

The Cultural Connection



Promoting employee benefits to multicultural markets means more than just words. Understanding cultural needs is the key.

by Lori Chordas

► **The Trend:** Multicultural markets are among the fastest growing segments of the U.S. population.

► **Behind the Trend:** Marketing to these niches isn't just a matter of language but also of understanding different cultural influences and values.

► **What Lies Ahead:** Technology is slowly becoming a tool to help employers and brokers communicate with diverse work forces.

America's melting pot is quickly filling to the brim. Today, one in three U.S. residents is multi-ethnic, multiracial or multicultural, according to the U.S. Census Bureau.

That's bringing new challenges to employers—how to reach those diverse populations when it comes to marketing employee benefits.

The once one-size-fits-all approach of simply translating materials into groups' native languages has gone by the wayside. However, that's where many employers continue to miss the mark, benefits brokers say.

So what steps should companies take to market benefits products and services to multicultural markets?

Hispanics, African-Americans, Asians, Asian-Indians and Middle Easterners are quickly becoming the fastest growing and largest consumer groups in America, comprising more than one-third of the population. By 2050, the Census Bureau predicts these so-called minorities will actually become the majority.

They also have significant buying power, spending more than \$2 trillion annually, according to HCPro Inc.'s publication, *Case Studies in Niche Marketing*.

"Today's biggest trend around multicultural marketing is the awakening that employers have to do it," said Andres Tapia, chief diversity officer and emerging work force solutions leader for Hewitt Associates.

"The HR philosophy that one size fits all, based primarily on cost management and expense of customizing messages to address different needs, no longer fits the mold. The more diverse a population gets, the more that one-size approach isn't fulfilling the need," he said.

Employers used to think simply translating materials into a group's native language was the way to market multiculturally, Tapia said.

"That's not enough. They can translate something into perfect Spanish or Mandarin Chinese and still completely miss the mark because of the inherent messaging trying to be communicated."

He said employers should instead invest time in understanding a group's

needs so they can speak their "cultural language."

"Part of what's not working today is the assumption of what employees value and need to modify or incentivize their behavior," Tapia said. "What used to work for a more homogenous work force isn't working as well for a more heterogeneous work force. How people address issues like money, health or paid time off can vary significantly, depending on what cultural group they come from."

For instance, life insurance isn't a highly valued commodity among some foreign-born workers, said William Lindsay III, president of employee benefits for Lockton Co.'s Denver office. "In their native culture, that's generally provided through a national program."

Employers need to sell and explain the concept of benefits, why workers should select products and what concerns they may face if they don't participate and something bad happens to them or their families, he added.

Value Oriented

Jane Lump, vice president with Aon Consulting's communications practice, said employers also should examine generational value systems within their employees' ethnic backgrounds. "Some cultures believe their children will save for them in retirement. So if we're going to communicate about 401(k) plans, it might be good to also tie in benefits like elder care."

She suggested employers also test cultural materials with native speakers within their companies. Multicultural task forces are a good resource to review drafts and marketing strategies and reveal hidden concerns.

It's also important that benefits information doesn't fall into stereotyping, Tapia said.



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Hewitt Associates

By the Numbers: Stirring the Melting Pot

- In **2007**, the U.S. minority population reached **100.7 million**, up from **98.3 million** the prior year (in **1910**, the total U.S. population was only **92.2 million**).

- From **2006** to **2007**, the Hispanic population grew by **3.3%**, compared with **2.9%** for Asians, **1.3%** for blacks, and **0.3%** for non-Hispanic whites.

- In July **2006**, there were **44.3 million** Hispanics, **40.2 million** African Americans, **14.9 million** Asians, **4.5 million** American Indians and Alaska Natives, and **1 million** native Hawaiian and other Pacific Islanders in the United States.

- **Sixteen states**, led by California, Texas and Florida, have Hispanic populations of more than **500,000**.

- Hawaii, New Mexico, California, Texas and the District of Columbia are "majority-minority." Hawaii led the nation with a population that was **75%** minority in **2006**.

- The median age of Hispanics in the United States in **2006** was **27.4**; the median age of Americans as a whole in **2006** was **36.4**.

- In **2006**, New York had the largest black population (**3.5 million**), followed by Florida (**3 million**) and Texas (**2.9 million**).

- The non-Hispanic, single-race white population, which represents **66%** of the total population, now accounts for less than a fifth of the nation's total population growth.

Sources: U.S. Census Bureau; Los Angeles Times

"There is an important distinction between an archetype and a stereotype. An archetype is a general tendency of a group to behave a certain way. A stereotype assumes every individual in a group behaves according to the archetype. You can't assume every African-American or Asian-American will behave according to a general tendency," Tapia said.

The bottom line, he said, is employers need to "get past a one-size-fits-all approach that's grounded in the views and preferences of the majority group."



“Everyone wants to protect their family... The needs are the same. It’s educating and delivering the message to each group where differences occur.”

—*Fernando Cruet,*
ING

They need to see where cultures overlap, like similarities in retirement plans by older baby boomers, low-income whites and African-Americans. They can then develop marketing campaigns that address the needs of a variety of demographic groups. While ‘all sizes fit everyone’ would be cost prohibitive, the new approach could become ‘several sizes fit most.’”

World Views

For many, health coverage remains a top commodity. But how they view health care is often where similarities end.

Some ethnicities question why they need to buy coverage when they can receive free health care at a local clinic, similar to care received in their native land, said Lindsay. “We have to help them understand what they’re getting is really just emergency care and not primary or preventive care they also need.”

There’s also a distrust of the medical system among some cultures.

“For instance, having someone they don’t know look at or touch their body is abhorrent to the Hispanic culture,” he said.

And, added Henry Loubet, chief strategy officer for Torrance, Calif.-based Keenan and Associates, “Many cultures don’t know there are Spanish- or Chinese-speaking providers or translation services available. We try to get health plan-contracted provider networks to meet their diverse medical needs and work with our employer customers in the United States and also offer cross-border services to provide coverage for workers seeking care between the United States and Mexico.”

While wellness programs are a good fit for everyone, Tapia said certain demographic groups may take

less advantage of preventive care provisions even when they’re made available through their insurance.

“Internal control groups who believe there are things they can do to control the impact of the environment see the value. But external control cultures, such as Latin Americans, are more fatalistic. There’s a certain belief in Latin culture that things are outside our control and are God’s will, and that we really can’t prevent something bad from happening to our health.”

Marketers need to change their messages to motivate those cultures. “For instance, a brochure could show a Latino male celebrating his daughter’s Quinceanera (15th birthday). The message: ‘If something happens to you, what will happen to your daughter? Take care of her by taking care of yourself and get a checkup,’” Tapia said.

There also are disparities when it comes to wealth accumulation products. A Hewitt study found Latinos and African-Americans have lower participation rates and savings in 401(k)

communities of people who may have different world views than that of the majority culture,” Tapia said.

The reasons for that vary. Tapia said cultural studies demonstrate that Latinos have a much shorter time horizon about the future. “They tend to view it as the next three to five years, whereas whites see it more as the next generation and Asians may view it as the next century. For Latinos, protecting their nest egg for the next 40 years can be a complete abstraction.”

African-Americans, he said, have had to deal with the now-outlawed practices of redlining and discrimination by financial institutions.

“This is part of the legacy that feeds their traditionally low trust in the financial system. This is all proof that one size in fact doesn’t fit all,” Tapia said.

“Even with all things equal there are exclusions inadvertently happening in a benefit product. Employers have to market and speak to world views often different from their own.”

As for universal and whole life products, Asian-Americans—known for their huge spending power, high household incomes and higher education levels—tend to view the benefits as a good fit, said Ivan Gilreath, president of ING Employee Benefits. “Not only are they looking for protection, but they’re also huge savers. And family factors into the equation; they’re



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plans than Caucasians, even when they earn the same amount of money.

While whites cite retirement as their top savings priority, blacks prioritize home and children’s college education for savings.

“What we have here isn’t that the color of your skin makes you save more or less, but rather that race and ethnicity are proxies for different

very concerned about educating their children and saving for college.”

There are also huge marketing opportunities around disability products. “Vietnamese or Southeast Asians, for instance, form close-knit communities to live together and take care of one another. So the notion of disability and the idea of getting paid for an event have lost value. Employers can

target them and explain the value of this coverage,” said Lindsay.

Reaching Segments

Technology is becoming a marketing tool of choice to reach these burgeoning markets.

Keenan attempts to offer its benefits administration program, Benefit Bridge, in a “relevantly cultural and linguistic way” to users, said Loubet. “If a client needs materials in Spanish or another primary language, we will work to accommodate those needs.”

However, there’s still a digital divide among some cultures, said Aon’s Lump. For instance, Asians and Hispanics continue to lag behind other cultures in using social networking tools, she said.

“The digital divide is narrowing, especially among first-generation natives and younger individuals moving to the Web,” said Tapia. “Still, we have to take into account socioeconomic factors and question whether the Web site is designed in a way that draws individuals in, speaks their language and addresses their world views

to get them into whatever decisions they need to make to protect themselves and their families.”

“Family first” is a mantra of many diverse sectors. “The family unit often is stronger in other cultures than in the Anglo community. Ensuring children and spouses are provided for and caring for elderly parents is crucial, and incorporating that emotional component should be part of the messaging,” Lockton’s Lindsay said.

Because Latinos and African-Americans tend to have more communal and oral cultures, Tapia said emphasizing the family-centric lifestyle with face-to-face presentations, family “benefits fairs” and workshops are good marketing strategies. On the other hand, European-Americans are among those cultures that tend to prefer printed materials and online communications, he said.

Gilreath said there’s increased awareness among brokers, employers and enrollment firms in how critical it is to market benefits to what have historically been underserved markets.

That also puts employers in a better position to be seen as “someone who cares about their employees and goes the extra mile to ensure their employees have the benefits that they need and they understand the benefits offered to them,” he added.

Despite their many differences, multicultural markets also share many of the same values as the mainstream population, said Fernando Crucet, vice president of multicultural sales for ING U.S. Insurance.

“Everyone wants to protect their family, have access to health care, and is concerned about safety and security. The needs are the same. It’s educating and delivering the message to each group where differences occur.” **BR**



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