

Tapping Blacks' Spending Clout: The Arbitron Black Consumer Study

An Arbitron Inc. Research Study

Executive Summary

The Arbitron Black Consumer Study draws on data from Arbitron's Spring 2000 survey. Data for analyses such as overnight listening and listening location were computed using Arbitron's radio respondent-level software application, MaximiSer[®]/Media ProfessionalSM.

The study provides advertisers, agencies, media planners and buyers, and Urban-formatted radio stations with a wealth of information about black consumers and how to reach them. In a single document available free of charge on Arbitron's Web site, *The Arbitron Black Consumer Study* provides:

- Background information about black radio
- A qualitative profile of black consumers
- The volume of home ownership in the Top 50 black markets
- Facts that dispel lingering myths about black consumers
- Appendices that indicate how different markets rank in terms of black radio
- Suggestions to buyers of radio time on how to connect with this valuable consumer segment

Bottom Line: Many advertisers have been ignoring valuable Urban-formatted stations and other formats that draw black listeners, because these advertisers have misconceptions about black consumers' level of education, volume of home ownership, spending power and spending choices.

Telling Statistics That May Surprise

When advertisers read the study, many are likely to be surprised, for example, that 48.9 percent of black Americans own their homes. Black Americans are nearly twice as likely to work in a white-collar job as they are to work in a blue-collar job, and 64.3 percent of black Americans have Internet access.

How to Eliminate Traditional Roadblocks and Get to Black Consumers

Drawing on suggestions from Clarence Smith, president of Essence Communications, the study advises how advertisers, agencies, media planners and buyers, and radio stations can change the future and avoid two types of traditional roadblocks that have resulted from erroneous myths about black consumers. One of these obstacles has been the "no Urban dictate" that has prevented many advertisers from placing commercials on Urban-formatted radio stations. The other longtime hurdle has been the "minority discounting" practices that have resulted in lower costs per point or unit rates on minority-formatted stations simply because they are minority-formatted stations.

Smith's **suggestions for advertisers**, for example, are that:

- They should require multicultural advertisement submissions.
- Their CEOs should "incentivize" the company's workforce.
- Their sales demand should be driven by population density.
- Their predictions should be based on category consumption and psychographic disposition.
- They should hire black-owned ad agencies and provide aggressive budgets.

To visit Arbitron's Web site and download the study for free, go to http://www.arbitron.com/downloads/black_consumer_study_02.pdf.

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