

Demanding New African American Consumer-Marketer Relationships

By Norm Bond
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The African American consumer market represents the largest emerging market in the world. With revenues projected to reach \$1.2 trillion dollars by 2012 according to the US Census Bureau, this market segment has more retail purchasing power than Mexico, a nation to which many US companies are beating a path.

The segment has richly rewarded many retailers, wholesalers and manufacturers. Indeed the African American consumer has built entire television networks, established new fashion trends, and revolutionized the use of consumer electronic and communication tools from pagers to cell phones. We've "passed the Courvoisier," "put a ring on it" and had "everybody in the club gettin' tipsy." We've made the words "bling-bling" part of the popular culture, created a market for overpriced football jerseys ("throwbacks") and made more ways to wear jeans than Levi could have ever imagined. But what have we received in return? I guess we'd better "blame it on the alcohol."

This is why the actions of companies like General Motors are so disturbing today. The notion of Black people driving Cadillac's is part of the lexicon within the African American culture. The brand has been a status symbol for the aspiration of Black leaders from Baptist preachers, to organization leaders to today's "Ballers" whose whip of choice is the Cadillac Escalade. With such extreme brand loyalty from a segment that over-indexes and contributes 24% to the companies' market share,

you would expect a willingness, even a strong demonstrated desire by the company to reciprocate. In a challenging economic environment why not go to your base? Look to further build a "relationship" and partner in new and more creative ways. Would it be too much to ask for support of the things that are of interest to your loyal consumers including the institutions and media outlets that deliver the messages? Clearly not, however, the research shows just the opposite. GM has taken the loyalty of the African American consumer for granted.

Even in the boom years, the company did not spend a commensurate share of its annual advertising budget with Black-owned media outlets. And now, in tough economic times we have learned of the nearly \$3 billion dollars the company spends in annual advertising, it spent an insulting \$35 million, about one percent, with Black-owned media. This represents one dollar, for every \$100 dollars it receives from Black consumers who buy GM vehicles. The company recently received \$50 billion in government bail-out monies, tax-payer dollars, many of whom are African Americans but the company is still refusing to increase its advertising spend with this core-demographic segment that has been "ride or die" with the GM brands - the African American consumer.

Some would play "devils advocate" and say - why should they? Why should a company for example, that has 95% penetration into the African American consumer market and spends \$0 in advertising directed toward this group - support Black-owned media? Surely their research and consultants will tell

them "we can put those dollars to better use elsewhere." Besides, what do they have to lose?

I would argue - they could lose a lot. Particularly if these same African American consumers start to wake-up, become conscious of their influence, and start to leverage their consumer retail spending power in an effective manner. Definitely if leaders like Danny Bakewell and the NNPA, are able to use the same medium available to these companies, the Black Press of America and inform their readers of the atrocity of continuing to blindly support companies who don't respect our institutions, our community or our Black-owned media outlets. Certainly if responsible Black elected officials like the Congressional Black Caucus are willing to call to task the senior management of General Motors and demand an accounting for the gross inequities of their faulty marketing and advertising practices, companies that follow these outmoded strategies stand to lose even more than profits and market share.

But can Black consumers toe the line? Recently John and Maggie Anderson of Chicago answered this question. As an upper middle-class African American family they decided they were tired of just talking about the inequities many of us see every day. They launched the "Empowerment Experiment" and for an entire year "lived off of Black-owned businesses and professional services." This simple act by one family has grown and sparked renewed interest in the possibilities of creating new solutions by seeking out and supporting Black-owned businesses. Perhaps General

Motors should take notice. Some will refuse to sit idly, watch and complain as our businesses, our institutions, and our community continues to deteriorate and we spend billions of consumer retail dollars with companies that don't share our values. Indeed the growth of the Empowerment Experiment is proof positive that a new way of thinking is beginning to take root within the African American community and from a new vanguard of leaders.

This fresh, new leadership is rooted in the visionary actions of Rev. Leon Sullivan, the founder of OIC and developer of the Sullivan Principles which helped end apartheid in South Africa. It's rooted in the commitment to action of Black business owners who realize that a "jobless recovery" means that the African American community must find ways to generate jobs from within its own base by increasing the number of new businesses that are created. It's rooted in new organization leaders who are building local, regional, national and global networks using social media, traditional media and their personal networks to create a new balance of power. This group is moving forward with a firm belief that if the question is - can Black consumers toe the line and create new mutually beneficial relationships with companies that respect their interests? Then the answer is "YES WE CAN!"

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Business Tax Cuts

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in their payrolls. This bonus would be based on Social Security payrolls, so it would not apply to wage increases above the current taxable maximum of \$106,800.

Firms will be able to claim the credit on a quarterly basis, which gets money out to businesses quickly and provides and early incentive to hire and increase payrolls.

Make an Investment with Gold Coins

(NU) - The recession has prompted many investors to take an interest in coin collecting - gold and silver retain their intrinsic value no matter the state of the nation's economy. For this reason, the New York Mint, a private mint, partnered with the Smithsonian to strike Morgan's \$100 Union - a gold coin that was designed in 1877, but never minted. The coins can't be

used as currency - only the U.S. Mint can make U.S. coins - but they are a stunning collectible based on a historic design.

For more information, visit www.NewYorkMint.net, or call 800-642-9160 ext. 4391.

Should You Start a Home-Based Business?

(NU) - Being your own boss holds wide appeal. Americans with home-based businesses report to no one, set their own hours, don't have to deal with office politics and determine their own salaries. Paul J. Meyer, author of "Pink Slip Proof: How to Control All Future Paychecks," provides the following reasons to look into starting a home-based business:

- 1. Personal Freedom.** You can choose the business and control your day-to-day work hours.
- 2. Reduction of Stress.** When you're in control, you will experience less stress.
- 3. Involve Your Family.** Spouses or other family members can pool their talents and resources and work together to create a successful business.
- 4. Financial Rewards.** Home-based businesses open doors for the handicapped, students, homemakers and others who may not be able to land high-paying corporate jobs. You can make as much money as you're willing to work for.
- 5. Increase Your Competitive Edge.** Working out of your home will save you money on overhead. Pass your own savings on to your customers.
- 6. Greater Productivity.** You are the direct beneficiary of your own efforts.

Visit www.pauljmeyer.com for more information.

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