



by Miriam Muléy

They are one of the largest, fastest-growing ethnic populations and possess higher wealth and educational levels than any other multicultural market in this country. With an estimated buying power of \$397 billion in the United States, Asian-Americans are one of the most sought after markets in North America.

As a relatively new and untapped source of consumers, independent distributors and employees, the economic power and educational attainment of Asian-Americans holds tremendous potential for the direct selling industry. Business leaders can benefit from becoming familiar with the distinguishing characteristics of this economically and culturally vibrant audience as a strategy to grow new customer sales.

Here are the facts:

- ✦ **There are 13.2 million Asians in the United States; by 2010 nearly 5 percent—or 15.3 million Americans—will claim Asian ancestry.** That number is double the level it was in 1990 and is projected to grow to 8 percent of the U.S. population by 2050. Immigration is a key driver of this growth, with 69 percent of all Asians born outside the United States. (Source: U.S. Census)
- ✦ **Buying power among Asian-Americans stands at \$397 billion and will climb to \$579 billion by 2010.** This buying power puts the Asian-American GDP ahead of the economies of all but 16 countries around the world. (Source: Selig Center for Economic Growth, the University of Georgia)
- ✦ **Asian-Americans have higher-than-average household income of \$52,626 compared with the U.S. average, \$42,409.** (Source: U.S. Census)
- ✦ **Dollar-to-dollar, Asian-Americans are transacting more business than any other group.** They have the highest percentage of business owners among all minorities; 5.9 percent of all U.S. business owners are Asian compared with their population importance of 4.4 percent. (Source: *Advanced Report for the Economic Census*)
- ✦ **Asian's high entrepreneurship rate has accelerated Asian business growth.** There are 10,600 Asian companies in the United States for every 100,000 Asian adults—nearly twice the rate for Hispanics and African-Americans. (Source: *USA Today*)
- ✦ **Asians comprise the largest college-graduate population in the United States.** Forty-six percent of Asian-American men and 39 percent of Asian-American women have bachelor's degrees, compared with 39 percent of non-Hispanic white men and 25 percent of non-Hispanic white women. In addition, one in seven Asian-Americans—1 million people—has a master's, Ph.D., medical or law degree. (Sources: U.S. Census, American Council on Education)

- ♦ **The Asian-American population is relatively young.** Census 2000 indicates that the median age of Asian-Americans is 32.7 years (compared with 37.7 years for non-Hispanic whites). Fewer are entering retirement (8.4 percent of Asian-Americans are above the age of 65 versus 13.5 percent of non-Hispanic whites), underscoring the vitality of the market.
- ♦ **The Asian-American population is highly concentrated in large urban areas.** Thirty-five percent of all Asian-Americans live in Los Angeles, New York and San Francisco. Large Asian-American communities can also be found in the Northwest and Northeast, Texas-Louisiana and Washington, D.C.
- ♦ **Asian-Americans out-index all other ethnic groups in using technology-based products.** Specifically, 57 percent of Asians research purchases on line before making purchases, and 61 percent make purchases online. In addition, Asian-Americans are heavy purchasers of telecommunications, insurance, financial products and home-mortgage services. There is a preference for luxury items and an emphasis on quality that set this audience apart as premium buyers. (Source: Marketing Leadership Council)

Unity in Diversity

The single largest challenge companies face in reaching the Asian-American market is in recognizing that it is not a monolithic group. Within the United States, there are several Asian groups; six of the largest are Chinese (25 percent of all Asians), Filipinos (18 percent), Asian-Indians (16 percent), Vietnamese (11 percent), Korean (10 percent) and Japanese (8 percent). Understanding the rich diversity that exists within each group, and creating marketing and sales plans that cater to the distinct audience needs, is fundamental to success in the Asian-American market. Therefore, the balance of this article is focused on helping bridge knowledge gaps with information about the major Asian-American subgroups. (Source: *U.S. Census; Every Culture Report; American Demographics*) In so doing, we believe this will build awareness of the full scope and depth of the Asian-American market and help business leaders more effectively connect with them as potential consumers, independent distributors and employees.

Chinese-American Snapshot

(Twenty-five percent of all Asian-Americans)

Overview: Largest of all Asian groups (3.3 million); grew more than 48 percent between 1990 and 2000. Comprised of immigrants from four distinct areas: Taiwan, Hong Kong, People's Republic of China (Mainland China) and Southeast Asia. Divided into two major dialect groups, Mandarin and Cantonese. Major geographic concentrations: New York (504,000 pop.), San Francisco (481,000 pop.) and Los Angeles (425,000 pop.). \$51,444 Chinese-American median household income (HHI) compared with \$52,616 median Asian-American HHI.

Psychographics: Cautious in personal and business dealings; price-conscious; plan for the long term; have respect for authority and elders; seek harmony in relationships. The strong respect for

authority and the controlled, emotionally restrained behaviors of Chinese-Americans may translate in the workplace to a genuine loyalty to employers, a desire and willingness to learn from others, internal strength to tolerate crisis situations and the adaptability to change in organizational structure. (Source: *Breaking the Bamboo Ceiling*, Jane Hyun)

Family and Community Dynamics: Most middle-class Chinese-Americans place the highest priority on raising and maintaining the family: providing for the immediate family members (grandparents, parents and children), acquiring an adequate and secure home for the family, and investing time and annual income in their children's educations. Chinese-Americans are disproportionately represented among the top research universities and the elite, small, liberal colleges. Direct selling companies that reinforce these family values will be well received.

Holidays: The most important holiday is the Chinese New Year or the Spring Festival (*chun jie*), which is a school holiday in San Francisco.

Media: Eighty-three percent of Chinese-Americans prefer communications in their native language and speak this language at home. As such, in-language newspapers (*Chinese American Citizens Alliance, Chinese Daily News, The Chinese Press, Sampan, Sing Tao Daily*) may be found in most major cities from Honolulu to New York. In addition to newspaper, radio (Global Communication Enterprises, Huayu Radio Broadcast) and television (Chinese World Television, Hong Kong Television Broadcasts, United Chinese TV, Hua Sheng TV, Pacific TV Broadcasting Co.) offer in-language media access to the audience.

Major Organizations and Associations: Connecting to the market through major organizations and associations is an effective marketing outreach strategy. In addition to professional groups (e.g., Asian American Bar Association), there are several national advocacy groups that serve the needs of the community. Some examples are the Organization of Chinese Americans, Chinese American Citizens Alliance and the Chinese Consolidated Benevolent Association.

FILIPINO SNAPSHOT

(Eighteen percent of all Asian-Americans)

Overview: Second-largest subgroup (2.4 million); grew more than 32 percent between 1990 and 2000. Filipinos led all Asian groups in immigration to the United States. Major geographic concentrations: Los Angeles (375,000 pop.), San Francisco (325,000 pop.) and Honolulu (180,000 pop.). Filipino median HHI \$60,570 compared with \$52,616 median Asian-American HHI. The high income of Filipinos can be attributed to the ongoing stream of highly educated and highly skilled immigrants from the Philippines and to second- and third-generation Filipino-Americans finishing college.

Psychographics: High rates of acculturation due to English proficiency; heritage, culture and values similar to Hispanics, due to 400-year Spanish influence in the Philippine Islands; strong sense of family and community preservation; highly religious, primarily Roman Catholic.

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TOP 10 ASIAN AMERICAN MARKETS IN THE U.S.	
METROPOLITAN AREA	ASIAN POPULATION (MM)
Los Angeles	1.7
New York City	1.3
San Francisco	1.3
Honolulu	0.5
Chicago	0.4
Washington, D.C.	0.4
Seattle	0.3
Boston	0.3
Sacramento	0.3
San Diego	0.3
Philadelphia	0.3
Houston	0.2

Family and Community Dynamics: Filipino-Americans come from a society in which families, composed of paternal and maternal relatives, are the center of their lives. Its social structure extends to include neighbors, fellow workers and other community neighbors, called *compadres*, which in Spanish means *co-parents* or *godparents*. All of these people are welded together by the *compadrazgo* system, which binds the community together while excluding outsiders. Historically, the *compadrazgo* system created obligations that included sharing food, labor and financial resources. This system, while religious in origin and designed to assure the protection of the individual through group loyalty, provides a network of associates and contacts that can be leveraged in a direct selling system.

Holidays: Filipinos celebrate several events. One in particular is the Lotus Festival, when traditional dress and foods are enjoyed. Among the foods are *lumpia* (an egg roll filled with pork, shrimp and vegetables), *kare kare* (a peanut oil-flavored mixture of oxtail and beef tripe), and chicken and pork *adobo* (meat boiled in vinegar and flavored with garlic and spices served over rice).

Media: Sixty-six percent of Filipinos prefer to speak their native language at home. As such, there are several media available to reach the target. The *Philippine Mail* is still published in California, making it the oldest Filipino newspaper in the United States. In addition, the *California Examiner*, *Filipina*, and *Philippine News* represent media linkages to this audience.

Major Organizations and Associations: Among the most well-known national advocacy organizations is the Filipino American National Historical Society. This organization gathers, maintains and disseminates Filipino-American history.

ASIAN INDIAN SNAPSHOT (Sixteen percent of all Asian-Americans)

Overview: Asian-Indians (2.1 million) are a heterogeneous group, speaking many languages and coming from a variety

of Indian cultural and religious backgrounds. Marketing communications are best executed in English with Indian national cues woven in for cultural relevance. The U.S. Asian-Indian population grew more than 106 percent between 1990 and 2000. Major geographic concentrations: New York (364,000 pop.), San Francisco (143,000 pop.) and Chicago (124,000 pop.). The Asian-Indian median HHI is \$63,669 compared with \$52,616 median Asian-American HHI.

Psychographics: National heritage, culture and values are very important; highly price/value conscious but very loyal to strong brands; strong emphasis on education—a large percentage of all Asian-Americans attend college for a minimum of four years. An example of the strong emphasis on education and professional attainment is in the high percentage of medical doctors in the United States who are Asian-Indian, 38 percent.

Family and Community Dynamics: Traditional Asian-Indian family values are highly respected and considered sacred. Modesty is considered a virtue. Many tend to be nonconfrontational and accommodating. Asian-Indians tend to speak much faster than the general public, who often has difficulty understanding Asian-Indians. Men traditionally handle financial matters in the household; but women are increasingly involved in influencing the decisions. Hindus, who make up 80 percent of the Asian-Indian population, traditionally do not eat beef (or any meat) and do not drink alcohol. Second-generation Asian-Indians who have acculturated into the mainstream will have largely assumed more American values.

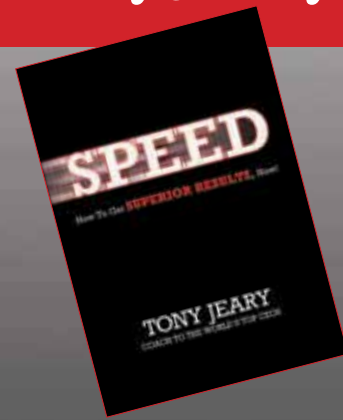
Holidays: In addition to universal celebrations like International New Year's Day, Asian-Indians celebrate India's day of independence from the British on August 15 and Republic Day on January 26. Many religious celebrations are also observed, the most important being Diwali (*deevalee*), the festival of lights celebrating the return home of the Lord Rama, and Holi (*hoelee*), the Hindu festival of colors celebrating spring. Major festivals for Muslims include *Eid-ul-Fitr*, which marks the end of Ramadan, the month of fasting.

Media: Fifty-five percent of Asian-Indians prefer to speak their native language at home. *India Abroad*, *India Current*, and *News India* are among the Asian-Indian print options available. Asian-Indian television programs are common on cable channels in cities with large communities, like New York and Chicago.

Major Organizations and Associations: Several national advocacy groups exist and represent opportunities for relationship building: Association of Indians in America, Network of Indian Professionals, National Association of Asian Indian Professionals and others.

VIETNAMESE SNAPSHOT (Eleven percent of all Asian-Americans)

Overview: Eleven percent of the Asian-American population (1.5 million); grew more than 83 percent between 1990 and



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2000. A large percentage of Vietnamese originally entered the United States as refugees. Vietnamese are well-educated and have the highest in-language preference among all Asian groups (93 percent preference for native language). Major geographic concentrations: Los Angeles (238,000 pop.), San Francisco (156,000 pop.) and Houston (58,000 pop.). Vietnamese median HHI \$45,085 compared with \$52,616 median Asian-American HHI.

Psychographics: Quality-conscious and value seekers; strong political beliefs; strong tendency for cultural and community preservation; family and education are key.

Family and Community Dynamics: The extended family is the heart of Vietnamese culture, and preservation of family life is one of the most important concerns of Vietnamese-Americans. The Vietnamese tend to think of the family as including maternal and paternal grandparents, uncles, aunts and cousins. Even when adult children marry and leave the household, parents often encourage them to live nearby. Older and newly arrived Vietnamese-Americans often display indirectness and extreme politeness in dealing with others. They will tend to avoid looking other people in the eye out of respect, and they frequently try not to express open disagreement with others.

Holidays: The most important Vietnamese holiday is Tet, which marks both the beginning of the lunar New Year and the beginning of spring. Tet usually falls in late January or early February.

Media: Most Vietnamese-American communities have small Vietnamese-language newspapers with limited circulation, such as *Across the Sea*, *New Family*, and *Horizons: Of Vietnamese Thought and Culture*.

Major Organizations and Associations: Vietnamese-Americans have formed a variety of organizations during the short time they have been a part of American society. Most of these exist to help newly arrived Vietnamese adjust to American society, but they also provide information about Vietnamese-American culture, business and other aspects of Vietnamese life in this country. Examples include: Center for Southeast Asian Refugee Resettlement, Federation of American Cultural and Language Communities and the Vietnamese American Cultural and Social Council.

KOREAN SNAPSHOT (Ten percent of all Asian-Americans)

Overview: The most homogeneous of all Asian groups, the majority of Koreans (1.3 million) have similar economic backgrounds. As immigrants, a high number came to the United States as complete family units. Grew more than 35 percent between 1990 and 2000. Major geographic concentrations: Los Angeles (272,000 pop.), New York (168,000 pop.) and Washington, D.C. (60,000 pop). Korean median HHI \$40,037 compared with \$52,616 median Asian-American HHI.

Psychographics: Strong preference for name brands versus value brands; independent and assertive; strong emphasis on family and education. Entrepreneurial-driven—33 percent of Korean-American families own small businesses such as vegetable stands, grocery stores, service stations and liquor stores. In the 1980s,

Korean immigrants owned an estimated 95 percent of all dry-cleaning stores in Chicago. By 1990, 15,500 Korean-owned stores were in operation in New York City.

Family and Community Dynamics: The family remains very important to Koreans in their homeland and in the United States. Parents still pressure their children to marry someone who has a good relationship with the family. Children—both male and female—usually are responsible for the care of elderly parents. Tight family bonds continue to exist among Korean-Americans. Korean-American families often include extended family members. The average Korean-American household consists of more members than the average American family; in 1980, U.S. Census Bureau reported an average 4.3 members in the Korean-American household, compared with an average 2.7 persons in the American household at large.

Holidays: Following Buddhist and Confucian traditions, Koreans begin the New Year with an elaborate three-day celebration called *sol*. Family members dress in traditional clothing and pay homage to the oldest family members. *Yadu Nal* (Shampoo Day) is celebrated on June 15. Families bathe in streams or waterfalls to protect them from fevers. *Chusok* (Thanksgiving Harvest) is celebrated in autumn to give thanks for the harvest. *Kimchi* is also prepared for the winter at this time.

Media: Major print media venues include: *Korean Culture*, *Korean Studies*, and *The New Korea*. Radio and television, including Korean Cultural Television, provide in-language connection with the market.

Major Organizations and Associations: National advocacy groups include: Korean National Association, Korean Society and the National Association of Korean Americans.

JAPANESE SNAPSHOT (Eight percent of all Asian-Americans)

Overview: Japanese Americans (1.1 million) have the highest numbers of second- and third-generation Americans. The current population includes acculturated, the newly immigrated,

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students and intracompany transfers (expatriates). Major geographic concentrations: Honolulu (215,000 pop.), Los Angeles (153,000 pop.) and San Francisco (78,000 pop.). Japanese median HHI is \$52,060 compared with \$52,616 median Asian-American HHI.

Psychographics: Value consensus over individual opinion—a collectivist point of view, value name brands over price brands, strong family values, strong emphasis on education and accomplishment, prestige is key.

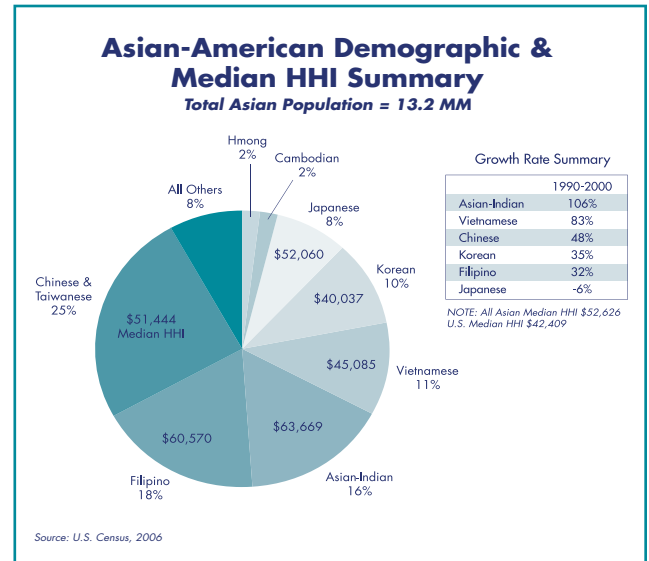
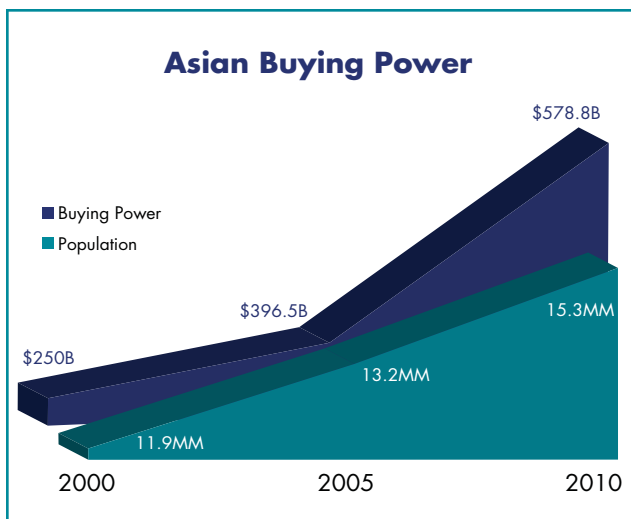
Family and Community Dynamics: As with other Asian cultures, the family represents the central nucleus in the Japanese community. Elders and ancestors are highly respected and valued, and the concept of family extends beyond the traditional father/mother/child bond to include cousins, aunts, uncles and others. Men play a more dominant role in the decision-making, although with the strong emphasis of second- and third-generation Japanese-Americans in this country, the influence of women has grown and continues to drive product selection.

Holidays: In Japanese-American communities many Japanese still celebrate New Year's Day in very much the manner following the customs from Japan. New Year's is a time for debts to be paid and quarrels to be settled. It is an occasion when houses are cleaned, baths are taken and new clothes are worn. On New Year's Eve, many Japanese Americans go to temples and shrines. Shinto shrines are especially popular.

Media: Within print, *Chicago Shimpo*, *The Hawaii Hoichi*, and *Hokubei Mainichi* are among the in-language and bilingual media available in the Japanese community. In addition, several radio and local television stations provide connection to the market.

Major Organizations and Associations: National advocacy groups include: Japan-America Society of Washington, Japanese American Citizens League and the Japan Society.

With this information at hand and greater knowledge of the cultural and economic richness of the Asian-American market, what are some practical steps you can employ to leverage the potential of these growth audiences? Here are 10 steps to consider:



1. Determine whether enhancements to your products and services are required to better meet the customer needs of Asian-Americans.
2. Examine the makeup of your independent sales force and employee base to ensure you mirror the market.
3. Analyze your communications toolbox—Web site, print media, broadcast, catalog—to make sure you market your products in the preferred language of your target audience.
4. Identify the major Asian-American events in your market. Attend, participate, network.
5. Involve yourself and your teams in the local media. Use bilingual skills, if applicable, to connect with the media and local press.
6. Know the Asian-American small-business owners where your products and services are sold. Target marketing efforts to these highly networked businesses.
7. Set a goal to increase your business among Asian-American customers. Track results. Reward performance.
8. Explore the referral energy of your existing Asian-American customer and distributor base to identify more prospects. Customize your existing referral strategy to ensure it is culturally relevant to the target audience.
9. Align your corporate efforts with major organizations and advocacy groups that support the Asian-American community. Build third-party credibility.
10. Educate yourself about the market. Continue to develop cultural competency.

Taking these steps will secure your position in the multibillion-dollar Asian-American market, a market of incredible diversity, enormous affluence and superior educational attainment.



Miriam Muléy is CEO of The 85 percent Niche and consults on marketing and selling to women and the diverse markets. Visit www.85percentniche.com for further information about the richness of these markets and strategies for growth.