

**NTA's Market  
Development  
Council *presents***

**Tour Operators' MAP  
(*Market Assessment Plan*)  
for the  
African American Market**

*Sponsored By the Alabama Bureau of Tourism & Travel  
November 1997*

***Dear NTA Tour Operators:***

*Through years of Crackerbarrel sessions, surveys, seminar sessions and needs assessment analyses, NTA tour operator members have made it clear that they know how to package tours. What they request time and time again is assistance in finding new customers, new business opportunities and generally planning for the future. NTA is providing this kind of assistance to its tour operator members through the following **MAP -- Market Assessment Plan -- of the African American Market, the first in an annual series of MAPs to be produced by NTA.***

*This MAP provides an overview of the market, with key implications for tour operators. It also contains a quick worksheet to help you, the tour operator, determine whether or not your company should or could enter the market. This is followed by suggestions and ideas that can serve as a start for accessing the market if there appear to be possibilities for your company. Essentially, the bulk of the background work in researching a new market has been completed for you so that you can more easily answer that important question: "what's in it for me?" Doubtless, there also will be ideas not contained in this MAP that will be quickly identified by you in your own review of the market for your company. We hope that you find its contents beneficial and look forward to reports of how this MAP benefited your company.*

*Sincerely, Robert E. "Bob" Everidge, CTP, Chairman - Market Development Council*

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***Message From Sponsor:***

I applaud NTA for its outstanding work in developing the Market Assessment Plan on the African American traveler. NTA is to be commended for taking a leadership role in addressing the issues of Multi-Cultural Tourism and Marketing, and has done the industry a great service by providing the facts and statistics about this lucrative, untapped market for the use of group tour planners. As our nation moves toward more diverse communities, I think tour companies and operators will look to provide a broader appeal to all audiences.

Alabama produced the first state-wide Black Heritage guide in 1983 under the leadership of Ed Hall, who was State Director of Tourism. Early on, the popularity of the guide was overwhelming and it gained the acceptance of all the communities. The success of the guide made it apparent that our marketing needed to be all inclusive. To date, Alabama's Black Heritage: A Tour of Historic Sites has been by far the best image builder the State Office of Tourism has produced.

Thank you, NTA, for taking a giant step to promote to diverse audiences and preparing us all to meet the needs of the next millennium.

*Sincerely, Frances Smiley, Group Travel Coordinator  
Alabama Bureau of Tourism and Travel*

*1997National Tour Association, Inc.©*

# *TABLE OF CONTENTS*

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	<i>Page</i>
<i>How to Use This MAP</i>	4
<i>Quick Executive Summary -- What's In It For You?</i>	5
<i>Some Initial Thoughts</i>	8
<b>⊞ MARKET ASSESSMENT PLAN (MAP)</b>	
Section 1. The Market - Highlights and Key Implications for Tour Operators	9
Section 2. A Plan - Some General and Specific Product & Market Development Ideas for Tour Operators Considering the African American Market	18
Section 3. Assessment - A Company Worksheet	24
<b>⊞ APPENDICES</b>	
I. How to Conduct Your Own Focus Groups	27
II. MAP Sources and Other Information/Resources	31
III. NTA Member Heritage Guide Excerpts/Samples	36
IV. Market Development Research Compilation	37
Section A. Travel Patterns and Preferences	
Section B. Market Overview	
Demographics	
Buying Power and Financial Security	
Psychographics	
Section C. Marketing and Sales Issues	
Other Industries Making Headway With The Market, and Why	
General Sales and Advertising Points	

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To Contact NTA Headquarters about Market Development Activities:  
Call 800-682-8886 or  
Post a message on the Market Development Council Forum on [NTA Online](#)



**PLEASE TAKE A MOMENT TO READ THIS PAGE!**

***HOW TO USE THIS MAP (MARKET ASSESSMENT PLAN) OF THE  
AFRICAN AMERICAN MARKET***

There are obviously several MAP sections. Must you read it all? That is up to you, but here is what we intended:

*First*, there is a quick Executive Summary page of Questions, with Answers. This is designed to get your interest and help you to know if you want to read on, right now.

*Second*, we went into a little more detail with a “Market Highlights” section. This is slightly longer -- just eight pages -- but well worth the read. It also contains some “case study testimonials” from NTA tour operators who are already in the market.

*Third*, we analyzed what we found and came up with some product development and sales ideas to start your thought processes ... to get the ball rolling.

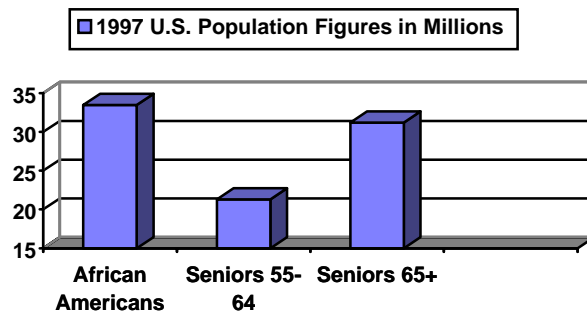
*Then*, we included a “Company Worksheet” to help you organize your thinking about the market.

From here, reading the material becomes much more optional, depending on the outcome of the previous reading steps and your schedule. An appendix on conducting your own focus groups is included, as is a listing of all the sources used to construct this MAP and some Black Heritage Guide excerpts from NTA members. Finally, all research found and utilized is featured on colored paper in the final appendix. It is provided in the event that you wish to further review the Council’s work, or to construct business or marketing plans.

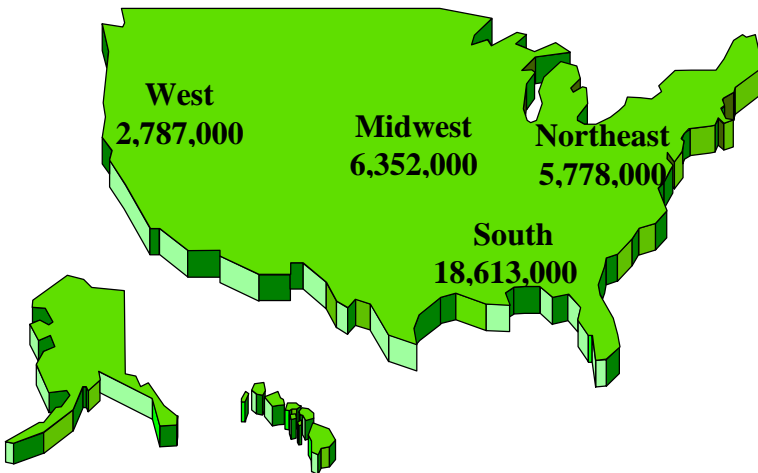
*QUICK EXECUTIVE SUMMARY - AFRICAN AMERICAN MARKET  
ASSESSMENT PLAN*

**What are the chances this market would work for me?**

That depends. We do know that there are about 33.5 million African Americans in the United States now, and there will be about 35 million by the year 2000. This compares to 31.2 million seniors aged 65 and older, and 21.3 million seniors now between the ages of 55 and 64 that will grow to 23.8 million by the year 2000. Any way you look at it, the African American market is actually *bigger* than the senior market -- now and in the future.

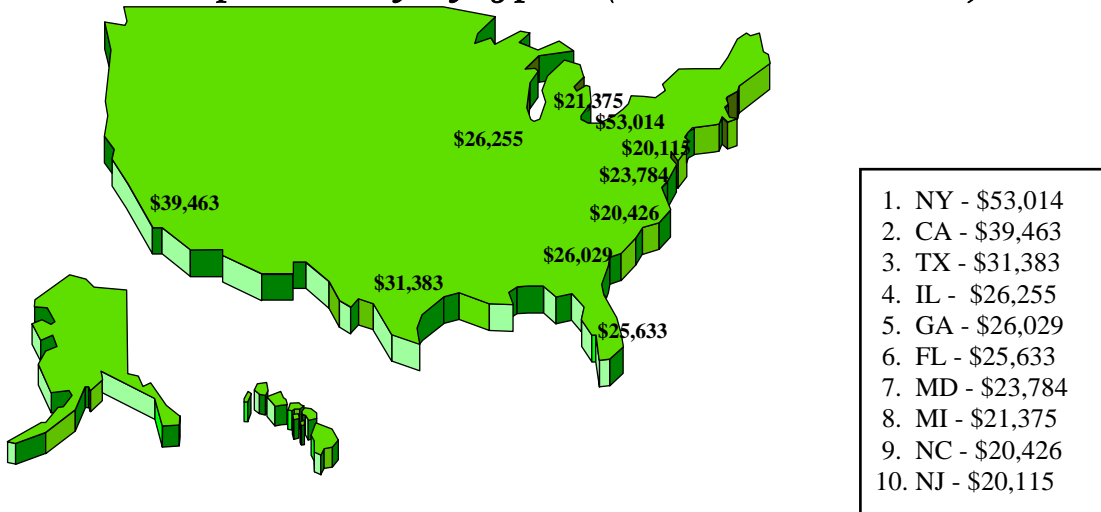


**WHERE IS THE MARKET LOCATED?** (NUMBERS ARE IN MILLIONS)



Note 1: There are only 216,000 African Canadians out of the total 27 million Canadian population -- or 0.8 percent. For this reason, the Market Development Council has not pursued information or strategies directly related to the African Canadian market and suggests that many or most of the strategies provided are applicable to African Canadians. **But** -- tour operators in Canada who wish to package as receptive operators for inbound Black American travelers should still read on! Note 2: States in regions featured in the map can be found on page 45 of the MAP.

*What are the top ten states by buying power (numbers are in the millions)?*



### **WHAT EXACTLY IS THE BUYING POWER OF AFRICAN AMERICANS?**

Overall, Black buying power was \$304 billion in 1990 and is projected to be \$469 billion by the end of 1997. It is also growing faster than that of the US overall. Since 1990, Black buying power has grown 54.2 percent. Overall buying by US consumers grew 42.4 percent in the same time period.

From 1990 to 1996, total black earned income increased from \$263 billion to \$367 billion. Currently, about 30 percent of African American households have incomes over \$35,000. African American households that have pre-tax incomes of \$30,000 or more spend roughly the same amounts as white families in the \$50,000 annual income bracket.

### **HOW MUCH DOES THIS MARKET SPEND ON TRAVEL AND TOURISM?**

About \$30 billion per year, \$60 to \$70 million of which is spent traveling just in the Bahamas. \$4.6 billion is spent each year by African Americans on transportation, travel and lodging.

### **ARE THERE PARTICULAR DESTINATIONS THAT ATTRACT AFRICAN AMERICAN TRAVELERS?**

Yes, to a certain extent. The Caribbean is popular, including cruises. The South is big as a destination in general, but this is somewhat expected because there is a greater number of African Americans in that region to begin with. The best answer, though, is this: Any destination that seeks to meet the needs and desires of the market, and offers solid cultural experiences, is destined to attract Black travelers.

### **DO WE KNOW ANYTHING ABOUT WHAT THIS MARKET LIKES TO DO WHEN TRAVELING?**

Yes, actually. We know that African Americans understand the benefits of packaged tours and are already purchasing them. This market group is very familiar with the “group leader” concept. Family reunion tour packages are quite popular. Shopping and festivals or events are priorities with African American travelers, especially music festivals. College sporting events are popular “destinations” and Black-focused cruises are very much on the upswing. “Black History” is important, too, but is perhaps best described as “Black Culture.” African American cultural experiences are the top draws for the traveling market -- and many NTA DMO members have lists of Black Heritage and Culture events at their fingertips.

**IS THERE ANY PARTICULAR “SEGMENT WITHIN THE SEGMENT” THAT IS TRAVELING MORE THAN OTHERS?**

We know that about 61 percent of African American adults travel and we can segment the market a bit. The growing middle class of Black Americans is a key market. Professional business and convention travelers constitute a big market. Family reunions, again, are popular. Perhaps most important to tour operators is the fact that African American tour travelers tend to represent all generations -- that is, all age groups are represented on African American tours. That’s great news for tour operators.

**ARE THERE ANY SALES OR STAFFING ISSUES THAT MY COMPANY WOULD NEED TO BE AWARE OF?**

Absolutely, but the true focus is meeting the needs and desires of a particular culture. Those who are active in the International market can apply the same thought processes to the African American market. Tour companies should consider the value and benefit of hiring African Americans as advisors -- as consultants, as members of an advisory board, as staff, etc. What is most important to the African American community, however, is the concept of “reciprocity.” The market is more than willing to buy from a white-owned company -- but that company should exhibit proven efforts to research the needs of the market, understand the market, and recirculate support and dollars within the Black community.

In general, personal respect and acceptance, and respect for the market’s ethnicity, are the top criteria for Black purchasers of products and services.

**ARE THERE ANY PARTICULAR MARKETING TIPS OR STRATEGIES THAT NTA UNCOVERED?**

Well, yes, but that’s at the end of the next section. If you have asked that question, we’ve got your attention! Please read on!

## *SOME INITIAL THOUGHTS -- PERSPECTIVE ON THE ISSUE OF "RACE AND ETHNICITY" AS A MARKET*

*Before we begin, we think it important to address the sometimes inherent hesitation to discuss a market identified strictly because of race and ethnicity. There may be a vague feeling of unease that arises, especially to those within the United States who have been impacted by the country's historical influences.*

*It is interesting to note that discussion of the disabled market, or discussion of various international markets, while involving sensitivities and cultural variances, generate far fewer feelings of unease than discussion of the African American market. It is important to know that, within many industries and within the black community itself, the "African American market" is freely discussed as a tangible and viable ethnic niche. Going after this market in distinct ways labels a person or a company neither as prejudicial nor exploitative, but as an astute marketer of a particular product for a specific niche. Our analysis tells us that the African American community is aware of the increased focus on it as a market, welcomes this long-awaited attention to its specific cultural needs and interests, and takes no offense at being considered a viable market for companies to target. Catering to distinctions is what creates market niches, and therefore new business opportunities.*

*In conducting our analysis of this market, we have secured trusted advisors from the black community .... black professionals who understand and appreciate the efforts of NTA and who have been approached from the perspective: "Look, if we say something that is offensive, please trust that whatever we say was not phrased that way intentionally, and train us to better say what we meant to say so that we can train those for whom we are preparing our reports." This approach has proven to be effective, and is one which we recommend be used in your own company.*

*The bottom line? The African American market could be a viable niche for many tour operators.*

# *AFRICAN AMERICAN MAP -- MARKET ASSESSMENT PLAN*

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## **Section 1.**

**Quick Introduction:** It's not a case of "Show Me the Money," but "Follow the Money!" We are all living -- and marketing -- in a multi-cultural North America, and the buying power of the African American market niche is particularly phenomenal. In 1990, Black buying power was \$304 billion, with projections for \$469 billion by year-end 1997. Furthermore, African Americans are expected to comprise more than 13 percent of the US population by the year 2000 with over 35 million people. Moreover, this market base is growing at a rate of 10 percent per decade. It should come as no surprise then, that Black buying power overall is growing faster than that of the nation as a whole.

Why is this important to NTA tour operators? This market is virtually untapped, an especially surprising fact since a higher share of African American vacation trips are taken by motorcoach than by overall travelers and African Americans prefer to travel in groups versus traveling individually, with a preference for tour packages and cruises. Moreover, despite lower annual incomes than white households, Black households spend at rates comparable to that of whites ... and these households spend on travel.

Marketers have a deep, long-term business stake in understanding all sides of the divergent race and ethnic issues in order to effectively develop products, programs and advertising to reach these markets. In fact, the 1997 Canadian Tourism Research Institute's "Travel Forecast 2000" study notes that "to succeed in the next millennium, it is clear that operators will increasingly need to appeal to the fast-growing ethnic populations."<sup>1</sup> This MAP -- *Market Assessment Plan*<sup>2</sup> -- is the first step in assisting NTA tour operators in evaluating their entry into the African American market.<sup>3</sup>

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<sup>1</sup> *Travel Forecast 2000: Twenty-One Questions for the 21st Century.* Canadian Tourism Research Institute/Conference Board of Canada, July 1997.

<sup>2</sup> MAP -- *Market Assessment Plan* -- is the term used to identify the comprehensive compilation of NTA-provided materials and information specific to tour companies about this market.

<sup>3</sup> As detailed in Appendix IV - Psychographics, there is much diversity not only among the general population of North America, but also among the African American population relative to correct and appropriate terms for

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## MARKET HIGHLIGHTS

*The points and ideas featured in the Highlights section are more fully developed, as well as referenced, in Appendix I.*

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### *BLACK BUYING POWER AND SPENDING*

- Black buying power was \$304 billion in 1990 and is projected to stand at \$469 billion by the end of 1997. In 1995, earned income stood at \$324 billion and went to \$367.1 billion in 1996 (that's a 13 percent increase from 1995 to 1996).
- Black buying power is growing faster than that of the nation as a whole. Since 1990, it has grown 54.2 percent. Overall buying by US consumers rose 42.4 percent in the same period, to \$5.7 trillion. Of that total, 8.2 percent represents Black spending power, also up from the 1990 share of 7.5 percent.
- Most of the buying power of African Americans rests with the two-thirds of the black population who are either middle class or affluent, and who spend at a rate proportionate to income which is significantly higher than that of middle class whites.
- African American households that have pre-tax incomes of \$30,000 or more spend roughly the same amounts as white families in the \$50,000 annual income bracket.

- The top 10 states by buying power are:

<u>State</u>	<u>Buying Power in Millions</u>	<u>Growth 1990 - 1997</u>
1. New York	\$53,014	43.9 percent
2. California	\$39,463	37.4 percent
3. Texas	\$31,383	64.4 percent
4. Illinois	\$26,255	50.2 percent
5. Georgia	\$26,029	69.1 percent
6. Florida	\$25,633	68.4 percent
7. Maryland	\$23,784	52.0 percent
8. Michigan	\$21,375	58.8 percent
9. North Carolina	\$20,426	58.7 percent
10. New Jersey	\$20,115	46.3 percent

- \$4.6 billion is spent per year by African Americans on transportation, travel and lodging.
- The Caribbean is a top destination for African Americans. Blacks in fact spend \$60 to \$70 million per year traveling in the Bahamas.

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the market. That being the case, the terms "African American" and "Black" are used interchangeably throughout this document.

- Over \$751 million was spent in 1996 by African Americans on computer hardware, software and on-line services and African American households spend 2.65 times as much as whites on on-line services. *This group is on-line. Focus group participants in Philadelphia, Charlotte and Los Angeles confirmed this trend.*
- Currently, about 30 percent of the African American households have incomes over \$35,000. In 1990, there were 40 metropolitan areas in the US that included at least 50,000 African Americans living in the suburbs of each as homeowners with above average incomes.
- At this income level, African American families seem to be dealing with the same health, retirement, financial security, and aging parent issues that Caucasian, Hispanic and other boomers are facing. Children's college costs are nearly equal as well, with 33 percent of African Americans who graduate from high school each year enrolling in college, as compared to 39 percent of Caucasians. In addition, African Americans are spending their discretionary income on travel at about the same rate as other Americans.
- African Americans are likely to utilize credit cards to make deposits for trips, as well as during a trip.
- Generally, African Americans are not impulse buyers, but want a lot of information first.

#### ***NUMBERS AND WHERE THE MARKET IS LOCATED***

- African Americans are expected to comprise more than 13 percent of the US population by the year 2000, and the market base is growing at a rate of over 10 percent per decade.
- The current US African American population stands at 33.5 million and will be 34 - 35 million in the year 2000. The market base is expected to be 42 million strong by the year 2020. *For purposes of comparison, there are currently 31 million Americans over the age of 65.*

*In addition, this compares to an 11.5 percent increase of Americans between the ages of 55 and 64 that will grow from 21.3 million to 23.8 million by the year 2000. Aging Americans between the ages of 45 and 54 will increase 14 percent from 32.3 million to 36.8 million by the year 2000 (figures were secured from the US Census Bureau).*

There are only 216,000 African Canadians out of the total 27 million Canadian population -- or 0.8 percent. *For this reason, the Market Development Council has not pursued information or strategies directly related to the African Canadian market but suggests that many or most of the strategies provided are applicable to African Canadians.*

- The African American population in the US is geographically distributed as follows:

South	18,613,000
Northeast	5,778,000
Midwest	6,352,000
West	2,787,000

- African Americans are predominantly located in or near metropolitan areas:

All metropolitan areas	29,054,000
Inside central cities	18,418,000
Outside central cities	10,637,000
Nonmetropolitan areas	4,476,000

- 26.7 percent of all African American households consist of one person. Two person households make up 25.8 percent of the population. For purposes of comparison, 26 percent of white households consist of one person, and 34.4 percent consist of two.
- African American households are 21 percent more likely to be headed by women than other US households.
- Black travelers are likely to be upwardly mobile professionals and/or southern families.

#### *WHAT'S IMPORTANT TO THE MARKET*

- 36 percent of Blacks believe that they have had a large impact in changing their communities, compared to 26 percent of both whites and Hispanics who expressed that sentiment.
- African Americans report more church volunteerism and higher levels of working with youth and the poor.
- Products that say “Brand” and “Quality” are important. 58 percent of African Americans in fact look for the “Made in the USA” label.
- Personal respect and acceptance, and respect for their ethnicity, are the top criteria for Black purchasers of products.

*Quick Case Study:* Sherman Cook of P & B Travels takes the issue of respect to heart. “You know, I don’t look at my African American groups as being any different from other groups. My clients appreciate my personal attention

to them and to the details. Like any other group, my Black groups want to be treated fairly and equally. We do that by paying attention and listening. When you treat clients with respect, and give 100 percent, they spread the word.”

Greg Dennis of Short Hills Tours is in agreement. Short Hills Tours customizes tours for any market, including the African American market, the Italian market and so forth. Says Greg, “we really don’t do anything different than we would do for other groups, but what we do is research the market and educate ourselves, then adjust itineraries or create new ones that meet the client’s expectations.”

That translates into respect for a culture and for the client.

- Demonstrating support for the African American community could go a long way in securing its travel dollars. The Black community does not mind buying from white owned businesses as long as it sees corporate and financial support for the community coming back from the white-owned businesses. Said an African American focus group participant in Los Angeles, *“I saw a travel agency making a donation to one of my favorite causes one night, and I got their phone number. And then they were also talking about an African American cruise, which piqued my interest.”*
- African Americans’ spiritual heritage dominates family values, culture and beliefs. Black Americans are more likely than Americans in general to be church members and to attend church regularly. Moreover, they contribute \$6.8 billion annually to charities and their churches.
- Growing all the time is pride in African heritage. Blacks are more likely to identify themselves as members of the neighborhood or community segment than as citizens of the cities or townships in which they live.

*Quick Case Study:* Frank Petruzzi with Richmond Tour and Travel agrees that pride and interest in African and African American heritage has grown. Says Frank, “we’ve noticed more over the past ten or so years this group’s need to differentiate themselves based upon their cultural heritage. We offer art museums and black cultural centers, the Apollo Theater and so forth as part of our African Heritage tours. Part of this trend that we see is also due to teachers in black schools recognizing that this is a need of their students -- and so they come to us to package these ‘personal cultural’ tours for them.”

- African Americans value self-image, style and personal elegance, and are proud of a heritage as trendsetters in fashion, music, dance and language.

## *TERMINOLOGY*

- Most African Americans prefer the term “Black,” but Blacks split along generational lines. The young choose “African American,” while older Blacks use the older term “Black.” Only 30 percent of Blacks in the US prefer the term “African American,” according to the Roper Organization. Forty-two percent prefer “Black,” 10 percent prefer “Afro-American,” and 18 percent prefer some other term or don’t know.
- *American Demographics* magazine and the Bureau of Census both use the term “Black” because they report on government statistics.
- It basically comes down to personal preference meshed with a desire to be politically correct in various situations. NTA uses both the terms “Black” and “African American” interchangeably throughout this MAP.

## *DESTINATIONS*

- The Caribbean and the southern United States are key current destinations. However, any destination that seeks to meet the needs and desires of the market, and offers solid cultural experiences, is destined to attract Black travelers.
- When traveling outside the US, Blacks prefer destinations that are both “language comfortable” and “color comfortable.” (Which is why the Caribbean is a popular destination.)

## *WHO'S TRAVELING*

- Diverse groups of Black Americans are traveling -- families, primarily out of the southern region; Black young urban professionals (buppies), who are interested in any destination that business requires them to go; and the general growing middle class of African Americans. Family reunion packages are already being developed by the Black market on a “group leader” type of basis. Family reunion business is big business with the Black market.
- Black business travelers attending conventions are more likely to bring a spouse and add on days to the trip for pleasure travel.
- With families, there is greater likelihood that children will be present, hence the need for a child’s tour/package rate. FIT rates and package offerings will most likely be required of a selected travel company. (*Note: Turner Coaches uses the following rate structure as a rule of thumb: young adults ages 13 to 17 pay 75 percent of a twin/double rate, and children 12 years old or under pay 60 percent of the twin/double rate, as long as they’re rooming with two persons paying the normal rate.*)

- 61 percent of African American adults travel.

#### *TOP ACTIVITIES WHILE TRAVELING*

- Shopping and festivals/events are priorities with African American travelers.
- When it comes to sightseeing, special note should be made of the fact that Black travelers do not want to purely focus on the history of African Americans -- e.g. historical tours of Underground Railroad hide-a-ways. While history is appreciated, blacks want to focus on the “accomplishments of history,” and new experiences and activities which celebrate the future and culture of the Black community. “Soft” history accompanied by stops at Black-owned businesses typically works well for itineraries.

*Quick Case Study:* Grace Klein-Kracht, CTP, with Visitours, agrees with this finding. “There have been significant changes in the past few years relative to what we say and how we’ve learned to say it. We don’t talk about the ravages of slavery, we talk about the accomplishments and contributions that Black Americans made to a city or an issue in spite of slavery. That’s not a part of history that we can ignore, and we don’t want to.”

- After convention/business travel, college sporting events, music festivals and family reunions are next in travel expenditures for African Americans.
- Theater (productions, not movies) attendance rates for African Americans more than doubled between 1982 and 1992, from 5.8 percent to 12 percent. Blacks comprised 5.2 percent of the audience in 1982 and 10 percent in 1992.
- Black cruises -- particularly in the Caribbean -- are on the upward swing. *This is supported both by statistics and NTA focus group findings.*

#### *HOW THE MARKET GETS THERE*

- Black travelers, particularly those in the southern region, are more primed for motorcoach tours, and in fact, prefer them. *\*\* NTA Focus Groups in Philadelphia, Charlotte and Los Angeles confirmed that Blacks are familiar with packaged travel, including tours. In Philadelphia and Charlotte, Black focus group participants indicated that they or family members had taken day and overnight group tours. In addition, it appeared from African American participants’ responses that African American package/motorcoach travel crosses generational lines.*

*Quick Case Study:* NTA tour operator members Gloria Kenley with the Kenley Konnection and Judith Thomas with Unlimited Tours & Travel, Inc., concur. Both cite that their African American tour clientele represents all age groups.

- Black travelers in general tend to rent cars at their destination, and in fact do so at a higher rate than other market groups.
- In addition, African Americans, especially childless African American couples, tend to travel slightly greater distances and use airplane transportation at the same average rate as other Americans.
- Given community involvement and the potential need to avoid feeling isolated, more African Americans travel in groups (teachers, families/reunions, church groups, skiers).
- Black travelers are uncomfortable being a small minority among a majority of whites in tour groups.

### *STAFF AND SALES ISSUES*

- Taking parallels from other markets such as the senior and international markets, it makes sense that effective product development efforts, not to mention sales efforts, are most often achieved through issues of credibility (meeting deadlines, keeping contracts, ensuring service levels, employees/advisors representative of the market niche targeted, etc.).
- NTA tour companies which are primarily Caucasian in leadership and staffing should consider the value and benefit of hiring African Americans as advisors. At the very least, companies that wish to enter this market should have the literature pertaining to African American products reviewed by an African American, or an advisory group of African Americans.

*Quick Case Study:* Joe Rymer with Golden Age Festival Travel and Frank Petruzzi with Richmond Tours and Travel have similar opinions about utilizing African Americans in sales and product planning. Initially, Joe called upon business associates in the community, as well as existing African American clientele, to assist in product development ideas and review of information. Now, Joe has hired on a part-time basis a local Black teacher to assist in this area.

Frank contracts with Black tour escorts to conduct his ethnic tours, but has found African American parents of the students who take his tours to be vocal in stating their preference that Frank's company utilize black personnel for all student functions, not just the tours (e.g. student picnics, etc.). Frank has pursued hiring of an African American sales representative, and has primarily relied upon word of mouth through his ethnic group clients that he is searching for such an employee.

- Companies which incorporate black entrepreneurs in their packaging are affording customers the opportunity to "buy Black." For example, the Louisville (KY) Convention and Visitors Bureau has assembled sample itineraries for African American visitors and those who package for them. An African American owned

cigar and martini bar is included in the itinerary and promoted as “African-American owned and operated.” Promotion of these types of tour components may suffice in terms of fulfilling clients’ needs to “buy Black.”

*Quick Case Study:* Greg Dennis with Short Hills Tours makes another important point about relationships with DMOs and suppliers.

Says Greg, “What we’re finding is that many CVB’s include African American itineraries in their information, and break out attractions and restaurants, for example, by ethnic preference. That helps us enormously in customizing product for our clients.”

- Dottie Clause President of Dot’s Carib Cruises in Uniondale, NY says that “the black travel market is open to everyone.” (While this statement was made in reference to travel agents, the same claim can be made about non-black tour companies.) *NTA focus group participants also indicated agreement with this point -- companies that are recommended by friends/co-workers, or who are established in a community, will be utilized, regardless of being black or white owned.*

*Quick Case Study:* Both Dan Dipert, Sr. with Dan Dipert Tours and Joe Rymer with Golden Age Festival Travel, cite differences in going after the Black group market, and the Black per capita market. Both agree that when going after the group market (e.g. church groups), establishing a relationship or relationships with representatives from that group is critical to successfully targeting that market. With per capita promotions and selling, insuring that information is valid, and showing high degrees of inclusiveness or total target marketing (i.e. all Black persons in advertisements, Black culture oriented advertising) is most important.

- Few businesses targeting Black customers will succeed unless profits taken from the Black community are recirculated in the community. Co-sponsoring events, contributing travel dollars to causes and issues within the Black community, and so forth will underscore a company’s commitment to the market. (See Appendices for more details.)

*A PLAN - SOME GENERAL AND SPECIFIC PRODUCT/MARKET  
DEVELOPMENT IDEAS FOR TOUR OPERATORS CONSIDERING  
THE AFRICAN AMERICAN MARKET*

**Section 2.**

*Reminder: Ideas or applications made in this section were  
derived from information in Appendix IV.*

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*FINDING THE MARKET*

⇒ How to find the number of African Americans in your sales area:

- US Census Bureau, State Vital Statistics Departments -- publications are available in local and university libraries, as well as the Bureau's Internet web site: <http://www.census.gov>. Phone number: 301-457-2800.
- Chambers of Commerce -- local Chambers of Commerce maintain population records.
- City/County Urban Leagues and other civic groups.

⇒ Some methods for finding prospects or contacts within the market:

- Regional Commerce Associations (e.g. Cleveland Business League)
- African American Business Directories
- Yellow Pages (larger metropolitan areas have Black community sections)
- Black Community newspapers - advertisements (see also - Strategic Marketing section)
- Historically Black schools in region
- NAACP chapters
- Congress of National Black Churches (see Sources)
- National Council of Negro Women (see Sources)
- Religious Conference and Management Association (see Sources)
- Avon sales representatives
- Target market/direct mail companies such as ADVO (such companies can compile specific listings for marketers -- e.g. "black households in Chicago earning between \$35,000 and \$49,000, no children, with a propensity to travel").
- American Church Lists (NTA Associate member) -- remembering that African Americans are more closely tied to their communities via religious affiliations and that they tend to travel as part of a group, consider American Church Lists as a resource. Over 20,000 African American churches are featured in the company's database and can be segmented by state and other variables.

### *SAMPLE PRODUCT DEVELOPMENT OPTIONS*

- ⇒ Continually compile a schedule of African American cultural events and festivals. Many destinations have visitor guides and tour products tailored to ethnic markets. Build a library of African American information; having this information available will also lend credibility to your process when working with potential travelers and group leaders of Black organizations.
- ⇒ Examples of Events: Essence Music Festival (usually in New Orleans) and Kwanzaa, an African American cultural festival and celebration held each year between December 26 - January 1. (This is celebrated locally on a community level as well as nationally. [See Appendix II for explanations of festivals referenced.] Need business during this time of year? Here's a ready made event for a brand new niche.) The Kwanzaa Expo which began in 1981 is a national showcase for African American gifts, foods and entertainment that has grown to include nearly 400 vendors and 150,000 shoppers during its four-day run.
- ⇒ Rely on DMO partners. They already have the product outlined for their communities (i.e. events, conferences, historical sites, etc.). And they know about events or sites such as the Hampton Jazz Festival, National Park Service sites pertinent to the Black market, Windsor, Ontario Underground Railroad Tours, Black Broadway shows, etc.
- ⇒ Many cities offer multi-cultural familiarization tours and several states have state-wide multicultural fam tours.
- ⇒ In the Northeast and South, not to mention Las Vegas, gaming has become a key area of interest for the Black market. Tour operators tell us that a "must stop" for Black groups going to Canada is the Casino de Montreal and Casino Windsor.
- ⇒ Ski operators specializing in "Ski-Party Weekends" have seen tremendous growth in Black and Hispanic groups, so says an NTA tour operator located in the Northeast.
- ⇒ Incorporate Black entrepreneurs in packaged products.
- ⇒ One of the best tips an NTA tour operator gave us is that, while small in numbers, there are Black owned motorcoach companies which have great loyalty in the Black community. Few if any have tour divisions. These are excellent opportunities for tour operators to make strategic alliances in order to package tours for their clients and charter their equipment. *Note: One Los Angeles focus group participant referenced that her father owned his own coach and chartered for groups of which she was a member.*

- ⇒ Work with cruise lines to develop Black-focused packages. *Some Focus Group participants also indicated a preference for special interest cruises, often related to fund-raising events and cultural activities.*
- ⇒ Consider a children's rate structure for family travelers.
- ⇒ Co-op Black History Month programs (February) with libraries, schools, urban leagues, etc. February is also National Cruise Month.
- ⇒ Research reunion planning for families in your area. (Note that American Airlines runs full page advertisements and special promotions in *Black Enterprise* and other publications geared to the black family reunion market.) *African American focus Group participants in each city referenced current and future family reunion travel.*
- ⇒ Conduct focus groups to assist in product development and marketing. (See Appendix I.)
- ⇒ Subscribe to publications that provide insights into the psychographics and traveling preferences of the market (e.g. *Black Enterprise, Black Meetings and Tourism*, etc.). See Appendix II.
- ⇒ Surf the Internet to find black culture oriented web sites to learn cultural differences and preferences. Join a chat room and ask about favorite vacation experiences, and why (don't sell, just listen and chat).
- ⇒ Consider golf teaching/playing packages, including seminars and training with local golf pros. Co-promote a golf weekend with a local school or athletic store. An excerpt from *Minority Markets Alert* (Sample Issue) reads as follows:

Golf has long been considered one of the "whitest" sports, but even prior to Tiger Woods' stunning 1997 Masters victory, a variety of trade associations, non-profit organizations, and equipment and footwear manufacturers had been working to introduce the game to young minority athletes. Woods, an ethnic mix of African American and Thai, has a \$60 million contract with Nike, which already subsidizes 38 junior golf camps nationwide. But while the sneaker maker is the most visible entity bringing golf to minority youth, an array of national programs also include:

- The PGA and National Police Athletic League sponsor programs for inner city kids. The 66 eight week sessions make the PGA professionals available to assist PAL members with the PGA Kids on Course Program. Clubs are donated by Maxfli, Founders Club, Henry Griffitts and Taylor Made.
- The PGA trains National Black College Golf Coaches Association members in conjunction with the annual Minority Collegiate Golf Championship.
- The Renee Powell Youth Golf Program works with 50 students selected by the Cleveland City School District.
- The National Minority Junior Golf Scholarship Association was started by Bill Dickey in the mid-'70's, and has awarded over \$400,000 in scholarship money to college-bound minority men and women.

- The Minority Golf Association was started in 1991 and introduces inner-city kids, and kids at risk, to golf and how it can empower their lives. They have exhibitions and clinics.
- ⇒ Consider other sporting events or participation-oriented packages geared to sports which are or have played a part in African American culture -- e.g., basketball, baseball, tennis, etc.
- ⇒ Combine “soft history” with stops to Black-owned businesses. Incorporate general history of an area with shopping and eating opportunities.
- ⇒ Establish relationships with Avon representatives (a large percentage of Avon sales representatives are Black women, particularly in the South). African American Bibles and Kwanzaa items are the top-selling (and highest priced) items in Avon’s product line. Consider these as giveaways or incentives.
- ⇒ Sunday school classes, boy scout troops, baseball leagues, and inner city youth clubs are also organizations with potential for leads or actual group business.

### *SAMPLE MARKETING IDEAS*

- ⇒ Radio advertising should prove effective, especially toward women who tend to be the household decision-makers relative to purchases, including travel, and who are the highest radio listeners (compared to Black men and Whites in general).
- ⇒ Focus groups of current and potential clients representative of this market would be beneficial in developing products and marketing strategies.
- ⇒ Relationship marketing is key. Getting the experience right for any market has to be the first priority. No amount of marketing or services can overcome a deficiency in this area. Any organization can prepare very specifically to benefit from the opportunities offered by the African American traveling market. It requires looking at things differently and revising ways of thinking. Organizations must “create customers” through effective marketing programs that focus on developing individually tailored relationships and ongoing dialogue between the company and the customer.
- ⇒ Learn the issues and concerns of the Black community. Then participate and commit to them with integrity.
- ⇒ Tour operators could do well with the black business traveler market by promoting and “branding” more upscale packages and capitalizing on the themes of success and affluence.
- ⇒ Consider relationships with Avon representatives as consumers and sales representatives “in touch” with your primary purchasing market -- Black women.

- ⇒ Consider relationships with current and past Black leaders and celebrities, including business, political and church leaders, as well as athletes in college and professional markets.
- ⇒ Establish a relationship with someone in or who is retired from the military since such persons are role models in Black communities.
- ⇒ Companies which see the value and excitement in accessing this market must embrace the values and interests of the market, as well as its differences and preferences. Understand that the desire to feel “welcome” to your company and to your product is key.
- ⇒ Participate in fund-raising activities in the African American community with special tour or cruise products provided by your company. Or -- coordinate a cruise or tour whereby a percentage of the dollars from the sale of each cruise/tour is dedicated to a particular charity event important to the African American community.
- ⇒ Consider local cable television advertising spots run in concert with Black Entertainment Network programming.
- ⇒ Involve product in local television programming such as community talk shows, etc. This kind of promotion is typically free.
- ⇒ Understand the importance of self-image. Appreciate the need for respect -- “Talk to me as an individual.”
- ⇒ Caution: Don’t go after the Black niche with targeted marketing efforts, then abandon it with “inclusiveness.” The African American community is particularly sensitive to the issue of abandonment and will likely be offended upon receipt of general, all-inclusive promotions after having been secured as customers through targeted cultural marketing.

### *SAMPLE STRATEGIC ALLIANCES*

Consider cooperative arrangements with the following:

- ⇒ athletic shoe stores (geared to youth market)
- ⇒ Black community based grocery and drug stores, salons and child care centers
- ⇒ Black newspapers
- ⇒ golf courses/clinics
- ⇒ health clubs favored by the black community
- ⇒ Avon sales forces

### *STAFFING AND RELATED CONSIDERATIONS*

- ⇒ Evaluate your company's need for an African American sales or operations representative.
- ⇒ Establish an advisory board of Black business and community leaders (including someone in or who has retired from the military), and compensate them in some way for their participation and assistance.
- ⇒ Hire a reader/consultant to review all material developed for the market.

*Quick Case Study:* Doc Milner, CTP, with Silver Dollar City, Inc. reviewed the MAP on behalf of the Market Development Council. Doc confirms NTA's findings and recommendations about this market, saying that consultants hired specifically to assist Silver Dollar City in knowing how to secure and maintain a presence with its Stone Mountain (Georgia) project have provided similar recommendations. "They said the same thing NTA did," confirmed Doc.

### Section 3.

#### - “What’s in it for my company?”-

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1. Does going after the African American market have the potential to increase my company’s bottom line?
- 2a. Is there a sufficiently large enough African American population in my area for my company to access?
- 2b. Am I willing to investigate the necessary time to find out the characteristics about the African American Market in my area -- for example, average age, income, occupations, etc.?
3. Do I have a sufficient enough understanding of the African American market to begin planning for it?
4. (*Question for companies which also do receptive work*) Is there opportunity for my company, given my destinations served, to package African American product for other tour operators?
5. Are there key competitors in my area who are already going after this market?
6. Even if there are competitors in my area who are already going after this market, is there room for me and my company?
7. Does my company have any existing products that might be tailored to, or already appropriate for, the African American market?
8. Can my company develop tour/package products that are relevant to the market?
9. Do I have staff persons who are knowledgeable about this market, or do I have contacts in the African American community who can assist my company with planning for this market?
10. Am I willing to provide training for my staff relative to developing product and selling to this market?
11. In reviewing the information presented and knowing my area, do I need to consider having African American sales or operations staff, or hiring a part-time consultant?
12. Can my company rely on its current methods for selling its product, or will it need to diversify into other areas?

- 13a. Is my company in a position to designate, or plan to designate, a portion of its advertising budget to specifically target the Black market (e.g. via radio, etc.)?
- 13b. Is my company ready to support the Black community in some tangible way, such as recirculating profits in the Black community, hiring employees from the Black community, etc.?
14. Do I have relationships with DMOs and suppliers who are already promoting packages for these markets, or who can?
15. Is my company better prepared operationally to target this market as group travelers or as independent package travelers?
16. Does my company currently have, or is it willing to pursue, partnerships with travel agents to sell a Black packaged product?
17. Is my company willing to have a Black advisory board to review products, sales techniques, and provide insights about the market?
- 18a. The top 5 strengths of my company are:
- (1) \_\_\_\_\_
- (2) \_\_\_\_\_
- (3) \_\_\_\_\_
- (4) \_\_\_\_\_
- (5) \_\_\_\_\_
- 18b. How can I use these strengths to attract this market?
- 19a. The top 5 weaknesses of my company are:
- (1) \_\_\_\_\_
- (2) \_\_\_\_\_
- (3) \_\_\_\_\_
- (4) \_\_\_\_\_
- (5) \_\_\_\_\_
- 19b. How can I compensate for these weaknesses and be successful in this market?
20. Given the strengths and weaknesses listed above, and my answers to the other questions, is my company ready to go after the African American market?

*SOME GENERAL FIRST STEPS*

- 1. Conduct a Needs Analysis (market statistics in your area, evaluate needs versus returns in going after this new market, etc.)**
- 2. Establish an Advisory Board that can help with #1, as well as with future product development.**
- 3. Consider conducting your own Focus Groups.**
- 4. Develop itineraries and product.**

*NOTES:*

## *APPENDIX HOW TO CONDUCT YOUR OWN FOCUS GROUPS*

*-- by Bruce Beckham, NTA Market Development Focus Group Facilitator, 1997*

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Thinking about coming up with a new line of tour products? About changing the way you promote your tours? Considering adventure tours, grandparent tours, FITs, tours designed for a specific ethnic market? If you're like some tour operators, you'll probably talk about it at staff meetings, do a little research (including finding out if your competition is considering it), then make your decision. You'll either spend the next months patting yourself on the back for being a soothsaying genius, or making excuses about being too far ahead of the times.

What's missing here? *The customer.* Some companies do all the planning and either hide their "secret plan" until its unveiling or question everyone they know -- except their target consumer. Use focus groups and you can get headed in the right direction quickly, easily and with confidence. Done correctly, focus groups are invaluable. Let's first examine the uses and benefits of focus groups.

### *USES AND BENEFITS*

There is a misconception that a focus group is just a matter of gathering a group of your best customers and asking opinions. Not so. The purpose of a focus group is to gather people who share an interest (travel) and discover what they think about it. Interest should not be confused with experience. The interest is travel, in general, not travel on your tours. What you're looking for is unbiased opinion -- fresh thinking. It's qualitative research, not quantitative.

Quantitative research (surveys and questionnaires, etc.) is desirable when you need a picture of the market at a given point in time or if the target participants for the research are geographically dispersed and difficult to reach. Qualitative research -- a focus group -- is used when modifications need to be made to an idea or product before it is finalized for the marketplace. *It's the soul searching after the nose counting has been done.* One cautionary point: focus groups should not be utilized as the only source for securing information. Again, they are the "sounding board" for testing ideas and evaluating how much influence statistics should have on your thinking.

Such was the case when the National Tour Association's Market Development Council set out to research the senior tweener (those between the ages of 45 and 65), the African American and the baby boomer markets. NTA knew the quantitative research had been done. The numbers were there. What NTA needed to know was opinions regarding travel -- packaged travel in particular. You can do the same for your new products. Now, let's take a look at some of the *Do's and Don'ts* of conducting focus groups.

### *DO'S AND DON'TS*

The first thing you want to decide is what you are looking for -- opinions on a new type of product or general opinions on leisure activities to develop new products that will fit customer needs? While focus groups can be self-prepared and self-organized, my recommendation is that you seek professional assistance. Statistically speaking, the most effective focus groups have participants who have been professionally recruited and gathered at a facility that is specifically designed for that purpose. It will probably be a little more expensive in the short term, but you get what you pay for. In the long term, you'll be a lot better off.

#### *THINGS TO DETERMINE ARE:*

1) *How many groups of panelists or participants?* Usually not more than two per session -- a session being a morning, an afternoon, or an evening.

2) *What time of day?* It depends upon your target. Seniors? Maybe during the day. Baby boomers? Probably in the evening.

3) *How many markets (areas?)* It depends on how far your market reaches. If you do business in more than one large geographic region or with different types of clients (special interest, ethnic, etc.), you may want to do more than one. In these cases, I suggest at least two markets (i.e. two cities or areas) to ensure that the information received does not merely reflect the idiosyncrasies of a particular community.

4) *Who should the participants be?* You will want people who are more representative of the target. Get specific here. Select the most promising. Perhaps include most promising non-users with promising users. For example, choose members of a nonuser group (baby boomers) with promising users (seniors). Examine age, income, sex, purchase behavior, ethnicity, family statistics, etc. Specify behaviors such as "has taken a package tour in last three years" or "travels overnight for leisure more than three times per year." You can get as specific as you want, but be careful not to pinpoint too finely or you might find yourself alone in the interview room.

5) *How many participants should there be?* The ideal size is ten, with no fewer than eight. But beware, you must recruit at least twelve to fourteen participants because of no-shows and other factors such as participants knowing one another. This is not a good situation as it tends to stifle openness or generate agreement with one another out of courtesy.

6) *What about participant fees?* Fees range from \$30 for adult consumers of a commonly used product to highs of \$200 for a high level corporate executive. In the travel and tourism industry, expect to pay between \$40 and \$50. Note that this really depends on the city and how difficult the recruiting is.

7) *Where should it be held?* My recommendation is a facility designed specifically for this purpose. These facilities have soundproof observation rooms with a one-way mirror so you and your marketing team (tour planners, ad agency, etc.) can monitor the sessions

without disturbing the focus groups. These facilities can be found in most large and medium cities. Usually the facility has done the recruiting of the participants and has everything under control as to who is expected, etc. The facility also has catering capabilities that are conducive to hosting the participants, as well as quality audio and video capabilities. Finally, the staff is discreet in not divulging who the sponsor is or why participants have been asked to attend.

On the flip side, advantages of traditional facilities such as hotel conference rooms and restaurant meeting rooms are that they are more easily recognized by focus group participants and perhaps easier to access. They also offer a less formal atmosphere, which may be preferable. But, in order to observe, you must be in the same room. This may cause problems in the event that an unexpected client may recognize you and blow your cover. Make sure you have reviewed the list of participants prior to the session in order to circumvent that situation. There, too, as a “participant,” you will have to be careful not to over-inform or over-participate in the focus groups.

8) *How long should the session(s) be?* Generally, sessions last one-and-a-half to two hours.

9) *Who should be the moderator?* First, not you! Why? Bias and lack of objectivity are the major reasons. It’s so easy to “lead the witness” with your desire to get the information you want. You’re better off getting a colleague who has the learned skills of a moderator, and has no stake in the results of the interviews. Moderators must have:

- superior listening skills
- excellent short-term auditory memory
- organizational skills
- a quick learning curve
- high energy levels
- a personable demeanor
- above average intelligence

*Bonus skills are:* prior relevant business experience and good general communication skills.

*(I know I just described you perfectly, but I still recommend you seek outside help!)*

10) *What might be a total cost to conduct a focus group?* It depends, but rely on this as a guide in making inquiries.

- \* Twelve participants @ \$40 each (if twelve show up and you only want ten, you still pay for twelve)
- \* Moderator Fee of \$400 to \$500 dollars (unless a colleague will do this for you “in trade”)
- \* If facility based, the facility will cost between \$1000 and \$1500 per group. (This cost includes recruiting and room rental.)

- \* If hotel based, you’ll be out the cost of the room rental and any banquet refreshments. Plus, you’ll have to do your own recruiting using your own

staff's time (unless you use an outside firm for that), bring in your own greeters and staff to monitor no-shows, etc.

*WHAT'S NEXT?*

Do some research in your own area. Find out where these focus group facilities are and ask for their help. Tell them what you're trying to accomplish and ask questions. From there, you're on your way to finding out what your potential customers want from your company.

*NOTES:*

## *APPENDIX II. MAP SOURCES*

### *SOURCES UTILIZED IN MAP*

“African American Buying Power Projected to Hit \$469 Billion in ‘97,” *Minority Markets Alert*, June 1997.

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The Buying Power of Black America, Target Market News, Chicago, IL, 1997 edition. www.targetmarketnews.com (note: all figures provided by Target Market News are based on total earned income data from the Census Bureau’s annual Current Population Survey. Factored into the information is income information from the Bureau of Labor Statistics and considerations for undercounted black households and individuals, as declared by the Bureau of Census.)

“Culturally Themed Shows Embraced.” *Minority Markets Alert*, Sample Issue 1997. (Excerpted from “American Participation in Theater - AMS Planning & Research #36, National Endowment for the Arts.)

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*Ethnic Market Report: A Portrait of the New America*, Market Segment Research and Consulting, Inc., Coral Gables, FL.

“The Ethnic Side of Sears: Local Focus, National Thrust,” *Minority Markets Alert*, August 1997.

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"Middle-, Upper Income Blacks Are Found to Be Conservative Investors." *Minority Markets Alert*, Sample Issue 1997.

"Minority College Enrollment Slowing." *Minority Markets Alert*, June 1997.

"Minority Marketing Strategies of America's Top 50 Advertisers." EPM Communications, Inc. 1997

*The Minority Traveler*. Travelscope Survey, US Travel Data Center/Travel Industry Association of America, July 1996.

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"Population by National Origin - 1991." Statistics Canada 1997.

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Publishers Letter, *Black Traveler* (Magazine), July 1997.

Radio Advertising Bureau Library - Interep Radio Stone News Release, May 1994.

Redekop, David, *Travel Forecast 2000: Twenty-One Questions for the 21st Century*, Canadian Tourism Research Institute/Conference Board of Canada, July 1997.

"Selected Characteristics of Households by Type, Region and Race of Householder: March 1995." US Bureau of the Census, May 1996.

Verrastro, Nick, "Cultivating the Black Travel Market at Pa\$\$port to Profit\$," *Travel Trade News Edition*, August 25, 1997.

Waldrop, Judith. "Black Adventures." *American Demographics*, August 1994.

Waldrop, Judith, "Happy Kwanzaa." *American Demographics*, December 1994.

"Who Do Philadelphians Trust?" *Minority Markets Alert*, July 1997.

#### *OTHER RESOURCES:*

##### *PUBLICATIONS*

τ **African American Tourism Guide**, published quarterly. 3841 N.E. Second Avenue, Suite 305, Miami, Florida 33137. Telephone: 305-576-3957. Fax: 305-576-2161. E-mail: Afritravl@aol.com. Annual subscription rate is \$9.95 US/\$12.95 Canadian. Telephone number to place subscription orders is 800-675-4212. (*Note -- this is a new publication with one to two issues published at the writing of this report.*)

τ **American Visions**, the magazine of Afro-American Culture, American Visions Media, Inc. PO Box 614, Mt. Morris, IL 61054. 800-998-0864 to secure bimonthly subscription, \$18.00 annual subscription fee. [www.americanvisions.com](http://www.americanvisions.com)

τ **Minority Markets Alert**, EPM Communications, Inc. 160 Mercer Street, 3rd Floor, New York, NY 10012. Phone: 212-941-0099. Fax: 212-941-1622. MMA is published 12 times per year. Subscription rate is \$295 per year (payable in US Funds). MMA is also available electronically via the Information Access Company (800-321-6388) and Mead Data Central's Nexis database (513-865-6800).

τ **Black Enterprise**, Earl G. Graves Publishing Co., Inc., 130 Fifth Avenue, new York, NY 10011. Phone: 212-242-8000. \$19.95 per year, 12 issues. (Subscription inquires go to: Black Enterprise, PO Box 3009, Harlan, IA 51537-3009.

τ **Black Meetings & Tourism**, 20840 Chase Street, Winnetka, CA 91306-1207. Phone: 818-709-0646. Fax: 818-709-4753. BMT is published 10 times per year. Subscription rate is \$32.00 per year.

τ **Black Traveler**, 11631 Victory Boulevard, Suite 201, North Hollywood, CA. 818-753-9198. Fax: 818-753-84405.

##### *WEBSITES*

τ [www.americanvisions.com](http://www.americanvisions.com) (see reference above)

τ [www.buppie.com](http://www.buppie.com) (black urban professionals) Includes comprehensive black association calendar of events and associations/organizations in the categories of Arts, Business, Children/Youth, Civic, Cultural/Social, Education, Greek/Masonic, Political, Professional, Recreation, Religious, and Women, as well as a listing of black newspapers, by state.

τ [www.blackvoices.com](http://www.blackvoices.com) -- good, general site to explore culture and interests. At the writing of this report, a black Caribbean cruise was highlighted, with photos of participants and captions with each.

τ [www.essence.com](http://www.essence.com) -- *Essence* magazine site.

τ [www.aarc.net](http://www.aarc.net) -- the largest archive of African-American journalism, provided by African American Resources. Sixty publications at least are archived on this website, including Black Enterprise, Heart and Soul, etc. Some articles from BET's Emerge are also available. (Note: this firm is also the only African American firm that provides African-American clip art, as well as a 30 minute video program on Kwanzaa, the African American Cultural Holiday.)

τ [www.tinet.ita.doc.gov](http://www.tinet.ita.doc.gov) -- TIA's web site which expounds on cultural tourism and related research.

τ [www.census.gov/](http://www.census.gov/) -- US Census Bureau

#### *ORGANIZATIONS - RESOURCES*

τ **African American Resources Corp.**, Charles Butler Nuckolls III, President/CEO, 243 W. 30th Street, 9th Floor, New York, NY 10001. Phone: 212-643-1320. Fax: 212-643-0733

τ **Congress of National Black Churches**, 1225 Eye Street, NW, Suite 750, Washington, DC, 20005-0908, 202-271-1091

τ **National Association of Black Hospitality Professionals, Inc.**, P.O. Box 5443, Plainfield, NJ, 07060, 908-354-5117

τ **National Coalition of Black Meeting Planners**, 8630 Fenton Street, Suite 126, Silver Spring, MD, 20910, 202-628-3952

τ **National Council of Negro Women, Inc.**, 633 Pennsylvania Avenue, NW, Washington, DC, 20004, 202-737-0120

τ **National Multi-Cultural Tourism Summit**, c/o Greater New Orleans Black Tourism Network, Inc., 1520 Sugar Bowl Drive, new Orleans, LA 70112. Telephone: 800-725-5652. Fax: 504-522-0785.

τ **Religious Conference and Management Association** (meeting planners, large African American buyer participants), One RCA Dome, Suite 120, Indianapolis, IN, 46225, 317-632-1888.

τ **United States Bureau of the Census**, Washington D.C.

*OTHER*

τ **ADVO, Inc.**, One Univac Lane, Windsor, CT 06095-0755. Telephone: 860-285-6180. Fax: 860-285-6393. (Note: this organization has offices in most major cities. By featuring this company in this MAP, NTA is not endorsing use of it, but references it as an example of methods for securing tailored mailing lists.)

τ **American Church Lists, Inc.**, P.O. Box 1544, Arlington, TX, 76004-1544, Phone: 800-433-5301. Fax: 817-861-0167 (Cindy Hughes, Director - Sales & Service, NTA Member Contact)

Excerpts from NTA DMO Members' Heritage Guides are duplicated for tour operator review. NTA appreciates the cooperation of these members in making the excerpts available in this MAP. Included are:

- ◆ **Alabama Bureau of Tourism & Travel, Montgomery, AL**
- ◆ **Illinois Bureau of Tourism, Chicago, IL**
- ◆ **Tennessee Office of Tourist Development, Nashville, TN**  
*(Note: excerpts featured here are from the 1996 Guide. A new guide is now available.)*
- ◆ **Lorain County Visitor's Bureau, Lorain, OH**
- ◆ **Louisville and Jefferson County Convention & Visitors Bureau, Louisville, KY**
- ◆ **Denver Metro Convention & Visitors Bureau, Denver, CO**

*The information provided in this section is the basis for the previous Highlights section. It is heavily statistical by nature and features the sources of the information. In addition, most is featured verbatim from the sources, and was only edited in minimal cases for the purpose of clarity.*

## SECTION A. TRAVEL PATTERNS AND PREFERENCES

### GENERAL

- \$4.6 billion is spent annually by black Americans on transportation, travel and lodging.<sup>4</sup> (\$1.8 billion of this is intracity travel.)
- African Americans are increasing their out of town expenditures. Spending in this category enjoyed an increase of almost 9 percent in 1996.<sup>5</sup>
- Blacks spend about \$30 billion per year on travel and tourism, according to Brooklyn's *City Sun* newspaper.<sup>6</sup> (Note: this figure appears high in contrast to other statistics provided, however it was featured in public news copy as represented.)
- Out of town lodging showed the most significant increase, with an additional \$274 million in spending, bringing the total to just over \$1 billion.<sup>7</sup>
- Airfares purchased by Black Americans increased by 5 percent in 1996 from 1995 to \$1.1 billion.<sup>8</sup>
- 61 percent of African American adults travel.<sup>9</sup>
- The US Travel Data Center, which looks at African American leisure travelers specifically, offers the following demographic and travel-related summaries:<sup>10</sup>

“The average age of the African American traveler's household head is 46 years old. This individual typically attended college (74 percent) and 43 percent completed college. For most, the household head is employed

<sup>4</sup> *The Buying Power of Black America*. Target Market News, Inc., 1997 Edition

<sup>5</sup> Ibid. (Note: Ibid means "same as before" or in our case "same as the previous note.")

<sup>6</sup> Morris, Eugene. "The Difference in Black and White," American Demographics, January 1993.

<sup>7</sup> *The Buying Power of Black America*. Target Market News, Inc., 1997 Edition

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> *The Minority Traveler*. Travelscope Survey, US Travel Data Center/TIA, July 1996

full-time (72 percent). In four in ten of these households the head is employed in a professional or managerial capacity (39 percent). In four in ten of the households (43 percent) children are also present. The median household income is \$34,400 and 60 percent own their own homes.

Compared to travelers overall, African Americans are less likely to be married (51 percent) or to own their homes. Their median income is also lower. However, Blacks are more likely to be employed in professional or managerial occupations. Although the share of African American households with three or more members (55 percent) mirrors that of all traveling households, an above-average share (19 percent) have five or more members (compared to 15 percent of total traveling households). Also, African American travelers are more likely to live alone (19 percent vs. 15 percent total traveling households).

Most of the African American pure leisure traveler households represent the young parent (19 percent), middle parent (20 percent) or older parent (19 percent) life stages. These households are significantly more likely than White traveling households to represent the middle or older parent life stages.” (Note that this does not take into account business traveler trends.)

- In terms of leisure travel (not necessarily business travel), blacks prefer to travel in groups, not as individuals, and they have a preference for tour packages.<sup>11</sup>
- Blacks are uncomfortable as members of predominantly white tour groups.<sup>12</sup>

#### *PURPOSE OF TRIPS*

- Less than half (17 percent) focused on entertainment, including sightseeing purposes (6 percent), significantly less than the number taken by travelers and sports). Far fewer pleasure person-trips were for outdoor recreation overall.<sup>13</sup>
- Most black travelers seek relaxation rather than adventure.<sup>14</sup>
- Business trips represent almost a quarter (23 percent) of all person-trips taken by African Americans and that conventions and seminars were popular with this group, accounting for 7 percent of black travelers (this percentage is higher than that of travelers overall).<sup>15</sup>

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<sup>11</sup> Morris, Eugene. "The Difference in Black and White," *American Demographics*, January 1993.

<sup>12</sup> *The African-American Market - Packaged Facts* - Find/SVP, New York, NY, October 1995.

<sup>13</sup> The Minority Traveler. Travelscope Survey, US Travel Data Center/TIA, July 1996.

<sup>14</sup> *The African-American Market - Packaged Facts* - Find/SVP, New York, NY, October 1995.

<sup>15</sup> Ibid.

- Consider the following information provided by *Black Meetings & Tourism* that is specific to African American conventions and leisure travel:<sup>16</sup>
  - ⇒ Approximately 75 - 80 percent of African-American convention delegates fly to their destination.
  - ⇒ 6 - 10 percent of African American attendees rent cars once they've arrived at their destination, which is higher than the national average.
  - ⇒ The percentage of African-American conference attendees who bring along their spouses is higher than the national average.
  - ⇒ African American delegates have a tendency to arrive a few days early or stay a few days late in order to combine the convention trip with a family vacation.
  - ⇒ 1995 USTTA reported that African Americans spent more than \$30 billion annually for conventions and leisure travel.
  - ⇒ In 1995, 150,000 attendees at the Essence Music Festival in New Orleans spent \$70 million.
  - ⇒ The average African American association member spends a total of \$450 per day at a three-day convention, which computes to \$405,000 for a convention of 300 delegates.
  
- Trips taken for personal reasons represented 9 percent of the total person-trips taken by African Americans. Trips taken for other (unspecified) reasons accounted for the remaining 4 percent of African American person-trips.<sup>17</sup>

### *DESTINATIONS*

- Since the majority of African American travelers reside in the South, trips taken for purposes other than business are more likely to be throughout the Southern region, specifically in the states of:<sup>18</sup>

Texas	(10 percent)
Georgia	(10 percent)
N. Carolina	(9 percent)
Virginia	(8 percent)
Tennessee	(6 percent)
Louisiana	(6 percent)
S. Carolina	(5 percent)
Mississippi	(5 percent)
Maryland	(4 percent)
Alabama	(4 percent)
Dist. of Col.	(3 percent)

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<sup>16</sup> Press Kit Release, *Black Meetings & Tourism Magazine*

<sup>17</sup> *The Minority Traveler* - Travelscope Survey, US Travel Data Center/Travel Industry Association of America, July 1996.

<sup>18</sup> Ibid.

- Other popular destinations include:

Florida	(7 percent)
California	(6 percent)
New York	(6 percent)
New Jersey	(6 percent)
Pennsylvania	(6 percent)
Illinois	(6 percent)
Caribbean	(2 percent)

- The Caribbean is the #1 destination outside of the US for vacation travel among the black travel market (Black travel interest in Europe, Mexico and Hawaii is growing with increased targeted marketing efforts.)<sup>19</sup>
- From Judith Waldrop, an *American Demographics* writer, note the following from an 1994 article on black travel:

“This month, the ocean liner Majesty of the Seas will take more than 1200 adventure seekers to the Caribbean. Most of them will be black. If you’re interested in next year’s cruise, book soon: the Festival at Sea sells out earlier and earlier every year.

‘Many marketers don’t even believe [the black middle class] really exists. It is a bonanza,’ says Robert Brown, president of Resource marketing in Oakland, California. Brown’s target market is blacks who have household incomes of \$35,000 or more, and he has no trouble reaching lots of them.

To reach affluent black vacationers, Brown goes to places where price is not an issue. He goes to event sponsored by such groups as the National Black MBA, National Bar Association (a black lawyer’s group) and the Congressional Black caucus.

A primarily black tour solves a lot of problems that blacks can face when they go on tours dominated by whites, according to a survey taken by RM. Blacks on vacation can get caught up in white “social experiments,” says Brown.<sup>20</sup> (A social experiment, e.g. might be an instance where a black person might be asked a question about a black politician. Focus is on the race, not the person.)

- Blacks are 50 percent less likely than whites to take trips abroad (at least that was the 3 year trend in 1994). When they do travel outside the US, blacks prefer destinations that are both “language comfortable” and “color comfortable,” hence the Caribbean being a popular destination (cruise and land-based). In the Caribbean, blacks don’t get hassled and feel unwanted because of their color. Language and skin color are strong bonds that outweigh cultural differences. As a result blacks spend \$60 to \$70 million a year traveling to the Bahamas, according to the *City Sun*.<sup>21</sup>

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<sup>19</sup> Publishers Letter, *Black Traveler Magazine*, July 1997.

<sup>20</sup> Waldrop, Judith. “Black Adventures,” *American Demographics*, August 1994.

<sup>21</sup> Morris, Eugene. “The Difference in Black and White,” *American Demographics*, January 1993

### *MODES OF TRANSPORTATION/AVERAGE DISTANCE*

- The majority (69 percent) of African Americans drive on their trips. In most cases they drive their own cars (56 percent), but some are also prone to rent. In fact, African Americans travel four times as often in rented vehicles (12 percent) as their primary mode compared to travelers overall (3 percent). Only a small number count campers or recreational vehicles as their primary mode, similar to all travelers (1 percent).<sup>22</sup>
- Almost one out of five African American travelers (18 percent) fly to their destination, the same as among all travelers. A higher share of African American trips are by bus (7 percent) and train (2 percent) than among overall travelers.<sup>23</sup>
- Black travelers tend to travel greater distances than white travelers. During 1991, the average round trip (defined as being at least 100 miles away) was 814 miles for adults in general. But the average trip for black Americans was 932 miles, and black, childless couples averaged 1,148 miles.<sup>24</sup>

### *NUMBER OF TRAVELERS*

- African American travel parties average two people (mean = 1.8 people), but about six in ten African Americans travel alone (59 percent), a higher proportion when compared to travelers overall (51 percent). About two in ten African American travel parties include children under 18 years old (21 percent).<sup>25</sup>

### *LENGTH/PLACE OF STAY*

- About three in four African Americans take trips involving an overnight stay (72 percent), somewhat lower than among all travelers (77 percent). These overnight trips last an average of 4.4 nights, the same as for all travelers.<sup>26</sup>
- According to the Minority Traveler study, African Americans are most likely to stay in hotels, motels, bed and breakfast establishments (45 percent)<sup>27</sup> or in private homes (32 percent). Few spend the night in condo time-shares (3 percent) or recreational vehicles or tents (2 percent). Their RV/tent use is significantly lower than among all travelers (7 percent).

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<sup>22</sup> *The Minority Traveler*. Travelscope Survey, US Travel Data Center/TIA, July 1996

<sup>23</sup> Ibid.

<sup>24</sup> Ibid. Note: Minority Markets Alert called TIA's findings in this area nebulous since only 301 Black travelers were surveyed.

<sup>25</sup> Ibid.

<sup>26</sup> Ibid.

<sup>27</sup> Ibid.

- African Americans typically spend 3.4 nights in a hotel/motel/bed and breakfast, but stay longer, 4.7 nights, in a private home.<sup>28</sup> Those who stay in a recreation vehicle or tent average 3.6 nights.<sup>29</sup>

### *SPENDING*

- African Americans spend \$22.1 billion on tourism *and convention* travel.<sup>30</sup>
- On average, African Americans spend \$600 during a four day trip in the states/counties they visit, similar to the average spending of travelers overall.<sup>31</sup> On 10 percent of the trips, \$1,000 or more is spent.<sup>32</sup>

### *ACTIVITIES*

- As in all leisure travel, the favorite activity on African American trips is shopping (40 percent). About half as many trips involve visiting historic places or museums (17 percent) or attending cultural events or festivals (15 percent). Virtually no trips involve golf, tennis or skiing.<sup>33</sup> (*Note that some NTA members would disagree with this premise, since several offer Black ski trips that are popular.*)

- Although about one in five African Americans (22 percent) do not engage in any activities while they travel, those who do participate average two (mean = 1.8) per trip. A breakdown of all activities shows:

Shopping	40 percent
Cultural Festivals	15 percent
Theme Parks	11 percent
Nightlife/Dancing	13 percent
Gambling	11 percent
Sports Events	5 percent
Outdoor	9 percent
Museums	17 percent
Beaches	9 percent
Nat'l/State Parks	6 percent
Golf/Tennis/Skiing	1 percent <sup>34</sup>

- The cultural richness of African Americans has become in recent years a serious contender for attracting tourists. In a phrase, it's called heritage tourism, and it's a hot trend....the African-American preservationist movement seems to have picked up

<sup>28</sup> Ibid.

<sup>29</sup> *The Minority Traveler* - Travelscope Survey, US Travel Data Center/Travel Industry Association of America, July 1996.

<sup>30</sup> Ibid.

<sup>31</sup> Ibid.

<sup>32</sup> Ibid.

<sup>33</sup> Ibid.

<sup>34</sup> Ibid.

momentum during the 1980s, with the focus on developing various historical and cultural sites and then marketing them to tourists in the 1990s.<sup>35</sup>

- After conventions, college sporting events, music festivals and family reunions are next in travel expenditures for African Americans.<sup>36</sup>
- Several marketers who have learned to create the appropriate messages have met with success. More than six million people have attended black weekend “festivals” begun by the National Council of Negro Women. There is an African American cruise to the Cancun Jazz Festival, an African American ski event called “The Summit,” and the Festival at Sea, a 1,200 passenger ocean liner, regularly sells out to African Americans going to the Caribbean. Motel 6 has determined that African American travel to family reunions is a strong market, spending approximately 20 percent of its marketing budget two summers in a row to attract these family travelers. Other efforts with appropriately developed products and directed messages will be successful as well.<sup>37</sup>

#### *FOR CONSIDERATION*

- Theater (not movies, but theater productions) attendance rates for African Americans more than doubled between 1982 and 1992, from 5.8 percent to 12 percent. Blacks and Hispanics attend theater 2.2 times annually. Blacks comprised 5.2 percent of the audience in 1982 and 10 percent in 1992.<sup>38</sup>
- Today, travel still can be difficult for black Americans. Studies and reports show they are sometimes asked to carry bags, park cars, and take restaurant orders by others who assume they are employees. Flight attendants sometimes assume that blacks don’t belong in the first-class section of an airplane, so black travelers are sometimes confronted when trying to store items in first-class closets and bins.<sup>39</sup>

### *SECTION B. DEMOGRAPHICS*

#### *POPULATION*

- African Americans are expected to comprise more than 13 percent of the US population by the year 2000 and this market base is growing at a rate of 10 percent per decade.<sup>40</sup>

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<sup>35</sup> Hayes, Bernetta J. “Claiming Our Heritage is a Booming Industry.” *American Visions*, October/November 1997.

<sup>36</sup> *The Minority Traveler*. Travelscope Survey - US Travel Data Center/TIA, July 1996.

<sup>37</sup> Gray, Valerie Lynn. “Going After Out Dollars.” *Black Enterprise*, July 1997.

<sup>38</sup> “Culturally Themed Shows Embraced.” *Minority Markets Alert*, Sample Issue 1997. (Excerpted from “American Participation in Theater - AMS Planning & Research #36, National Endowment for the Arts.)

<sup>39</sup> Morris, Eugene. “The Difference in Black and White,” *American Demographics*, January 1993.

<sup>40</sup> *Distribution of the Population by Regions, Residence, Age, Sex and Race: March 1995*. US Census Bureau Labor of Statistics.

- The current US African American population stands at 33.5 million and will be over 35 million in 2000 ... 42 million strong by 2020.<sup>41</sup>
- Projections from the US Census Bureau indicate that the black population will nearly double to 62 million by the year 2050, while the white percentage of the population will decrease by one-third (due mainly to major growth by non-black segments of the minority population).<sup>42</sup> (*Note that the percentage of the total US population over 65 is projected to remain fairly constant at 8 percent until the year 2010, when the leading edge of the Baby Boomer era becomes 65.*)
- More simply stated, the African American population of the US grows at approximately double the rate of the white population. This is partly due to increased immigration from Caribbean and African countries.<sup>43</sup>
- 28.2 years was the median age of the overall population in 1994. A more detailed breakdown of age groups shows:<sup>44</sup> (*Note: the median age for the white population is 36.*)

<u>Age</u>	<u>percentage of population</u>		
	<i>(33.5 million)</i>		
20 - 24	7.8	25-29	7.9
30 - 34	8.4	35-44	15.5
45-54	9.5	55-64	6.2
65-74	4.6	75+	3.0

- Growth projections for the African America population show:<sup>45</sup>

	<u>1998</u>	<u>1999</u>	<u>2000</u>
Population	34.5 million	34.9 million	35.4 million
Median Age (years)	29.6	29.8	29.9
	<u>2001</u>	<u>2002</u>	<u>2003</u>
Population	35.9 million	36.3 million	36.8 million
Median Age (years)	30.1	30.2	30.3
	<u>2004</u>	<u>2005</u>	<u>2006</u>
Population	37.2 million	37.7 million	38.1 million
Median Age (years)	30.4	30.4	30.4
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Population	38.6 million	39.1 million	39.6 million
Median Age (years)	30.5	30.5	30.6
	<u>2010</u>		

<sup>41</sup> Ibid.

<sup>42</sup> *The African-American Market - Packaged Facts*, Find/SP, New York, NY, October 1995

<sup>43</sup> Ibid.

<sup>44</sup> *Distribution of the Population by Regions, Residence, Age, Sex and Race: March 1995*. US Census Bureau Labor of Statistics.

<sup>45</sup> Ibid.

Population 40.1 million  
 Median Age (years) 30.7

- The African American population is geographically distributed as follows: <sup>46</sup>

South	18,613,000
Northeast	5,778,000
Midwest	6,352,000
West	2,787,000

- African Americans are predominantly located in or near metropolitan areas: <sup>47</sup>

## EDUCATION

- The number of African Americans 25 years of age and over is 18,457,000. Their educational attainment is as follows: <sup>48</sup>

Inside central cities	18,418,000
Outside central cities	10,637,000
Nonmetropolitan areas	4,476,000

High School: Total 52.7 percent  
 9th to 12th grade 16.5 percent  
 (no diploma)  
 High School graduate 36.2 percent

\* Note: High school completion by African Americans age 18 - 24 has been stable in recent years, with a rate of 76.9 percent in 1995 holding true. <sup>49</sup>

College: Total	37.5 percent
Some college or	24.3 percent

<sup>46</sup> Ibid. South region includes: DE, D.C., FL, GA, MD, NC, SC, VA, WV, AL, KY, MS, TN, AR, LA, OK, TX. Northeast region includes: CT, ME, MA, NH, RI, VT, NJ, NY, PA. Midwest region includes: IL, IN, MI, OH, WI, IA, KS, MN, MO, NB, ND, SD. West region includes: AZ, CO, ID, MT, NV, NM, UT, WY, CA, OR, WA (AK & HI as destinations only).

<sup>47</sup> Ibid.

<sup>48</sup> *Educational Attainment of Persons 25 Years and Over by Sex, Region and Race: March 1995*. US Bureau of the Census, May 1996.

<sup>49</sup> "Minority College Enrollment Slowing." *Minority Markets Alert*, June 1997.

*associate degree*  
*Bachelor's degree*      *13.2 percent*  
*or more*

***NUMBER IN HOUSEHOLDS***

- 26.7 percent of all African American households consist of one person. Two-person households make up 25.8 percent of the population. A complete breakdown shows:<sup>50</sup>

Size of Household	Age of Householder
One person      26.7 percent	15 to 34 years      30.1 percent
Two persons    25.8 percent	35 to 44 years      25.3 percent
Three persons   19.0 percent	45 to 54 years      17.6 percent
Four persons    14.8 percent	55 years and over   27.0 percent
Five or more persons   13.6 percent	

***With Children Under 18 Years***

No children	59.8 percent
With children	40.2 percent
<i>w/One</i>	<i>16.9 percent</i>
<i>w/Two</i>	<i>13.7 percent</i>
<i>w/Three</i>	<i>6.2 percent</i>
<i>Four +</i>	<i>3.4 percent</i>

- African American households are 21 percent more likely to be headed by women than other US households.<sup>51</sup>

***AFRICAN-CANADIANS***

According to Statistics Canada, that country's equivalent to the US Bureau of the Census, there are approximately 216,000 African Canadians out of the total 27 million population -- or 0.8 percent.<sup>52</sup>

***BUYING POWER AND FINANCIAL SECURITY***

***BUYING POWER & INCOME***

- Black earned income in 1996 was \$367 billion, a figure that is up 13 percent from 1995's \$324 billion.<sup>53</sup>

<sup>50</sup> *Selected Characteristics of Households by Type, Region and Race of Householder: March 1995.* US Bureau of the Census, May 1996.

<sup>51</sup> *The African-American Market, Packaged Facts, Find/SVP, New York, NY, October 1995.*

<sup>52</sup> *Population by National Origin - 1991.* Statistics Canada, 1997. It is for this reason that the Market Development Council has not pursued further analysis of Canada-based African Americans in this report.

<sup>53</sup> *The Buying Power of Black America, Target Market News, Inc., 1997 Edition.*

- Total black earned income by males in 1996 was \$194.5 billion. For females, this number was \$172.5 billion.<sup>54</sup>
- Two-thirds of African Americans are not below the poverty line and although the great majority of that two-thirds are not rich either, increasing numbers of them are in executive, managerial and administrative jobs. This group reflects the steady black growth into the middle class since W.W.II.<sup>55</sup>
- Much of the purchasing power of African Americans is in the hands of the two-thirds (66 percent) of the black population who are either middle class or affluent, and who spend at a rate-proportionate-to-income which is significantly higher than that of middle-class whites.<sup>56</sup>
- Some 56 percent of all black spending is done by women.<sup>57</sup>
- The average income of black households is \$25,000, a figure that has held steady in this market since at least 1994. The top fifth of these households averages more than \$61,000 in annual earnings.<sup>58</sup> In addition, almost one in five black households earns \$50,000 annually.<sup>59</sup>

- Annual median income of Black and white households segmented by age groups is:

	<u>Blacks</u>	<u>Whites</u>
35 - 44 year olds	\$28,097	\$45,924
45 - 54 year olds	\$30,210	\$50,607
55 - 64 year olds	\$21,843	\$40,150
65+	\$13,117	\$20,192 <sup>60</sup>

*(Note: Other sources cite figures slightly higher, with \$3,000 - \$8,000 differentials in each age category)*

- The proportion of African American households with incomes of \$50,000 or more grew from 11 percent to 17 percent between 1974 and 1994 (*compared to 27 percent to 32 percent in whites and 13 percent - 18 percent among Hispanics*).<sup>61</sup>
- Black married couples have median household incomes of nearly \$34,000 and black married couples aged 35 - 44 have median household incomes of more than \$42,000.

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<sup>54</sup> Ibid.

<sup>55</sup> Ibid.

<sup>56</sup> Ibid.

<sup>57</sup> Ibid.

<sup>58</sup> Radio Advertising Bureau Library - Interep Radio Stone News Release, May 1994 ([www.cstone.net/media/afrexp4.html](http://www.cstone.net/media/afrexp4.html))

<sup>59</sup> Ibid.

<sup>60</sup> Heslop, Janet, Ed. *The American Marketplace - Demographics & Spending Patterns*, 3rd Edition, 1997.

<sup>61</sup> Exter, Thomas G. *The Official Guide to American Incomes*. 2nd Edition. Excerpted in *Minority Markets Alert*, Sample Issue, 1997.

This nearly \$42 billion in discretionary income averages out to just over 8.5 percent per black household, or slightly more than \$3,000 per household member.<sup>62</sup>

MEDIAN INCOME OF MARRIED BLACK COUPLES, 1994

Total married-couple families	\$40,432
***Husband worked	\$45,966
Wife worked (at all)	\$49,643
Wife working full-time	\$54,308
Wife not working	\$31,316
*** Husband working full-time	\$48,524
Wife working	\$51,786
Wife working full-time	\$55,883
Wife not working	\$32,365
***Husband not working at all	\$20,063
Wife working	\$25,960
Wife working full time	\$35,638
Wife not working	\$16,537 <sup>63</sup>

- While average disposable black family income of \$21,942 after taxes in 1993 was well below that of whites (\$31,890), that discrepancy is not reflected in the spending of the two groups. This is particularly so with African American families that have pre-tax incomes of \$30,000 or more. They spend roughly the same amounts as white families in the \$50,000 annual income bracket.<sup>64</sup>
- Black buying power grew 33.9 percent between 1990 and 1995, which was higher than the 29.5 percent growth experienced in the entire US.<sup>65</sup>
- If the earnings of the African American market within the US were viewed as a “global nation,” it would be the fifteenth largest economy. *See the following listing - figures represent number of billions of dollars in US currency:*

Country	'95 GNP	Country	'95 GNP
1. United States	7,100	16. India	319
2. Japan	4,963	17. Mexico	304
3. Germany	2,252	18. Switzerland	284
4. France	1,451	19. Argentina	278
5. United Kingdom	1,094	20. Belgium	250
6. Italy	1,088	21. Austria	216
7. China	744	22. Sweden	209
8. Brazil	579	23. Indonesia	190
9. Canada	573	24. Turkey	169
10. Spain	532	25. Thailand	159
11. Korea, Rep.	435	26. Denmark	156
12. Netherlands	371	27. Hong Kong	142
13. Australia	337	28. Norway	136
14. Russia	331	29. Saudi Arabia	133

<sup>62</sup> Radio Advertising Bureau Library - Interep Radio Stone News Release, May 1994

<sup>63</sup> Exter, Thomas G. *The Official Guide to American Incomes.* 2nd Edition.

<sup>64</sup> *The African-American Market*, Packaged Facts, Find/SVP, New York, NY, October 1995.

<sup>65</sup> *The Buying Power of Black America*, Target Market News, Inc., 1997 Edition

- Since 1990, black buying power has grown 54.2 percent. Overall buying by US consumers rose 41.4 percent in the same period, to \$5.7 trillion. Of that total, 8.2 percent represents black spending power, also up from the 1990 share of 7.5 percent<sup>67</sup>
- The top 10 states by Black buying power are:

<i>STATE</i>	<i>BUYING POWER IN MILLIONS</i>	<i>GROWTH 1990-1997</i>
1. New York	\$53,014	43.9 percent
2. California	\$39,463	37.4 percent
3. Texas	\$31,383	64.4 percent
4. Illinois	\$26,255	50.2 percent
5. Georgia	\$26,029	69.1 percent
6. Florida	\$25,633	68.4 percent
7. Maryland	\$23,784	52.0 percent
8. Michigan	\$21,375	58.8 percent
9. North Carolina	\$20,426	58.7 percent
10. New Jersey	\$20,115	46.3 percent <sup>68</sup>

*INVESTMENT TRENDS*

- Middle and upper-income African Americans earning \$30,000 or more save or invest at comparable rates to non-African Americans. This contradicts widely-held stereotypes about African American saving habits, according to Roper Stach Worldwide. In both groups, 93 percent have money in a savings or investment institution. African Americans report saving 11 percent of income, comparable to 12 percent saved among non-African Americans. (Survey commissioned by Ariel Capital Management).<sup>69</sup>
- African American investors tend to use fewer types of accounts or instruments. Significantly fewer African Americans than non-African Americans own interest-bearing checking accounts (31 percent versus 45 percent), money market accounts (13 percent versus 26 percent), mutual funds (22 percent versus 35 percent) and stocks or bonds (27 percent versus 38 percent).<sup>70</sup>
- Women are more likely to make investment decisions in African American homes than in non-African American households. More than one-third (37 percent) of financial decisions in African American homes are made by women alone, 40 percent by the male and female jointly. Counting only married couples, 21 percent of

<sup>66</sup> Ibid.

<sup>67</sup> Ibid.

<sup>68</sup> "African American Buying Power Projected to Hit \$469 Billion in 1997." *Minority Markets Alert*, June 1997

<sup>69</sup> "Middle-, Upper Income Blacks Are Found to Be Conservative Investors." *Minority Markets Alert*, Sample Issue 1997.

<sup>70</sup> Ibid.

financial decisions are made by the females alone; they are shared by a male and female in 59 percent.<sup>71</sup>

- African Americans have a lower comfort level with aggressive investing, something Ariel Capital Management attributes to a lack of familiarity with high-return investments. Similarly, African Americans express comparable tolerance to moderate or high risk investments as non-African Americans, but higher percentage return expectations. African Americans also prefer shorter investment periods than non-African Americans.<sup>72</sup>

### *CREDIT CARDS & PURCHASING TRENDS*

- Credit cards are common in African American traveling households with four in five (81 percent) possessing at least one credit card. Almost half own Visa (49 percent), the most frequently held card. Twenty-two percent hold an American Express card. Cards held include:

Visa	49 percent
Sears	41 percent
MasterCard	42 percent
J.C. Penney	37 percent
Oil Company Card	32 percent
Discover	22 percent
AT&T Universal	10 percent
American Express	22 percent
Diner's Club	4 percent
Other	27 percent <sup>73</sup>

- Black Americans' purchasing habits are generally based on brand and quality. Almost two-thirds of blacks say they are willing to pay more to get "the best," even if that brand or product isn't widely recognized. What's more, the blacks who are most likely to say they buy the best, buy brands that make them feel they've made it, and agree that brands signal success to others, are in the age groups projected to grow the fastest by the next decade.<sup>74</sup>
- Black Americans consistently demonstrate a strong interest in acquiring new vehicles. The dollars spent in 1996 on new cars and trucks increased by \$2 billion to \$22 billion. New motorcycle purchases added up to an additional \$48 million.<sup>75</sup>

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<sup>71</sup> Ibid.

<sup>72</sup> Ibid.

<sup>73</sup> *The Minority Traveler*. Travelscope Survey, US Travel Data Center/Travel Industry Association of America, July 1996.

<sup>74</sup> Fisher, Christy. "Black, Hip and Primed (To Shop)," *American Demographics*, September 1996.

<sup>75</sup> *The Buying Power of Black America*, Target Market News, Inc., 1997 Edition.

- Over \$751 million was spent in 1996 by African Americans on computers and related products for non-business use. A breakdown of purchases by type shows:<sup>76</sup>
  - ⇒ computer hardware           \$653 million
  - ⇒ computer software and accessories   \$88 million
  - ⇒ on-line services               \$10 million
  
- Between 1993 - 1995, the amount of dollars spent by black households on computer hardware and software doubled each year. Some experts say that this increase in computer purchases is due to families' desire to give their children an advantage in school. Black households put a high value on information.<sup>77</sup>
  
- African American *traveler households* are likely to be members of a warehouse or price club store (33 percent), AAA (25 percent) or AARP (20 percent). Fewer are members of a health club (11 percent).<sup>78</sup>
  
- Black households spend more per household than white households on boys clothing, athletic footwear, personal care services and auto rentals.<sup>79</sup> (*Note: the Buying Power of Black America report substantiates this statement.*)
  
- African Americans are more likely than whites to patronize discount department stores.<sup>80</sup> (*Note: this point was included in the event that tour companies have, or can have, relationships with discount department stores; if so, this could be pursued as a marketing strategy.*)
  
- However, quality is more important than price. Reputation and quality are primary concerns. Neither discounts nor coupons are as important to the black household buyer.<sup>81</sup>
  
- Black households pay attention to brand names and are reluctant to switch brands. On the average, they're twice as loyal as American customers overall.<sup>82</sup>
- 58 percent of African Americans look for the "Made in the USA" label.<sup>83</sup>
  
- Generally, African Americans are not impulse buyers, but want a lot of information first (i.e. product information translates into sales).<sup>84</sup>

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<sup>76</sup> Ibid.

<sup>77</sup> Ibid. The experts referenced were those conducting a Strategic Research Institute "Marketing to African Americans" forum held in September of 1997. Forum participants provided insights into reasons for the increase in computer purchases by black households.

<sup>78</sup> *The Minority Traveler*. Travelscope Survey - US Travel Data Center/TIA, July 1996

<sup>79</sup> Gray, Valerie Lynn. "Going After Our Dollars." *Black Enterprise*, July 1997

<sup>80</sup> Ibid.

<sup>81</sup> *The African-American Market - Packaged Facts*, Find/SVP, New York, NY, October 1995.

<sup>82</sup> Ibid.

<sup>83</sup> Ibid.

- Of special note related to spending: contributions play a large role in the lifestyle spending of African Americans. In 1996, \$6.8 billion in contributions were made by African Americans according to the following:

⇒ Charity	\$278 million
⇒ Church	\$4.1 billion
⇒ Educational Organizations	\$20 million
⇒ Political Organizations	\$6 million <sup>85</sup>

*SECTION C.. PSYCHOGRAPHICS -- HOW THE AFRICAN AMERICAN CONSUMER THINKS, FEELS AND BEHAVES -- GENERAL ISSUES*

*COMMUNITY*

- 36 percent of blacks believe that they have had a large impact in changing their communities, while 26 percent of whites and Hispanics (both) express that sentiment.

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<sup>84</sup> Ibid.

<sup>85</sup> *The Buying Power of Black America*. Target Market News, Inc., 1997 Edition.

African Americans report more church volunteerism, and higher levels of working with youth and the poor.<sup>86</sup>

- Businesses which “give back” to the community are considered to be more credible sources of products. Participating in and sponsoring community events with appropriate sales messaging is key to attracting this market.
- Growing all the time is pride of African heritage. Blacks are more likely to identify themselves as members of the neighborhood or community segment than as citizens of the cities or townships in which they live.<sup>87</sup>
- African American’s spiritual heritage dominates their beliefs relative to family values and community involvement. African Americans give \$6.8 billion annually to charities and their churches (see also - Spending) and contribute to them at a 21 percent higher rate than other American church goers. Moreover, black Americans are more likely than Americans in general to be church members and to attend church weekly.<sup>88</sup>

*Skin Color -- “What Do You Call a Dark-Skinned Person?” (title and excerpts taken from Brad Edmondson’s October 1993 American Demographics article)<sup>89</sup>*

Most African Americans prefer the term “black,” but blacks split on generational lines. The young choose “African American,” while older blacks use the older term (“black”). Only 30 percent of blacks in the US prefer the term “African American,” according to the Roper Organization. Forty-two percent prefer “Black,” 10 percent prefer “Afro-American,” and 18 percent prefer some other term or don’t know.

These figures are current, but the experts say they’re bound to change. Americans have shifted preferences in terminology by the decade, e.g. in the 1950s, the term of choice was “colored”; in the 1960s, most used the term “Negro.”

Among younger black adults, “African American” is the term of choice -- 38 percent of blacks aged 18 - 39 prefer it, while 35 percent prefer “black.” Young white adults are also more likely than all adults to prefer “African American,” although their overall preference is “black.” Older blacks prefer “black.” Forty-nine percent of those aged 40 and older prefer “black,” and only 22 percent prefer “African American.” *That’s because blacks have generational divides just as profound as those among whites, says James A. Taylor, CEO of Yankelovich Partners in Westport, CT.*

American Demographics uses “black” because it reports on government statistics and “black” is still the choice at the Bureau of the Census. Preferences versus being politically correct.

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<sup>86</sup> “Who Do Philadelphians Trust?” *Minority Markets Alert*, June 1997.

<sup>87</sup> *The African-American Market - Packaged Facts*. Find/SVP, New York, NY, October 1995

<sup>88</sup> Ibid.

<sup>89</sup> Edmondson, Brad. “What Do You Call a Dark-Skinned Person?” *American Demographics*, October 1993.

Whites like “African American” less than blacks do. Only 16 percent of all adults choose “African American,” according to Roper, while 57 percent choose black. The preference for “black” is strongest among college-educated, affluent and executive households. It is also strong in rural areas and in the South.

The bottom line is that terminology selections are based both on personal preferences and the desire to be politically correct.

### *CULTURAL VALUES AND IDENTITY*

- African Americans value self-image, style and personal elegance. They are trendsetters, for black culture has had a major impact on clothing, language, music and dance. This has dominated not only the US youth culture but the entire global youth market.<sup>90</sup>
- A major issue for many middle and upper class blacks is the struggle between “assimilation” and “Afrocentrism.”<sup>91</sup> Depending on their situation, blacks will cite concerns about “belonging” and being “welcome” to otherwise mainstream white activities, programs and products. On the other hand, blacks also want their culture to be recognized as unique opportunities for companies and products. Striking the right balance is key to attracting black customers.<sup>92</sup>
- Respect and acceptance in every life category are key issues for African Americans.<sup>93</sup>

### *PERCEPTION OF RACIAL ISSUES*

- “Racial tension is an ongoing legacy. The visual impact of TV has established the linchpins of racial tension in the 1990’s. In New York City, the accidental death of a small black child and the related murder of a Jewish Hasidic scholar seared the images of Crown Heights rioting into the national consciousness. In Los Angeles, the pictures of police beating Rodney King proved just as unforgettable, particularly to African Americans.
- These images are not definitive of the black community. Even in poor areas, the majority of blacks are neither rioters nor victims of police brutality. But the images harden into stereotypes and the perceptions into convictions. Whites see blacks as rioters. Blacks see whites as bigoted brutalizers. And like all ethnic canards, these contain enough grains of truth and receive enough reinforcement from events over time to perpetuate themselves.

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<sup>90</sup> *The African-American Market - Packaged Facts*. Find/SVP, New York, NY, October 1995

<sup>91</sup> Ibid.

<sup>92</sup> Discussion of this issue is based on Strategic Research Institute “Marketing to African Americans” forum participants’ views, September 1997.

<sup>93</sup> *The African-American Market - Packaged Facts*. Find/SVP. New York, NY, October 1995

- Anti black prejudice and discrimination have abated, but do continue. This always spurs a debate but is a fact. The key is that there is an overall willingness to meet tolerance with tolerance. African Americans like most other people have a very human desire to avoid conflict and to get on with the getting and spending of their lives.”<sup>94</sup>
- While 79 percent of whites believe that blacks in their communities have equal access to jobs and education, only 46 percent of blacks surveyed say they “have as good a chance as whites” in getting a job.<sup>95</sup>
- 63 percent of blacks say they have equal opportunity with respect to education.<sup>96</sup>
- 86 percent of whites perceive access to housing to be equal, but only 58 percent of blacks agree.<sup>97</sup>
- Less than 20 percent of whites believe that blacks are treated less fairly than whites in a variety of everyday situations, including jobs, in shops, stores and restaurants, compared to more than 40 percent of blacks.<sup>98</sup>
- Blacks report much higher interaction with whites where they live, work and send their child to school than whites do with blacks. Among blacks, 75 percent say they have a close friend who is white, and 59 percent of whites say they have a close friend who is black. A majority of both blacks and whites agree “relations between blacks and whites will always be a problem.”<sup>99</sup>
- Personal satisfaction with income, standard of living, housing and work has risen among blacks since the early 1960’s, but still lags behind surveyed whites.<sup>100</sup>

#### *POPULATION SUB-CATEGORIES ACCORDING TO “PSYCHOGRAPHICS”*

- According to a study by Market Segment Research and Consulting, Inc., there are distinct psychographic groups that can be derived from the African American population:<sup>101</sup>

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<sup>94</sup> *The African-American Market - Packaged Facts - Find/SVP*. New York, NY, October 1995

<sup>95</sup> “Black/White Perception Gap Persists,” *Minority Markets Alert*, July 1997. (Newsletter excerpts were taken from “Black/White Relations in the United States,” a study by the Gallop Organization.)

<sup>96</sup> *Ibid.*

<sup>97</sup> *Ibid.*

<sup>98</sup> *Ibid.*

<sup>99</sup> *Ibid.*

<sup>100</sup> *Ibid.*

<sup>101</sup> *Ethnic Market Report: A Portrait of the New America*, Market Segment Research and Consulting, Inc., Coral Gables, FL

⇒ THE CONTENTS: 37 percent of the African American Population

This group is mature, average age 43.9, with a preference for staying home. It engages in low impulse behavior and is generally content with their current way of life.

⇒ THE UPWARDLY MOBILE: 24 percent of the African American Population

A mostly married, mostly employed and well educated group, these are the trend setters and those with the highest income.

⇒ LIVING FOR THE MOMENT: 21 percent of the African American Population

The Generation X group (average age 31.6) who are mostly single and working, living a carefree and socially active lifestyle.

⇒ LIVING DAY TO DAY: 18 percent of the African American Population

This group has the lowest income and greatest economic struggles.

*An Historical Perspective -- Understanding the Framework for Past and Current Travel By African Americans (One Author's View - Excerpts printed verbatim -- "A Legacy of Invention," Black Traveler, September 1996, Elizabeth Fournoy - Author)*

Black hospitality and travel professionals of the past were proven experts as business executives, human resource directors, interior decorators and social psychologists. In order to be prosperous in today's industry, and create opportunities for other people of color, African Americans need to pool their vast resources and think strategically, as our pioneers did.

For people of African descent, traveling throughout US during the late 1940's became an experience so fraught with humiliation and unpleasantness that many simply never thought of a vacation in the same terms as the rest of society. Although legalized segregation and racial violence -- especially lynchings -- still flourished in the South, blacks in other regions also felt the heavy hand of de facto segregation. Regardless of the class to which blacks belonged, their access to hotels, restaurants, Pullman cars, and other public accommodations were restricted either by law or by custom. At the time, the country's travel companies restricted its proportion of Blacks so that company officials wouldn't invite opposition from white patrons. For instance, if there were more than one or two Blacks on board a train, they would surely find themselves segregated in the dining room. Legal discrimination barred Blacks of all classes from fashionable places frequented by whites. But for aristocrats of color, who favored assimilation into the larger society, such discrimination posed serious problems because they found many Black-owned establishments socially unacceptable. Since they were generally barred from public accommodations in the South, and not infrequently in the North, these aristocrats often used letters of introduction so that they would be welcomed into private homes rather than to be exposed to Black hotels and boarding houses.

Deciding where to spend vacation time grew to be a much tougher task than at any time before, regardless of class distinction. The definition of travel, to any Black American, meant a mere

pleasure trip to visit a friend or relative in another city. A Black actor arriving in town when many all-Black boarding houses were filled with Black conventioners might have to sit up all night in a railroad station. Once in a while, a Black traveler stranded without a room would have to request lodging in the local jail. Needless to say, networking to exchange information about travel was something people of color knew about.

It was this information that also served as the nucleus for the first issue of Travelguide, an annual publication founded in 1946 by Black entrepreneur William (Billy) Butler. According to historians, Butler became an important pioneer in the development of Black travel. The guide, which touted the motto "Vacation and Recreation Without Humiliation" and commanded a circulation of 50,000, was published annually with occasional supplements, providing the latest information on hotels, resorts, restaurants, motels, and other accommodations of interest to the traveler of color. Although free listings were offered to most hotels and resorts, Travelguide often found refusals in states that maintained Jim Crow mandates. Some white property managers said that, while they had no personal prejudice against Blacks, their customers might object. Others contended that too few Blacks possessed the necessary culture and refinement to mix well with whites at hotels and resorts. Still other argued that "refined and cultured" persons of any race were welcome at their establishments, but they were reluctant to publicize the fact.

....Butler seized the opportunity to dispel these absurd ideas by forming several travel associations, the Travelguide Travel Club and the King Travel Organization. The TTC entitled members to free auto rentals, hotel and resort reservations, airline and steamship bookings, and identification stickers. Many members did a great job of sending in regular reports of their experiences while traveling and often contained suggestions of hotels and restaurants which desired to expand their Black clientele. The publication exercised extreme care in sending travelers to new establishments and Black guests had to lean backwards in order to create a "good" impression. Most were successful and cleared the path for other Black travelers to follow. The other Travelguide affiliate, King Travel Organization, truly cosmopolitan for the time, was geared to serve the needs of tourists regardless of race and boasted a 65 percent non-Black clientele. King Travel handled foreign tours and bookings since many Black Americans had turned to traveling abroad, particularly in the West Indies. Jamaica, which had a white population of only 2 percent at the time, accepted Black travelers at the best hotels in the off-season when white Americans were seeking other climates. With minor exceptions, one was hard-pressed to find overt discrimination in Europe and Mexico. Haiti did not discriminate in any season, and the Virgin Islands and most top flight hotels in large Canadian cities welcomed Blacks with open arms.

The exceptions, of course, occurred at hotels and resorts located in Jim Crow's America.

### *RACISM AND AMERICA'S HOTELS ON THE HIGHWAYS*

Until the end of World War II, few white motel operators were willing to accept black patronage. In the far west where motor courts were plentiful, Black motorists were likely to find the going easiest. In off-seasons, even if some intrepid Black travelers didn't have reservations, they were curiously greeted as if they were lost children. Some were accorded a stealthy welcome by white courts managers in Southern and border states. In Kansas, for example, a black couple was admitted to a tourist court on condition that they disappear before daylight. "We wouldn't want to offend anyone," the owner explained. And in Oklahoma, a Black family was lodged at a white-owned roadside motel for two days after they agreed to "pass" as Mexicans during their stay. In certain states, the law permitted Black motels to accept whites on conditions that they not share rooms with Blacks. In the 1950's, 3500 white-owned motels in the United States would put up dogs, but less than 50 agreed to house Black travelers. Many motels boldly flashed their "Whites Only" signs in the window or lobby entrance, despite the fact that the country's 14 million Black travelers were spending over \$500 million each year on travel.

In June 1955 .... in a landmark decision, the Ohio Turnpike Commission announced that it would not permit hotels, motels, inns and other lodging facilities to advertise along the 240 mile toll road if they practiced racial discrimination. The other coup for democracy involved Route 40, a forty-nine mile highway stretching from the city limits of Baltimore to the state line of Delaware. The route, dotted with garish motels and saturated with restaurants bathed in the multi-colored glare of neon lights beckoning the weary traveler, was Jim-Crowed all the way. Six years later, below freezing temperatures couldn't dim the ardor of the 800 Black and White Freedom Riders who staged a series of anti-discrimination demonstrations at both Maryland and Delaware restaurants along Route 40. The demonstrations, backed by the Congress of Racial Equality (CORE), were called after 11 of 35 restaurant owners who had agreed to desegregate, reneged on their decision. The demonstrators were told to remain seated until the trespass law was read to them, and then leave and picket the establishment. In a bittersweet victory, they were served consistently in 11 of 35 restaurants involved. In addition, 42 restaurants had desegregated a few weeks previously under the threat of the ride.

Ironically, while the battle for equality continued for people of African descent in the mid-Atlantic and midwestern states, passengers aboard a Mohawk Airlines flight for Buffalo, New York were gazing at the sight of the nation's first Black airline stewardess, 25 year old Ruth Carol Taylor.

- ***POST-ARTICLE UPDATE:*** The article featured above obviously stops several decades ago and does not reference advances and changes in travel by African Americans. Since the 1950's much progress has been made in assuring better travel opportunities and experiences for all races. The benefits of the Winston-Salem lunchroom counter sit-ins, the Montgomery Bus Boycott and the Civil Rights Acts are evident. Overt racism, or the denial of lodging or restaurant services is illegal. Businesses in general, and especially national and interstate chain entities, are highly cognizant of the sensitivities of all minority groups. While racism and unequal treatment undoubtedly still occur, the minority traveler is virtually assured that more hospitable accommodations or dining opportunities are only a few miles away should poor treatment be experienced at the hands of an unenlightened proprietor.

### ***SECTION C: MARKETING AND SALES ISSUES***

#### ***OTHER INDUSTRIES MAKING HEADWAY WITH THE MARKET, AND WHY***

- **Insurance: Mutual of New York** (MONY, a NY based life insurance company) developed an African American marketing initiative in early 1996 after it assessed the financial needs of high-income black professionals, pre-retirees, family builders and

small business owners. It found the potential benefit of reaching this progressive market in the statistics: African American total income had increased 600 percent between 1970 and 1994, with 27 percent of African American households having incomes over \$75,000.

MONY realized that reaching this market would take more than lip service; it would have to include building relationships, from hiring to establishing and maintaining sales as a strategy. The company found that African Americans prefer approaching a member of their own ethnic group with questions and concerns rather than others. As a result, it increased the number of African Americans in sales positions, hiring over 25 representatives in 1996, with plans to boost that number to 45 this year. It also sought to establish a community presence with African American organizations by sponsoring and underwriting conferences and conducting workshops for these groups.<sup>102</sup>

- **Greeting Cards: Hallmark Cards, Inc.** launched its Afrocentric brand, Mahogany, with 16 different cards, in 1987. Today, the Mahogany line boasts 800 cards and a customer base that is 80 percent black. The company admits that it launched the brand after observing the growing appetite for ethnically diverse cards established by black-owned greeting card companies. “We look at the density of the population, card buying behavior and the competitor’s presence,” says Mark Evans, marketing manager of Hallmark’s Ethnic Business Center. He also says that Hallmark makes a point to hire African American artists, editors and authors, and to advertise in black media.<sup>103</sup>
- **Clothing: Sears Roebuck & Co.** tailored a clothing line to African American women in response to the opinions of black consumers in focus groups who asked for more style, flair and comfort in the store’s lines. In February of 1997 it launched the Mosaic line of casual and career wear that is crafted by black designer Alvin Bell. Sears has 140 stores with a customer base that is at least 20 percent African American. The retailer plans to pump about \$15 million into marketing to African Americans this year.<sup>104</sup> Sears’ spokesperson Gilbert Davila says that “some national merchandise, like wrench sets and dishwashers, have appeal to everyone. But, in other cases, it’s good business for us to adjust the assortment to satisfy the clientele. Internally, we call it ‘local market focus.’ “ An average general market store might have a selection of seven ladies hats; Sears has 15 because the use of hats by African American women is much greater for church and special occasions.<sup>105</sup>
- **Beverage: Coca-Cola** pioneered entry into the African American market in the 1950’s when it began using images like Alice Coachman, the first black woman to win an

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<sup>102</sup> Gray, Valerie Lynn. “Going After Our Dollars.” *Black Enterprise*, July 1997.

<sup>103</sup> Ibid.

<sup>104</sup> Ibid.

<sup>105</sup> “The Ethnic Side of Sears: Local Focus, National Thrust,” *Minority Markets Alert*, August 1997.

Olympic gold medal.<sup>106</sup> It also found that packaging choices make a difference with the black market since blacks have a strong preference for larger sizes of nonalcoholic beverages. After Coca-Cola Company discovered this phenomenon in the early 70s, it began featuring and promoting 16 ounce bottles instead of the standard 12 ounce size when advertising to the black community.<sup>107</sup>

## *GENERAL SALES AND ADVERTISING POINTS*

### *BUYING BLACK*

- The Black community, specifically those in media and marketing, are urging to “buy black” (i.e. from black owned businesses) and to determine if companies marketing to black consumers are doing so out of a deeper commitment to African Americans, or just to get their dollars. As in any industry or with any group, the degree to which this movement is gaining momentum is up for debate since there is not yet empirical data to confirm or deny how the message is truly impacting black buying behavior.
- Skeptics argue that corporations don’t actually commit to African Americans with their product and their strategies. Consider the following excerpts from Valerie Lynn Gray’s article in *Black Enterprise* magazine:<sup>108</sup>

“While the increasing number of black images may seem impressive on the surface, we need to look at what corporations are really doing to attract black dollars. Only we can determine if these companies are reaching out to us and decide if this effort translates into a deeper commitment to African Americans and our dollars.

“Arguably, some corporations are showing commitment in a number of ways, from creating a targeted product with African Americans in mind to offering job and business opportunities. Others are marketing their products in our communities via black ad agencies, publications, radio and television and promotional sponsorships. But industry experts say that making a commitment in the form of an integrated marketing plan targeted to blacks is not being done to the degree it should.

“To retain an influence on corporate bottom lines, African American consumers must not be so easily swayed by the surface images they see, while taking note of their own economic power.

“Consumers can learn to recognize the difference by looking critically at a corporation’s total efforts before making a purchasing decision. These efforts can range from product marketing aimed at blacks, to the number and position of blacks hired, to the level of procurement spent with blacks by these firms.

“What’s the real bottom line in all this? Black consumers need to analyze whether corporations are putting as much into the community as the community is putting into the coffers of the corporations. Continuing to allow businesses to absorb black dollars

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<sup>106</sup> Gray, Valerie Lynn. “Going After Our Dollars.” *Black Enterprise*, July 1997.

<sup>107</sup> Morris, Eugene. “The Difference in Black and White,” *American Demographics*, January 1993.

<sup>108</sup> Gray, Valerie Lynn. “Going After Our Dollars.” *Black Enterprise*, July 1997.

without a return on investment is something African American consumers have been doing for too long.

*To summarize, here are the two sides of the issue: “I have mixed feelings. At one time, products for black people were very scarce. It’s great that they’ve made more products available, but I don’t buy Kente cloth from J.C. Penney’s or makeup made for black women from Revlon. They didn’t pick up on this idea until they saw that it worked for black companies.” - Orlana Darkins, communications manager - Minority Enterprise Corporation of SE Pennsylvania or “Including African culture is a part of marketing strategies now that companies are willing to take more risks and push their creativity. I admire companies that are willing to do this.” - Marilyn Kern-Foxworth, professor - Texas A&M*

- Reminder: The “Made in the USA” label is most important to black consumers.

### *GENERAL*

- The silent demand of the black consumer shopping for any product or service is for respect.
- Black shoppers notice things:
  - ⇒ Does their neighborhood chain store employ blacks at the management level as well as the sales level?
  - ⇒ Does the white-owned business do business with black suppliers and service dispensers?
  - ⇒ Are black sensitivities taken into consideration?<sup>109</sup>
- Marketing and advertising to African Americans must be done judiciously. According to an article in *American Demographics*, blacks:

“... see the same advertising and promotional campaigns as other Americans, but they may not interpret the messages in the same way. In fact, they may get a negative impression from a message that the sponsor intended to be positive. In some cases, blacks feel a commercial message is so irrelevant to their lives, it should be ignored. In other cases, they are offended by a word or image the sponsor never intended to be offensive.”<sup>110</sup>

The article goes on to say that effectively advertising to the African American market means:

“... embracing the values held by the black community. Businesses must personally invite blacks to purchase their products and services, and *they*

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<sup>109</sup> *The African-American Market - Packaged Facts*. Find/SVP, New York, NY, October 1995

<sup>110</sup> Morris, Eugene. “The Difference in Black and White.” *American Demographics*, January 1993

*must create advertising that blacks see as relevant, realistic and positive.*<sup>111</sup> (italics and underline added for emphasis)

- The closer a company's business is to directly servicing consumers, the more likely minority marketing is ingrained in the corporate culture. Soft drink companies, fast food restaurant chains, and retailers are among those for whom minority marketing is the norm. Companies which offer a wide array of consumer products leave specific marketing decisions to each individual brand; those with a more limited number of offerings tend to be more community-oriented, using image advertising and developing promotional campaigns that are often integrally linked to diversity programs.<sup>112</sup>
- Minority marketing among top advertisers is usually a top-down phenomenon. Where corporate leadership is interested (whether due to largesse or purely practical business reasons, or simply because that's how things are/ought to be), minority marketing flourishes. If lower or middle management must first convince their superiors why marketing to minority consumers is worthwhile, the company is less likely to be at the cutting edge in this arena.<sup>113</sup>
- Looking at the top 10 national advertisers which in aggregate spent nearly \$16 billion in advertising to minorities in 1995, the emphasis was clearly on specific products or services, rather than corporate image.<sup>114</sup>
- When targeting promotions to African Americans, it is important to remember that: . . . blacks often feel they are shut out before they have the opportunity to prove they belong. Like most other racial or ethnic groups, blacks are identified by their skin color. At first sight, anyone with a bias against them prepares to reject them. The possibility of instant rejection makes many blacks more guarded. *Some blacks are highly selective about where they go and what they do; others react with cynicism. But even those who are integrated into white society remain sensitive about what happens and why.*<sup>115</sup> (italics added for emphasis)
- One of the main reasons for the difficulty in developing and targeting products for the African American market is that, in some cases, multi-culturalism is more of a sensibility and attitude than a distinct market segment.<sup>116</sup>
- Most large consumer products companies have included multi-cultural representatives in their advertising to illustrate a sensitivity to the wide variety of

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<sup>111</sup> Ibid.

<sup>112</sup> *Minority Marketing Strategies of America's Top 50 Advertisers*, EPM Communications, Inc. 1997

<sup>113</sup> Ibid.

<sup>114</sup> Ibid.

<sup>115</sup> Ibid.

<sup>116</sup> Forbes, Maree S. *Creating Customers: Marketing to Today's Transforming Travelers*. The Forbes Group/Travel Information Resources, Charlottesville, VA, 1996

Americans who now comprise the United States population. Travel advertising rarely does this. Multi-cultural individuals are usually only incorporated in photographs as a destination's residents, rather than its visitors. It may be beneficial for the industry to change this practice as a starting point to address multi-cultural markets.<sup>117</sup>

- African Americans are heavy radio listeners, with a preference for the Urban format. In fact, African Americans who are 12 and older spend more than one full day (~26.5 hours) per week listening to the radio. 96.5 percent of black women 18 years old and older, and 94.5 percent of black men in the same age group listen to the radio every week. Black working women spend more time listening to the radio than do total working women.<sup>118</sup>
- Culturally relevant advertising proceeds from the values, self-image, aspirations and social status of every minority, and event marketing proceeds from an ongoing community commitment.
- Blacks in the military are community role models (19.6 percent of all military personnel is black).<sup>119</sup>
- Event marketing is a huge opportunity to convert new customers (says Team Spirit Marketing President/CEO John Wilson). Because sports and community are so closely linked in the black community, marketers have an outstanding opportunity to take advantage of existing sports events.<sup>120</sup>
- It's even more important for marketers to recognize how black culture differs. "You don't have to create an exclusively African American event to attract African Americans," says Caletha Powell, president of the African American Travel & Tourism Association (ATTA). "But African Americans must be prominently displayed throughout the event, and the marketing message must be appropriate for them." It's not enough to depict blacks enjoying a travel experience in promotional literature, either. Powell also recommends that blacks be included in planning the event and be visible on the event's staff.<sup>121</sup>
- Business leaders who assume that blacks see their advertising messages are probably right. But the profound differences between blacks and whites means that blacks may not perceive marketing messages in the same way as whites. Advertisers who want to maintain or strengthen sales in black markets must make a special effort to reach this market. When they succeed, the rewards will be substantial.<sup>122</sup>

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<sup>117</sup> Ibid.

<sup>118</sup> Radio Advertising Bureau Library - Interep Radio Stone News Release, May 1994

<sup>119</sup> *The African-American Market - Packaged Facts*. Find/SVP. New York, NY, October 1995

<sup>120</sup> "Black Events Link Sports, Community," *Minority Markets Alert*, July 1997.

<sup>121</sup> Waldrop, Judith. "Happy Kwanzaa," *American Demographics*, December 1994

<sup>122</sup> Ibid.

- Perhaps most importantly, few businesses targeting black customers will succeed unless profits taken from the black community are recirculated in the black community.<sup>123</sup>

#### *SALES AND OPERATIONS PERSONNEL*

- As evidenced by the successes of MONY and Hallmark Cards Inc., etc. hiring African Americans was key to not only understanding the market but to proving a commitment to the market that products and services match its desires and needs.
- Dottie Clause, President of Dot's Carib Cruises in Uniondale, NY, has a different perspective. As quoted in the August 25, 1997 edition of *Travel Trade News*, Ms. Clause says that "The black travel market is open to everyone."<sup>124</sup>
- This issue was perhaps the most questionable one which came to light through MAP development. Certainly, establishing relationships and making contacts within the black community is critical to success with the market. Having African American contacts -- whether they be through group leaders, advisory board members or employees is contingent upon your product, your contacts and to some degree, your geographic destination. Equal to this "requirement" is committing a balance of corporate, personal and financial support to the black community. Tour company owners and managers are best equipped to make employee decisions related to the market by keeping all of these variables in mind.

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<sup>123</sup> *The African-American Market - Packaged Facts*. Find/SVP. New York, NY, October 1995

<sup>124</sup> Verrastro, Nick, "Cultivating the Black Travel Market at Pa\$\$port to Profit\$", *Travel Trade News Edition*, August 25, 1997.



**APPRECIATION IS EXTENDED TO THE FOLLOWING FOR THEIR CONTRIBUTION TO THE CONTENTS AND PRESENTATION OF THIS MAP:**

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