Appendix E .....Article by Minority Media Alert
Marketing Fragrance To Minorities Is Lucrative But Not Specialized

While African- and Hispanic Americans purchase more fragrance per capita than do overall U.S. consumers, most fragrance companies rely on "universal" marketing techniques to reach minority markets.

This is not to say that ads geared to minorities don't exist; pick up People Español and Spanish-language Glamour, or Black Elegance and Essence, and the pages are full of perfume ads, some shot with minority models, some with white models.

But there is a reticence to talk about ethnic-targeted marketing in the fragrance industry. Even companies that create ads in response to market research that indicates the popularity of certain brands among specific ethnic groups don't admit to using that information for brand development targeting those groups. Given the importance of blacks and Hispanics as consumers of fragrance, this is surprising.

While major fragrance companies obviously want the business of minority consumers, they don't want to be perceived as making ethnically targeted scents, despite the fact that market research suggests that regional and cultural preferences exist.

Felix Mayr-Harting of Quest International, an essential oil house which does extensive market research on international consumer preferences, says that fragrance preferences are linked with cultural environments, and tend to be affected by culinary and other familiar scents. For example, Indonesian fragrance preferences focus on aldehydic notes, which are present in spices commonly used in the region's cuisine.

Added to familiarity are the emotional connotations a culture attaches to a particular fragrance—and to fragrance in general. Musk has a different emotional impact on U.S. consumers, who have been educated to think of it as a sexual smell, than it does in France, where musk is a common scent in baby products.

Such culturally-defined associations with smell may affect the preferences of American ethnic consumers, especially with the increasing trend toward preserving and celebrating distinctive cuisines and cultural values.

Marketing To Blacks

A study conducted by Yankelovich Partners on behalf of Heart &

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Baseball Woos Minority Fans

While Major League Baseball's players are an ethnically diverse group, this diversity is often not reflected in the stands.

Market research commissioned by the St. Louis Cardinals indicates that blacks in that region feel disconnected from the game. Despite the racial and ethnic diversity of baseball teams, the stands are perceived as being the domain of whites, and of corporations with season tickets. In a metropolitan area whose population is 20% black, black fans make up about 3% of game attendees. In an effort to reach out to

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Soul magazine finds that black women are more than twice as likely as women of other races to buy fragrance, and that almost three-fourths of them buy multiple fragrances to be worn on different occasions. African American women in the study described their fragrance preferences as “fresh and clean” (83%) and “sexy” (70%).

Health and beauty aids companies that market special cosmetic lines for black or Asian skin tones are reluctant to make marketing decisions for fragrance on the basis of cultural or ethnic considerations. Even the Flori Roberts company, which has been marketing beauty products to women of color for nearly 40 years, backs off from specialization when it comes to fragrance.

Sharon Boone, former VP Sales & Marketing for Flori Roberts, who still handles marketing for the Patti LaBelle fragrance line as a consultant, says, “There is no such thing as a black fragrance. I would like to think that America is at a point where if it smells good, people will wear it.” Patti LaBelle fragrances are marketed to black women because they are the company’s core customer, but the scents themselves are designed to appeal to a general audience.

Patti LaBelle’s status as a celebrity and role model for African American women helps market her signature fragrances to this demographic. The fragrance line launched with a general audience PR campaign, then focused on advertising to black women through Essence and Black Elegance. The company has also done radio spots featuring LaBelle singing a track exclusive to the fragrance.

Boone says focusing on advertising in primarily black consumer media is based partly on economics; because the company is mid-sized, it makes financial sense to do targeted promotions that reach its primary consumer base than to sow broadcast in the general market.

Coty, on the other hand, is large enough to do both general promotions and targeted ads for fragrance brands that appeal to particular ethnic market segments. At Coty, products are initially launched for the general market, but ethnically-tailored promotions may be developed in response to market research. When specific brands perform well with a particular market segment, additional minority-targeted advertising may be produced to capitalize on the segment.

For instance, Coty initially positioned Preferred Stock as a general market scent for young professional men, but the fragrance has attracted enough black users for Coty to co-sponsor an annual “Man of the Year” contest for Preferred Stock in Essence magazine. The contest winner appears in an Essence layout, receives a Preferred Stock gift package, and wins a trip to New York. (Revlon is co-sponsoring a similar contest for women in Essence: see Promotions Monitor, page 4). Inga Pross, Manager, Communications at Coty, says Essence is one of Coty’s core ad vehicles.

Marketing To Hispanics

Ana Maria Fernandez Haar, president of IAC Group, a firm that specializes in Hispanic-targeted marketing, finds that Hispanic women’s use of fragrance is tied into cultural notions of femininity. “The Hispanic woman has a specific idea of femininity; she has longer hair, wear more makeup, and fragrance is something you’re not supposed to do without. Doing without seems unfeminine.”

Fragrance plays an important role in Hispanic culture, and is considered part of general hygiene. Babies are often perfumed after bathing (Mennen and Johnson & Johnson have both marketed baby colognes in Spanish-speaking markets outside the U.S.).

Haar says the phrase “clean and perfumed” is spoken as virtually one word. Interestingly, Haar’s observations about Hispanics in the U.S. echo Quest International’s market research on the use of fragrance in Spain, even though many Hispanic Americans come from Spanish-speaking countries other than Spain.

Calvin Klein, which makes three of the top 10 fragrance brands favored by Hispanic women, according to a study by Simmons Market Research, does not create ads specifically for minority publications. The company has expanded its range of print vehicles, however, attracting...
minority consumers through entertainment, epicurian, and other lifestyle magazines, as well as Essence and Latina.

Avon is one of the few companies that addresses marketing fragrance to minorities directly, through a "segment marketing" department.

While fragrance designers are pursuing minority consumers, the majority of them are doing so in a subtle way; by targeting a demographic based on lifestyle preferences, one that—intentionally or incidentally—cuts across racial and ethnic boundaries. Perhaps in marketing terms fragrance is less a health & beauty product than a form of pop culture.

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- Calvin Klein Cosmetics, Diana Lin, Manager, Global Communications, 725 5th Ave., New York, NY 10022; phone: 212-259-8888.
- Flori Roberts: Patti Labelle Fragrances handled by Sharon Boone, Consultant to Color Me Beautiful; 14000 Thunderbolt Pl., #E, Chantilly, VA 20151; phone: 703-471-6400.
- The Fragrance Foundation, Annette Green, President, 145 E. 32 St., New York, NY 10016; phone: 212-725-2755.
- IAC Group, Ana Maria Fernandez Haar, President, 2725 SW 3rd Ave., Miami, FL 33135; phone: 305-866-7474.

Minority Baseball, Continued from page 1

blacks in the community, the Cardinals have launched an ad campaign that features the team's African American players on billboards and buses throughout the inner city.

In marketing baseball to Hispanic communities, the problem is not a lack of interest. In a survey conducted by the Arizona Diamondbacks, Hispanics rate baseball as the number one spectator sport. The family-oriented nature of baseball parks appeals to many Hispanic cultures, and game tickets are affordable in comparison to other sports.

Increasing Hispanic game attendance, however, requires a different marketing strategy than the traditional season-ticket drive. Alex Lopez Negrete, President of Lopez Negrete agency of Houston, recommends promoting single game tickets to develop long-term Hispanic customers.

The key to raising interest in baseball among blacks and Hispanics appears to be simply showing interest in having them attend. Here is a look at what the League and some of its individual teams have been doing to attract more minority fans.

- Major League Baseball manages a Reviving Baseball in Inner Cities youth baseball program in partnership with the Boys and Girls Clubs of America.
- Anaheim Angels are using Spanish-language radio ads and pocket schedules. They also plan to partner with a Spanish-language TV channel for broadcasts.

- Atlanta Braves host a Heritage Salute Weekend.
- Boston Red Sox play pre-game Latin music in the stands when pitcher Pedro Martinez is on duty.
- Pittsburgh Pirates host post-game jazz, soul, and Gospel concerts.
- San Diego Padres offer a shuttle service to their stadium from Tijuana, Mexico.
- Texas Rangers recently began advertising in Spanish.

CONTACTS & CONNECTIONS

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Rosy Outlook

Minority Small-Business Owners Are Most Optimistic

Small business owners remain optimistic about the U.S. economy and their ability to be profitable in 1998—and minority owners are more optimistic than others, according to Dun & Bradstreet. This represents the third consecutive year that minority small-business owners say they feel positive about the economy and their role in the U.S. economic growth, according to the annual survey of American small business.

Nearly two thirds of owners overall (64%) expect to grow their customer base this year. This figure is down slightly from 68% in the 1996 study; however, among minority business owners the number who expect an increase in business is 80%. Small business owners are also optimistic about profits, with 62% foreseeing growth this year. Nearly three-quarters of minority business owners express optimism in this area.

Some 42% of small business owners overall expect growth in the value of their receivables, while 60% of minority owners project growth. Minority owners are much more likely to expect to increase their staff this year: 53% say they will, versus 35% of all small business owners.

The primary concern for all small business owners is finding qualified employees. This problem is even more pronounced in 1998, as unemployment remains low nationwide.

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