

Why marketers must correct their historic under-investment in reaching Asian Americans

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Analysis by Nielsen, the research firm, has demonstrated why Asian Americans are a critical audience for marketers to include in their strategies.

- The Asian American and Pacific Islander (AAPI) community will control \$1.3 trillion of spending power by 2022, up from \$1 trillion in 2019.
- There are an estimated 23.1 million AAPI people in the US and that total is anticipated to rise further.
- Sixty-nine percent of AAPIs are between 13 and 34 years old, compared to 44% of the total US population.

Why it matters

The Asian American community is growing in size and affluence but has often been neglected by marketers. Redressing this situation can help drive brand growth but only if strategies are based on deep insights that demonstrate granular understanding of the target audience.

Takeaways

- The Asian American audience skews towards younger cohorts, meaning it will be a critical driver of long-term success for marketers.
- Asian American consumers are often early adopters of new technologies and digital pastimes, and so could provide an invaluable clue about future mainstream trends.
- While certain traits – such as living in multi-generational homes – may apply to many Asian American consumers, marketers need to ensure they avoid making assumptions.

Brands and agencies need to address a common failing, Mariko Carpenter, vice president, strategic community

alliances, at research giant Nielsen, insisted.

“Historically, I think we can all agree that marketers have been really slow to invest in the Asian American consumer market,” she told online delegates at the 2020 Virtual Asian Marketing Summit, an event held by the Asian American Advertising Federation (3AF).

As might be expected given her role at Nielsen, Carpenter could draw on a compelling set of figures and forecasts in pushing for change.

Spending power

The Asian American and Pacific Islander (AAPI) community in the US will control \$1.3 trillion of spending power by 2022, up from \$1 trillion in 2019, according to Nielsen’s “Engaging Asian American Consumers at the Dawn of a New Decade” study.

Population Growth

There are an estimated 23.1 million AAPI people in the US and that total is anticipated to rise further. “We’re going to see huge growth,” Carpenter said.



	ASIAN AMERICAN BUYING POWER	TOTAL U.S. BUYING POWER
GROWTH FROM 2000 - 2019	+314%	+119%
PROJECTED GROWTH FROM 2019-2024	+38%	+25%

Youth

“Sixty-nine percent of AAPIs are between 13 and 34 [years old]. And that’s compared to 44% of the total US” population, she added.

Eighty-six percent of the AAPI community born in the US, Carpenter further explained, are below 18 years of age and will thus be key drivers of future brand growth.

In combination, these datapoints present a clear directive for marketers. “There’s a signal that really says we are a consumer segment that marketers really can no longer afford to ignore,” Carpenter said.

“Whether you’re pitching for more advertising dollars, or you’re pitching to your management that you need to allocate more into Asian American markets, there’s a lot of data that speak to AAPIs being the future of the consumer market.”

Bicultural consumers are proud both of their heritage and of their home in the US

In 2013, China and India supplanted Mexico as the countries supplying the largest number of immigrants to the US – a widely overlooked realignment that continues today.

Moreover, there is considerable variety among new arrivals to America from these nations, Carpenter noted, be it grandparents joining their families or skilled, well-remunerated tech workers holding H-1B visas.

“This type of diversity within our community is something that we really have to educate [...] the industry to understand and know about,” she said.

Members of the AAPI audience born in the US, she continued, are breaking new ground everywhere from public service to sports to fashion. This cohort is deeply engaged with both their heritage and the American experience.

“This is a group that’s really, really proud of melding our bicultural cultural identity,” Carpenter said. “And that’s something that’s very, very different in what we’re seeing today: you have influencers who are second generation, third generation, who speak English, and but still are very, very proud of their heritage.”

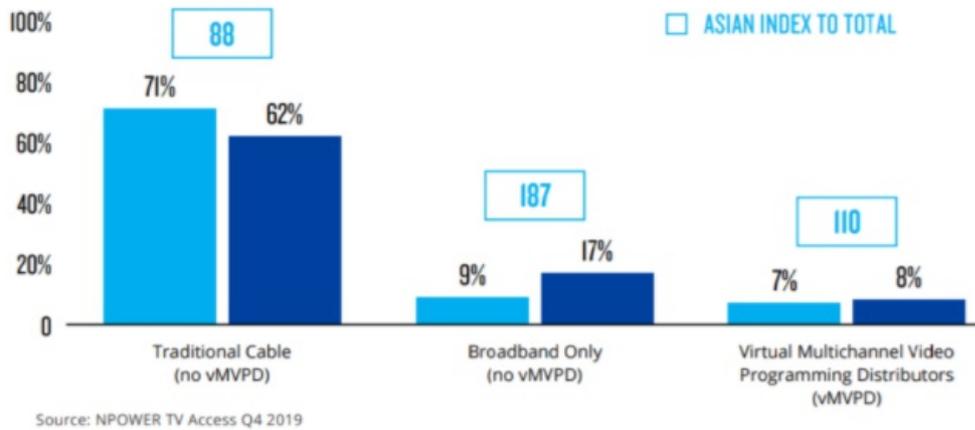
Asian Americans are digital leaders

In an analysis of media usage, Nielsen delineated valuable findings about the AAPI cohort, which:

- is ten points ahead of the total population when it comes to having subscriptions for at least one streaming platform (82% versus 72%);
- is “more likely to be cord cutters” who have no traditional cable-TV package;
- over-indexes in being broadband-only households;
- is slightly ahead of the curve in using virtual multichannel video programming distributors (vMVPDs), that is, digital hubs (like Hulu Live, AT&T TV and YouTube TV) which offer live broadcast content via a streaming platform; and

- registers uptake (49%) of TV-connected devices – like Apple TV, Amazon Fire and Roku – five points ahead of the total population.

TV SERVICES COMPARISON: TOTAL US VS ASIAN AMERICANS



Drilling down into some of the reasons behind the greater enthusiasm for online services, Carpenter pointed to convenience as a powerful driver. Beyond this, the investment of providers like Netflix into more diverse voices, coupled with diverse casting and the availability of content from Asian countries, collectively translates into a powerful appeal.

Illustrative examples include stand-up comedy specials from Ronny Chieng, Jo Koy, and Ken Jeong on Netflix, and narrative shows with a lead Asian American actor, such as Maya Erskine in Hulu’s PEN15, a series based around the cringeworthy moments of middle-school life.

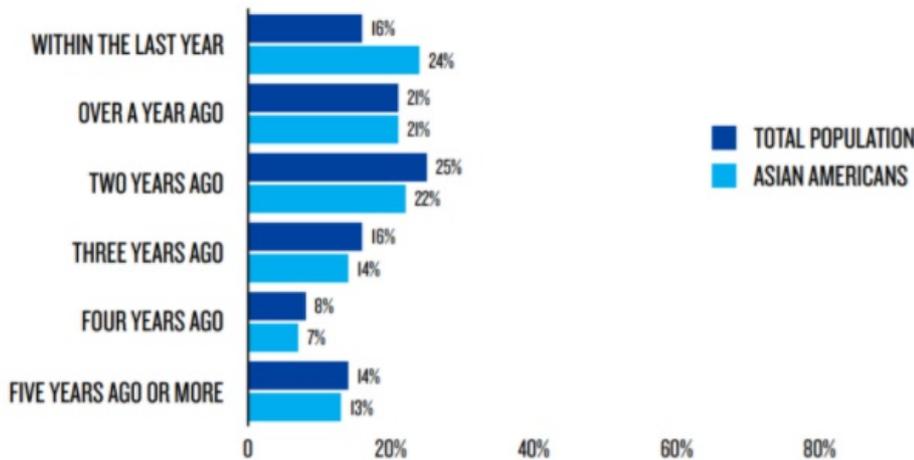
“It’s so important that we continue to support, as an AAPI community, a lot of this content that we know resonates with us, but is also important just to raise our representation,” Carpenter said.

Gaming is a major passion point for brands to explore

The burgeoning passion for gaming – and eSports, where people watch other players battle for supremacy online – accelerated during the COVID-19 pandemic.

According to Nielsen, Asian Americans “have been following eSports for longer” than the population as a whole.

ASIAN AMERICANS HAVE BEEN FOLLOWING ESPORTS FOR LONGER



Asian American gamers are also younger than the norm, as 69% fall within the 13–34-year-old demographic, compared with 44% of the wider gaming audience. “So, if you’re going into gaming, and now there’s quite a bit of opportunity for advertising, for all of you out there who are advertisers, you’re targeting a young crowd,” said Carpenter.

She outlined another knowledge point for marketers to consider. “AAPI gamers are more well-equipped; we tend to have more technology in our houses than any other group.”

As proof, these households outstrip the total population when it comes to owning:

- smartphones (+4% versus the norm);
- computers (+14%);
- games consoles (+14%); and
- virtual-reality headsets (+37%).

Carpenter also highlighted the following information from Nielsen’s analysis.

Asia is a gaming hub

Many of last year’s most popular games in the US – including Candy Crush Saga, Fortnite, Pokémon GO, Super Smash Bros. Ultimate, and Clash of Clans – are either fully or partly owned by Asian firms.

AAPI consumers are early adopters

“What happens is that AAPI gamers are the first ones to actually see some of these new games that are coming out in Asia through WeChat and through some of these other social media platforms,” Carpenter continued.

Immigrants who come from Asia to the US, she added, may “already know some of these games” before their American counterparts.

“In some sense, Asian American gamers are the ones who socialize some of these new games that are happening.”

Influencers

Two of the ten highest-paid gamers – Mark Edward Fischbach (aka “Markiplier”) and Evan Fong (aka “VanossGaming”) – are Asian American.

Balancing community understanding with nuanced messaging

Marketers, Carpenter revealed, frequently suggest that the diversity of the AAPI audience is a profound strategic roadblock.

Her advice in response? “It really starts with understanding our community, understanding our heritage, understanding family, understanding what’s important for our community. Education is important for our community; food is important for our community; tradition is important for community.”

These priorities manifest themselves in a variety of ways, including:

Multi-generational families

Several generations of an Asian American family often live under one roof.

“So, people making decisions are multi-generational,” Carpenter said. “Grandmas and grandpas have big influences on what gets put into that house, because they’re there, and they’re not scared to voice their opinions on what they like and they don’t like.”

Bigger households

More people in a household also encourages a focus on, for example, retailers that deliver “bulk value,” Carpenter said. “We love Costco for that reason.”

Media content

Some Asian consumers may favor content (and ads) that are culturally relevant in their preferred non-English language.

“What I’m trying to always express to them is that they have to start with understanding our community,” said Carpenter.

“And then it would make it very natural to get to what the media plan is, because if you’re genuinely looking for AAPI, then it makes sense to, for instance, go into ethnic media.”

If assessing the commonalities is valuable, Carpenter also encouraged brand custodians to look for points of nuance – a task that is especially significant as consumer habits evolve during the COVID-19 pandemic.

“It’s really important [...] to really market yourself as targeting a certain persona, as opposed to just Asian Americans,” she said.

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