



Ebony Marketing Systems

Multicultural Market Research

Quick Guide: Marketing to Asian Americans and Pacific Islanders in 2023





On Authentically Connecting with the AAPI Community

Dear Marketer,

If your brand is overlooking Asian Americans and Pacific Islanders (AAPI) in your marketing efforts, you are leaving a huge customer base untapped. Asian Americans are, according to the Pew Research Centre, the fastest-growing ethnic group in the US and Asian Americans and Pacific Islanders, when combined, make up 28.2% of US immigrants in 2023.

AAPI make up about 6.5% of the US population and represent more than \$1 trillion in buying power. This figure is expected to jump to \$1.3 trillion by 2023. The average AAPI household has a higher income than the average US household and the AAPI community strongly influences market trends and US consumer behavior, particularly in industries like technology and education.

The AAPI community is often vocal about their support for brands and movements and relies heavily on social media to indicate support. Their heritage is an integral part of their identity and their experience as immigrants — or children of immigrants — plays an important role in how they interact with brands. AAPI have a great sense for value, often seeking out and spending more on great deals, but they don't mind paying a premium for quality.

Asian and Pacific Islander cultures tend to be strongly family and community-oriented, and this is evident in the average AAPI household that has more members than the average US household and often includes two or more generations living together under the same roof. This impacts expenditure on housing, groceries or eating out, and education. The AAPI community tends to overspend the average American in food, housing, and transportation, making more trips to the supermarket than the national average.

Despite a global push for diversity, AAPI still feel underrepresented in most advertising. According to a 2020 study, 62% of Asian Americans reported feeling underrepresented in ads, compared to just 41% of Hispanic Americans and 32% of Black Americans.

Even though representation is important, brands must be careful to avoid tokenization. Consumers are more likely to make a purchase from brands whose advertising included people that look like them, but it is more important to include messaging that prioritizes their interests, rather than including a few token AAPI actors in your ads. The AAPI community does not appreciate obvious attempts to appeal to them with advertising that tries too hard to be "Asian."

Kai Fuentes, President and CEO of Ebony Marketing Systems



LivingScapes™





Understanding Lifestyles and the AAPI Workforce

The AAPI community is made up of a very diverse group of people, consisting of East Asian Americans (including, but not limited to China, Japan, Korea, Thailand, Malaysia, Cambodia, and Vietnam), South Asian Americans (including, but not limited to India, Bangladesh, Pakistan, Afghanistan, Bhutan, Nepal, and Sri Lanka) and Pacific Islanders (including but not limited to Hawaii, Polynesia, Micronesia, Samoa, Tahiti, and Fiji).

With a total US population of about 24.3 million, split into 22.9 million Asian Americans and 1.4 million Pacific Islanders, the AAPI community encompasses diverse cultures, languages, cuisines, and lifestyles. Chinese, Indian, and Filipino Americans make up the largest share of the AAPI community in the US.

Asian Americans and Pacific Islanders have the highest business ownership rate among all minorities, and play an important role in the service and food industry.

AAPI have also been on the frontlines, playing a significant role in the healthcare and other essential industries during the pandemic. AAPI make up 8.5% of essential healthcare workers, and are overrepresented in the healthcare community, in comparison with their overall population share.

AAPI workers also make up a crucial part of food-related industries (more than two-thirds), the education sector (1 in 17 workers), and the biomedical field (1 in 6 workers).

The AAPI community has a strong work ethic and an equally strong sense of ethnic and community identity. They are defined by strong family values, and are more likely to be married and have children, than the average American.

Engaging with the AAPI community effectively requires understanding what drives their buying decisions. Family and extended family are often consulted on major financial decisions. Additionally, for AAPI juggling the needs of various family members, products that offer convenience and make their lives simpler are a major draw.

"They are defined by strong family values, and are more likely to be married and have children, than the average American."



CultureScapes™





Understanding Cultures

With over 50 ethnic groups that speak over 100 languages, the AAPI community features many varied and rich cultures, cuisines, and customs. The term 'Asian American' or 'Pacific Islander' doesn't do justice to the AAPI population, lumping them into a monolithic identity. Generally, AAPI identify better with more specific identities like Korean American, Chinese American, or Indian American, rather than the more generic terms.

Despite their differences and varied cultures, AAPI consumers do share certain traits. AAPI tend to be heavily influenced by family and community dynamics while making buying decisions. They are also tech-savvy and technologically connected, often taking to social media to display their support and passion for bands like BTS (Bangtan Boys) and Blackpink.

Asian Americans, in particular, tend to be trendsetters in adopting the latest technology, and shape technology consumer trends. 97% of Asian Americans own a smartphone, 99% have Internet access at home, and 89% own a computer.

Internet culture, globally, is heavily influenced by AAPI music, arts, and dance. K-pop, or Korean pop, has become a global phenomenon, and AAPI musicians have a massive global following. The AAPI music community and their fans have often expressed displeasure at being overlooked and underrepresented by US award shows like the Grammys. Brands that are vocal about calling out this bias in the entertainment industry are more likely to be taken seriously as allies by AAPI consumers. The AAPI community has often experienced misappropriation and exaggerated, comical depictions of their culture, and brands must steer clear of adding to this.

Another mistake brands often make in marketing to AAPI is in lumping them together. AAPI are not homogenous, and your brand could have more success marketing specifically to Korean Americans or to Indian Americans, rather than attempting to reach the entire AAPI community with a common marketing message.



"The term 'Asian American' or 'Pacific Islander' doesn't do justice to the AAPI population, lumping them into a monolithic identity."



MindScapes™





Understanding Consumer Behavior

The average Asian American household income is 41% higher than the US average. Asian Americans also spend as much as 24% more on housing, 29% more on food, 128% more on education, 67% more on apparel and 37% more on new cars than the national average.

This can perhaps be attributed to the fact that Asian Americans are overrepresented in high-earning STEM (science, technology, engineering, and math) related fields. In contrast, the AAPI community has some of the most glaring disparities in wealth of any racial or ethnic group in the US. AAPI adults in the 90th income percentile earn more than 10 times of what those in the 10th percentile earn.

The average Asian American (35.4 years) is younger than the average American (38.7 years), but is more likely to be married or raising a family. This is reflected in their buying habits. AAPI grocery shopping, for example, is dominated by baby foods and prepared or easy-to-prepare meals.

The AAPI community spends heavily on education for themselves and their families, placing a high value on higher education and advanced degrees.

"AAPI grocery shopping is dominated by baby foods, and prepared or easy-to-prepare meals."





Know Your Market

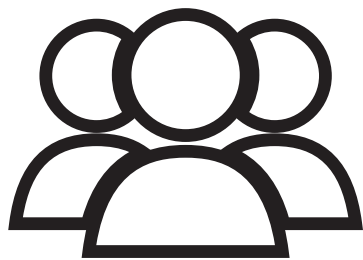




Emergent Demographics

Authentically understanding the AAPI community is an important part of marketing effectively to them. Given how diverse this community is, that can be a challenge.

Having AAPI employees on your team is one way of gaining a deeper understanding of the community, but be careful not to lump Japanese, Fiji, Indian, or Chinese Americans together into one homogenous group. AAPI are diverse, and your brand needs to understand the unique needs, challenges, dreams, and fears of each consumer segment in order to effectively target them.



Population and Language:

- Asian Americans are the fastest-growing racial or ethnic minority in the US and their population is expected to grow from 19 million to 36 million by 2060.
- The AAPI community has an average English proficiency of 34%, with the highest at 50% (Vietnamese) and the lowest at 15% (Native Hawaiian and Pacific Islander).
- The AAPI community speaks over 100 languages.



Employment and Income:

- AAPI are the most economically divided racial group, with the highest median household income of \$139,000 and the lowest at \$69,000.
- In a year, Asian Americans and Pacific Islanders earn more than \$700 billion in income and pay over \$200 billion in taxes.

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Ongoing Impacts





Speaking Out Against Anti-AAPI Hate

Since the start of the pandemic, racist hate crimes against AAPI have been on the rise, particularly after former US President Trump referred to Covid-19 as the “China virus.” Asian Americans reported 3,800 hate-related incidents to The Guardian, from March 2020 to February 2021. The Guardian found that 68% of the incidents included verbal harassment, and 11% were physical assaults.

In New York alone, the AAPI community experienced a 1,900% increase in anti-Asian sentiment hate crimes.

Many businesses and non-profit organizations have chosen to take a stand against anti-Asian hate. Companies like Bank of America, GoFundMe, Etsy, Nike, and Peloton have collectively pledged as much as \$1.35 billion to the AAPI community.

However, many prominent Asian Americans believe that businesses haven’t engaged with the AAPI community in the past and want companies to drive long-term change focusing on AAPI issues, rather than making singular, one-off statements in support.

If your brand wants to showcase support for the AAPI community, be prepared to amplify AAPI voices. Try to pledge support by turning the limelight onto AAPI-owned small businesses, and promote the work of AAPI artists. Use your brand's clout to raise awareness about anti-Asian hate and the prevention of it.

In addition to creating awareness and initiating a dialog, your brand can also help by getting directly involved with community initiatives, pledging money to AAPI organizations, and hiring AAPI artists or creators to create your marketing messages.

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Ready to Engage with the AAPI Community?

Ebony Marketing Systems is a multicultural market research firm that offers insightful perspectives on the ethnic market. We conduct extensive marketing research studies to equip you with the data you need to connect with your customers.

Connect with Experts

Connect with us online at ebonysystems.com or via email: info@ebonysystems.com

Sources where not noted:

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