audience, and Asians and black people watched more films than drama. It concluded that television advertising campaigns aimed at a general audience usually failed to capture ethnic minorities.

For their part, clients may be more willing to consider targeted marketing. The Central Office of Information, which handles most government communications and is one of the three biggest advertisers in the UK, last year spent GBP2.5m (\$4.6m) on advertising specifically to ethnic minorities.

CultureCom's Mr Shabi admits to doing a lot of "conversion work" with big companies. One of his frustrations is the lack of numbers available for him to present to potential clients on why they should target ethnic minorities. Even so, billings for the unit last year were ahead of target at GBP5m. Yet if MediaCom's experience with ethnic marketing has been successful, the same cannot be said of JWT. While he was involved in work for HSBC and Vodafone, Diversify's head Mr Vadher often found that multicultural considerations were less of a concern for his colleagues.

"The company's managers totally bought into the concept," he says. "But the creatives actually doing the campaigns had their budgets to worry about first. They agreed with what I was saying but they often didn't have the money to do it."

Mr Vadher left JWT after less than a year and the Diversify unit closed.

"Big agencies open and close departments overnight," says Saad Saraf, who runs the ethnic boutique Media Reach. "They see a growing market and they want to get into it. But it's based around billing, not on any understanding of the market."

"The UK has neither the size nor the population of the US, so I don't see how it can support a proliferation of multicultural indies," says Saul Gitlin of the Asian-American agency Kang & Lee, which is part of the WPP group. "Besides, European majors are already expert at customising ad campaigns for national markets across the continent. All they need do is apply the same approach to their own domestic communities." Over at CultureCom, Mr Shabi is confident others shall soon follow his example. CultureCom's Mr Shabi is upbeat however. "Ethnic minorities are increasing in number far faster than white British. That has to have an impact on consumer markets and marketers will have to handle that," he says. "How can any big agency be ready unless it has people dedicated to serving these new communities?"

Fonte: Financial Times, USA, may 2 2006. Business Life, p. 8.