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An overlooked market

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Retailers and marketers need to do a better job of reaching out to a fast-growing demographic — affluent African-Americans — researchers say.

The numbers of affluent African-Americans — defined as individuals with incomes over \$75,000 and households with incomes over \$150,000 — have grown dramatically in North Jersey, according to U.S. census figures.

In Bergen County, African-American households with incomes over \$200,000 increased 105 percent between 1999 and 2007. For the state of New Jersey, that demographic group increased by 67 percent over the same period.

“This affluent group is definitely under the radar,” said Andrea Hoffman, CEO of Hamburg-based Diversity Affluence, a marketing and research firm that specializes in marketing to affluent ethnic groups.

‘They’ve been ... there’

“They’ve been out there, in executive positions, and they are power brokers and leaders and philanthropists,” she

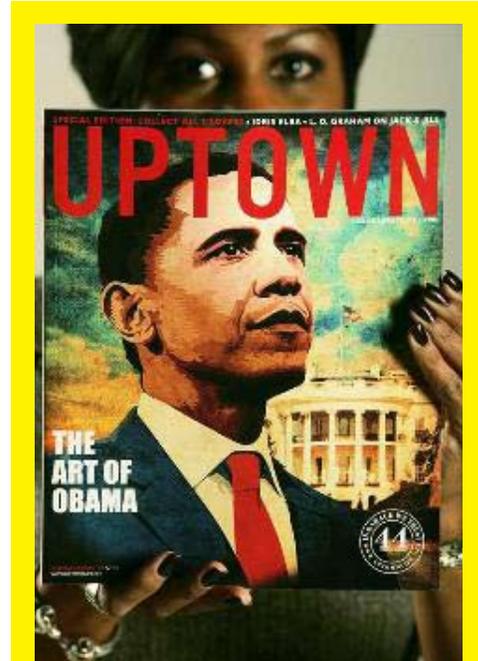
said, but they have been overshadowed by more “one-dimensional” portrayals of affluent blacks, such as hip-hop stars and celebrities.

Diversity Affluence recently conducted a survey of affluent African-Americans to discover which brands do a good job of reaching their demographic. Department store retailer Nordstrom and luxury automaker Mercedes-Benz received high marks, but most companies fell short, Hoffman said.

“What we deduced is that, at the end of the day, a lot of these brands are not doing a great job reaching out, and therefore, there is a huge opportunity out there to market to this group,” Hoffman said.

Diversity Affluence estimates that affluent African-Americans control over \$87 billion in purchasing power. The company places them in a larger demographic group it has dubbed “Royaltions” — affluent ethnics, including blacks, Hispanics, and Asian-Americans.

Hoffman said the “Royaltions” name, which her company has trademarked, grew out of a brainstorming session to give marketers a name to describe affluent ethnic consumers. “We thought royalty is a small group of affluent, influential people, so we said why don’t we take something from that. It’s derived from the term ‘royalty,’” Hoffman said.



Jocelyn Taylor, publisher of Uptown, a magazine for African-American professionals.

Greg McBoat, chief economist for Diversity Affluence, said there are 3.6 million Royaltions — affluent blacks, Asians and Hispanics — in the United States, with annual income of \$526 billion and purchasing power of \$282 billion per year.

Jocelyn Taylor, publisher of Uptown magazine, a national publication whose target audience is African-American professionals, prefers the term “Triple A’s” — Affluent African-Americans. Since its launch five years ago, Uptown has grown from a small, Harlem-based publication

into a national magazine with five regional editions and a circulation base of 200,000. Taylor, who grew up in West Orange and now lives in South Orange, said Uptown offers its advertisers a comprehensive package of opportunities to reach Triple A's, from advertising pages to social networking and Web sites to event sponsorships.

Taylor has editorialized in Uptown about the need for luxury brands, particularly in the fashion and jewelry industries, to do more to reach affluent blacks.

Feeling ignored

"As a self-proclaimed fashionista who can go shoe-to-shoe with 'Sex and the City's' Carrie Bradshaw any



Jocelyn Taylor, publisher of Uptown magazine.

day, I ... am 'mad as hell' with the way the so-called general market fails to appreciate African-American spending power," Taylor wrote in a recent publisher's letter in Uptown.

She elaborated on those thoughts in an interview with The Record. "If affluent African-Americans ever did a boycott, if they decided to not support any luxury brand, the brand would feel it," she said. Luxury brands need

to recognize their affluent African-American consumers by advertising in upscale black publications, using black models and supporting events.

Hoffman said she believes that with the election of the nation's first black president, retailers and corporations "are finally saying, 'Let's stop making excuses, let's find the money and let's reach new audiences.'"

Companies who want to reach this affluent demographic need to "show up to the party," Hoffman said. "Show up where your audience is, and show up often," in publications such as Uptown, and at events sponsored by groups such as black fraternities and sororities and black Ivy League alumni associations, she said. "Show up and start a dialogue."