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A Study Of The Growth Potential That Lies Within Regional Asian And Hispanic Consumer Markets For New Jersey's Horse Racing Industry

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A STUDY OF THE GROWTH POTENTIAL THAT LIES
WITHIN REGIONAL ASIAN AND HISPANIC CONSUMER MARKETS
FOR NEW JERSEY'S HORSE RACING INDUSTRY

BY

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Chapter 1

INTRODUCTION

As the landscape of pari-mutuel wagering changes over the next few years, New Jersey's racing industry must seize every opportunity to increase its share of the North American wagering market. While the implementation of account and off-track wagering and video lottery terminals will allow it to stay competitive with other jurisdictions, one of the greatest obstacles New Jersey faces is replacing an aging base of racing fans with a new audience who is not only willing to wager, but wager often. It is the author's belief that the answer to this challenge lies in the rapidly expanding multicultural marketplace.

OVERVIEW OF NEW JERSEY RACING INDUSTRY

Standardbred and thoroughbred racing are currently conducted at four racetracks in New Jersey: Atlantic City Racecourse (thoroughbred); Freehold Raceway (standardbred); Monmouth Park (thoroughbred) and Meadowlands Racetrack (standardbred and thoroughbred). A number of races of national interest are conducted throughout the year including a pair of \$1 million races, the Hambletonian held at the Meadowlands Racetrack in East Rutherford, and the Haskell Invitational at Monmouth Park in Oceanport. The Meadowlands is recognized as the most prestigious standardbred racing facility in the world, and Monmouth Park's seasonal meet ranks as a Top 10 venue for world-class thoroughbred horse racing in the United States.

In addition to wagering on live races conducted in New Jersey, guests at the state's four racetracks are also able to wager on races held at other major North American racetracks under the Casino Simulcasting Act. The Casino Simulcasting Act authorizes New Jersey racetracks to

receive common pool wagering on full cards from other jurisdictions' racetracks, and also authorizes national and in-state racing to be simulcast to operating casinos in Atlantic City. A total of eight casinos currently offer wagering on horse racing (New Jersey Racing Commission, 2001).

According to the New Jersey Racing Commission's [NJRC] 2001 annual report, wagering at New Jersey racetracks on New Jersey racing, which includes live as well as simulcasting and common pool wagering events, totaled \$336,221,246 for the 2001 racing year. Wagering in New Jersey on races imported from other jurisdictions totaled \$727,089,926. Thus, total wagering in New Jersey was \$1,063,311,172, reflecting a 15.9 percent decrease from the 2000 wagering totals. Attendance during live racing totaled 2,184,449, representing a 11.5 percent decrease from 2000 (NJRC, 2001).

Wagering on simulcast horse races occurred at eight New Jersey casinos amounted to \$121,018,471 in 2001. Approximately 12.6 percent (\$14,389,169) of this amount was wagered on races originating from one of the five¹ New Jersey racetracks conducting live racing. The remaining 87.4 percent (\$106,629,302) was wagered on signals received from out-of-state racing facilities.

As mass marketing tactics have produced limited success over the last decade, New Jersey's racetracks must locate new growth markets in order to strengthen their position in the North American wagering market. The solution to the challenge may lie in tapping into the two most rapidly developing consumer markets in the United States: Hispanic and Asian-Americans. It is becoming more and more evident that the future growth of most businesses lies in learning how to capitalize in these burgeoning markets.

¹ The New Jersey Racing Commission's 2001 report reflects totals from the 15-day thoroughbred meet raced at Garden State Park in 2000 before the track was sold on December 29, 2000 to Realen Properties and subsequently shuttered.

THE MULTICULTURAL MARKETPLACE

The Asian population increased 46.3 percent from 1990 (7.3 million) to 2000 (10.6 million), and the United States Census Bureau estimates that number will rise to 14.2 million by 2007, accounting for 4.6 percent of the country's total population. According to a 2000 report by the University of Georgia's Selig Center for Economic Growth (SCEG), Asian buying power is projected to climb from \$296.4 billion in 2002 to \$454.9 in 2007, for an increase of 53.5 percent, which is substantially greater than the 29.3 percent increase in buying power for the U.S. as a whole.

New York (\$31.9 billion) and New Jersey (\$18 billion) are currently home to the second and third largest Asian consumer markets in the country. Nationally, Asians' share of the total consumer market will increase from 3.9 percent in 2002 to 4.6 in 2007. New Jersey (6.3 percent) and New York (5.4 percent) currently account for nearly 12 percent of the total Asian market share. And the 3 percent gain in Asian's share of New Jersey's \$283 billion consumer market (3.4 percent to 6.3 percent) from 1990 to 2002 was the largest shift in the nation (SCEG, 2000).

The Hispanic population and its immense buying power will continue to grow at a much faster pace than the non-Hispanic population over the next four years. Between 1990 and 2007, the Hispanic population will increase nearly 125 percent to 306 million, which is significantly greater than the 13.1 percent gain for the non-Hispanic population and 23.1 percent for the total population. In 2000, Hispanics became the largest minority population, accounting for 12.5 percent of the total U.S. population. By 2007, that number will rise to 16.4 percent.

Hispanics control about \$580.5 billion in spending power in 2002 and that figure will rise to \$926.1 billion in 2007, accounting for 9.4 percent of all United States buying power. New

York and New Jersey are currently the fourth and sixth largest Hispanic markets in the country, and by 2007, will be the respective homes of \$71 billion and \$33.4 billion in Hispanic buying power. Collectively, the two states account for 16.1 percent of the total Hispanic buying power (SCEG, 2002).

In terms of sheer volume, it is clear that significant growth opportunities lie in marketing directly to the Hispanic and Asian populations and many businesses have already committed to multicultural marketing programs. Carmakers, retailers, health-care providers, vacation resorts, drug companies and others have rolled out campaigns to attract these two demographics, which are known for brand loyalty and quality consciousness (Fattah, 2002). These businesses include Chrysler Group, who will triple its multicultural marketing budget to \$150 million in 2003 (Irwin, 2002); Allstate Insurance Company, which has employed ethnic marketing directors to expand opportunities with Hispanic and Asian consumers (“Allstate names ethnic marketing directors,” 2000); and Charles Schwab, which has call centers dedicated to Asian American customers who want to do business in their native languages (Fattah, 2002).

What these major companies already realize is that it is imperative to jump into the Hispanic and Asian markets while it is still early enough to gain a competitive edge. By engaging these two audiences now, New Jersey’s racetracks have the opportunity to increase awareness of their racing products and wagering services and seize a sizable share of the Metropolitan area’s gambling marketplace.

RESEARCH QUESTION

What cultural preferences in communication and wagering must be considered by New Jersey's horse racing industry in developing and implementing effective marketing programs targeting Hispanic and Asian-American consumers?

SUBSIDIARY QUESTIONS

In order to examine the potential for multicultural marketing in the racing industry, this study will also address the following questions:

- ◆ What are the benefits of multicultural marketing?
- ◆ What kind of an impact do Hispanics and Asians have on New Jersey's and the nation's economies?
- ◆ How do the communication needs and preferences of Hispanics and Asians differ from those of the mass market?
- ◆ What is the role of gambling in Hispanic and Asian cultures? Do they approach gambling differently than other cultures?
- ◆ Have casinos and racetracks marketed to these ethnic groups? If so, what types of programs have been used, and were they effective?
- ◆ Do gamblers prefer their native language over English in their gaming activities?
- ◆ How have other industries approached multicultural marketing?

PURPOSE OF THE STUDY

As the data demonstrates, the Hispanic and Asian markets are exploding, and New York and New Jersey are hotbeds of economic growth for these two cultures. The author will explore what consumer potential lies in these markets for New Jersey's racing industry by looking at the intersection of cultural characteristics, gambling behavior and the marketing strategies.

OBJECTIVES

The intention of this study is to examine how multicultural marketing can play a role in the growth of New Jersey's horse racing industry. The author will focus on four objectives in the scope of the research. The first objective is to exhibit the rapid growth of the Hispanic and Asian population and their corresponding buying power in the United States and in the New York-Metropolitan area. How strong of a consumer potential do they have?

The second objective is to look at the complexities of multicultural marketing. Through the review of the literature, the author will examine the needs and preferences of the Hispanic and Asian consumer. Do they differ from those of the mass market?

The third objective of this study is to determine how these cultures perceive gambling. Are they more receptive to gambling than other cultures?

The fourth objective is to evaluate how other industries have approached marketing to Hispanics and Asians. What strategies have been used by casinos, sports organizations and other businesses, and how successful were they?

DEFINITION OF TERMS

Acculturation – the adoption of some elements of the mainstream culture without abandoning those of the native culture (Rossman, 1994).

Asian-American – people having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent (Census 2000).

Assimilation – the adoption of mainstream values and behaviors over those of one's cultural heritage (Rossman, 1994).

Baccarat - similar to the game known as "Chemin de Fer" in some countries. It is played with eight complete decks of cards. The object of the game is to come as close to the number nine as possible (Mohegan Sun, n.d.).

Buying Power – the total personal income of residents that is available, after taxes, for spending on goods and services (SCEG, 2002).

Common pool wagering - the combining of the dollars wagered at the host track of a simulcast race with the dollars wagered at one or more guest tracks or outlets receiving the simulcast horse race, to form a combined pari-mutuel pool for the purposes of determining the odds of each horse competing in the live race at the host track, and the payoffs for winning horses on wagers placed at the host track, guest track(s), and outlets (NJRC, 2000).

Culture - learned behavior that distinguishes members of a society and includes what the group thinks, says and does. "Culture is what gives us our identity and the code of conduct that we live by. It is learned, shared and passed on from one generation to the next, by families, by religious institutions, by schools and governments" (Rossman, 1994, pg. 32).

Daily Double – a wager which requires the bettor to correctly select the winners of two consecutive races.

Demographics – Age, Income, Gender, Race.

Handle – money wagered.

Harness Racing – type of horse racing in which Standardbred horses compete against each other harnessed to a two-wheel sulky.

High-Limit Gaming – casino games or slots that require a significantly high minimum wager.

Hispanic – a person of Mexican, Puerto Rican, Cuban, Central or other Spanish/Hispanic/Latino culture or origin (SCEG, 2002).

OTB – an abbreviation for off-track betting parlor; a venue other than a racetrack where it is legal for guests to watch and wager on horse races.

Pai Gow –an ancient game that has been played throughout Asia for centuries. Translated into English, it means "to make nine". Each player is dealt four tiles, which are then arranged into two combinations, a high hand and a low hand. The object of the game is to set the tiles into two strong hands (Mohegan Sun, n.d.).

Pai Gow Poker - a variation of pai gow tiles, played with a 52-card deck, plus one joker. Each player is dealt seven cards, which the player arranges to make two poker hands according to traditional poker rankings, a two-card hand and a five-card hand. The object is to make the best possible hands (Mohegan Sun, n.d.).

Pari-Mutuel – a system of wagering where all the money is returned to the wagerers after a minimal deduction of track and state takeouts.

Psychographics – personality characteristics (Rossman, 1994).

Racebook – the area of a casino where gamblers may watch and wager on horse races.

Sic Bo - an ancient Chinese game played with three dice. The object is to select the individual numbers, or combinations of numbers, that will appear on the dice after they are shaken (Mohegan Sun, n.d.).

Simulcasting - when a standardbred or thoroughbred horse race conducted at a racetrack (the host track) is simultaneously transmitted by picture to one or more racetracks (guest track) or outlets other than the host track (NJRC, 2000).

Thoroughbred Racing – a type of horse racing in which Thoroughbred horses compete against each other with a rider on their backs.

LIMITATIONS

Multicultural marketing in the gaming industry is still a relatively new topic and there is limited data available on the demographics and psychographics of Hispanic and Asian gamblers. The author did not have the resources to conduct demographic studies of bettors at each of New Jersey's racetracks or casinos, or those who bet on New Jersey races at simulcast locations. For the purposes of this study, the author will focus primarily on the Meadowlands Racetrack in East Rutherford as a reference point because of its central location in an ethnically diverse and densely populated area, and the author's familiarity with the facility.

It seems that more examples of multicultural marketing programs are coming to light each month, but there are relatively few examples in the gaming industry, particularly in the Hispanic market. It is the author's intent to examine the potential that lies within these markets and the factors that must be taken into consideration for racetracks to communicate effectively with them.

While the author did not have the resources to conduct a comprehensive study of the history and perceptions of gambling among each sub-division of Hispanic and Asian culture, she hopes this thesis will spark further discussion about the ways in which different cultures approach gambling. Although it is a significant segment of the Asian population, the Indian sub-culture will not be addressed in the research, as Hindu law explicitly forbids gambling.

To gain a better understanding of their communication preferences, the author surveyed 50 Hispanics and 50 Asian-Americans in New Jersey, both bettors and non-bettors. The author

feels that it is essential to survey a larger sample of the population in order gain a better understanding of these markets and their preferences.

CONCLUSION

In the following chapters, the author will evaluate the regional Hispanic and Asian-American consumer markets, providing statistical data on population size, spending power and consumer characteristics. The many complexities of communicating across cultures and how they factor into the design of effective marketing and advertising programs will also be addressed. Specific examples of how other industries have addressed these complexities will be provided.

In addition, the author will discuss the historical role of gambling among Asian and Hispanic cultures and how cultural factors impact the propensity to gamble and preferences for gambling modalities. She will also examine how casinos and professional sports organizations have approached these two markets and provide anecdotal evidence from gaming industry experts. Finally, the author will provide results from a survey designed to assess the communication preferences of Hispanic and Asian-American bettors and non-bettors.

In conclusion, it is the author's sincere hope that this study may serve as a starting point for the exploration of the multicultural marketplace not only for New Jersey's thoroughbred and standardbred racing industries, but for horse racing as a whole.

Chapter 2

THE CULTURAL COMPLEXITIES OF MARKETING TO ASIANS AND HISPANICS

The review of the literature for this study will focus on four themes:

- 1) the importance of multicultural marketing
- 2) the surging growth of the Hispanic and Asian populations in New Jersey and the surrounding areas
- 3) the complexities of communicating with a diverse Asian and Hispanic population
- 4) the impact of culture on gambling

The objective of this chapter is to examine how the intersections of population growth, buying power, cultural characteristics and gambling trends can be used to form an effective marketing strategy. The literature reflects that there are a number of considerations that must be weighed carefully in the planning and execution of a multicultural marketing program, such as language barriers, context of communication, cultural value systems and the level of assimilation of the target audience. The literature also suggests a relationship between culture and the propensity to gamble.

WHY MULTICULTURAL MARKETING NOW?

Census 2000 confirmed that the portions of our population growing the fastest in number and purchasing power are Hispanic and Asian-Americans. Since 1990, these segments of the population have seen double and triple-digit growth rates and will represent over \$1.4 trillion of consumer purchasing power by 2007.

Rossman (1994) asserts that the most successful businesses in the coming years will be the ones that make the effort to understand that appealing to the tastes and preferences of these ethnic segments is the key to profitability. “Those marketers with the vision to develop product and market strategies to appeal to the coming ‘new majority’ will be the ones that prosper” (Rossman, 1994, pg. 18).

To understand how to reach these two markets, it is not only a matter of finding out where they are concentrated, but how they receive and interpret information: “Marketers who hope to prosper in the 21st century will realize that tastes will never be uniform in the United States or anywhere else and will adapt their product line to reach profitable ethnic segments” (Rossman, 1994, pg. 45).

According to the Meadowlands Racetrack, 74 percent of its attendance comes from Northern New Jersey, drawing primarily from the following five counties: Passaic (13.7 percent), Bergen (13.5 percent), Essex (11.9 percent), Morris (9.4 percent) and Hudson (8.4 percent). The Meadowlands estimates that 25 percent of attendance comes from New York, with the majority from: Staten Island-Richmond County (7.7 percent), Queens (6.3 percent), Bronx (3.4 percent), Brooklyn-Kings County (3.2 percent) and Rockland (1.4 percent).

It is interesting to note that more of the Meadowlands’ guests come from Morris County than Hudson. While the median income may be higher in Morris County, it should also be noted

that Morris County residents live significantly further away from the Meadowlands facility, than do residents of Hudson County. The fact that Morris County is 87 percent white, while Hudson County is nearly 40 percent Hispanic could be a determining factor in attendance, especially when it is considered that in comparison to its mass market campaign, the Meadowlands used only a fractional amount of its advertising budget on a single Spanish-language radio station in 2002.

While there is little demographic data available concerning attendance at New Jersey's racetracks, the Meadowlands example clearly illustrates a potentially untapped local market. The Meadowlands offers live thoroughbred and standardbred racing and non-stop day and nighttime simulcasting. In addition, the racetrack is surrounded by professional football, hockey, basketball and soccer played at its sister properties, Giants Stadium and Continental Airlines Arena. The racetrack facility offers dining options in a variety of price ranges, is easily accessible by several major roadways and offers ample parking at no cost. Yet it does not draw a significant number of guests from one of the consumer pools closest to it. The Meadowlands may have much to gain from tapping into the local Hispanic market, a tactic that has paid off for Florida's Gulfstream Park (see chapter 5).

THE ASIAN MARKET: A DRAGON RISING

Census 2000 showed that the Asian population grew 72 percent from 1990 to 2000, reaching 11.9 million in 2000. By 2007, that number will rise to 14.2 million, or 4.6 percent of the total population, making them a powerful force in the U.S. consumer market.

The largest segment of the Asian population is Chinese, which grew 48 percent, to 2.4 million, between 1990 and 2000. Other segments (ranked by total population) experiencing significant growth were Filipino (31 percent to almost 1.9 million), Asian-Indian (105 percent to 1.9 million), Vietnamese (83 percent to 1.2 million) and Korean (83 percent to 1.2 million).

The Asian population in New Jersey and New York has surged over the last decade. The number of Asian residents in New Jersey increased nearly 44 percent from 1990 to 2000, climbing from 270,839 to 480,276. The highest concentrations of Asian residents reside in Middlesex (104,212), Bergen (94,324) and Hudson (56,942) counties. Asian-Indians (169,180) are the largest segment of New Jersey's Asian-American population, followed by Chinese (100,355), Filipino (85,245), Korean (65,349), Vietnamese (15,180) and Japanese (14,672).

New York state's Asian population grew to 1,044,976 in 2000, an increase of 52 percent over the 1990 total of 689,303. The majority of Asians reside in Queens (391,500), Kings (185,818) and New York (144,538) counties. Chinese (424,744) are the largest segment of the Asian population in New York, followed by Asian-Indian (251,724), Korean (119,846), Filipino (81,681), Japanese (37,729) and Vietnamese (23,818).

Asians possess a significant amount of disposable income in these two states, and Census 2000 confirms that Asians are more affluent than the general population. They have the highest household incomes in the entire U.S. population with a median income of \$53,600 (vs. \$42,000 for the general population). One-third of Asians earn \$75,000 or more annually. Nearly 22

percent of Asian American males over the age of 25, who are employed full-time on a year-round basis, earn \$60,000 annually, while 28.3 percent of Asian American women earned at least \$40,000 annually (Chepesiuk, 2001).

Asian buying power is propelled by a higher education level than the average American, and consequently, more job positions at the management level. Census 2000 reports that 44 percent of Asians and Pacific Islanders ages 25 and over have a bachelor's degree or higher, compared to 26 percent of the total population. Eighty-six percent of Asians in America have at least a high school diploma.

Asians' buying power is estimated at \$296 billion annually and is expected to reach \$459 billion in 2007, according to the Selig Center of Economic Growth at the University of Georgia (2002). In fact, if Asian America were a country, it would rank as the world's fifteenth largest, and its income, moreover, would surpass Hong Kong, Taiwan, Thailand and Indonesia, all of which except Hong Kong have far larger populations (Chepesiuk, 2001).

Yet despite their economic prowess, most Asians are not being reached by marketers. Asian Americans receive less direct mail than any other ethnic group, receiving 100 pieces of direct mail annually, as compared to the 300 to 400 pieces received annually by general-market population (Chepesiuk, 2001).

In addition to its higher level of spending power, what makes this demographic so appealing to marketers is that Asian America is a relatively young population. Twenty-five percent of Asians are under the age of 18, and 47 percent fall into the 18-44 range. Only seven percent of Asians are over 65, half the number of whites in the same age group.

Asians share universal core values of family, education and work ethic, but each subgroup is tied to its particular cultural heritage and dialect (Fattah, 2002). According to Kang

& Lee Advertising of New York, the Asian market can be divided into six main segments (Chinese, Filipino, Asian-Indian, Japanese, Korean and Vietnamese), each with a unique psychographic profile (Kang & Lee, 1998).

Chinese-Americans are the largest of all Asian-American segments and are made up of four distinct groups from Taiwan, Hong Kong, the China mainland and Southeast Asia. They are further divided by two major dialects – Mandarin and Cantonese. According to Kang & Lee (1998), Chinese-Americans are characterized by the following traits: caution in personal and business dealings, consciousness of prices, planning for the long-term and a strong emphasis on education for success.

Filipinos are the second-largest Asian-American group, and typically share a higher rate of assimilation, strong sense of family and cultural preservation, and heritage, culture and values similar to Hispanics (Kang & Lee, 1998).

According to Kang & Lee (1998), Japanese-Americans are the only Asian group with a significant number of second and third generation members. The current Japanese population can be divided into four major groups: Assimilated, Shinisei (newly immigrated), Students and Intra-company Transfers and Businesspersons. Japanese-Americans assimilate quickly, value consensus over individual opinion, place a strong emphasis on education, and emphasize brand over price (Kang & Lee, 1998).

Korean-Americans are the most homogenous group of the three major Asian groups. They come from similar backgrounds and have similar lengths of residency in the United States. According to Kang & Lee's (1998) psychographic profile, Korean-Americans are independent and aggressive, often value emotion more than logic, prefer name brands to lower price and place a strong emphasis on education for success.

A large percentage of Vietnamese-Americans consists of refugees, and the segment as a whole has the highest in-language preference of the major Asian population segments. They are quality conscious and value seekers, hold strong political beliefs, have a strong tendency for cultural and community preservation and, like the other Asian sub-groups, strongly emphasize education (Kang & Lee, 1998).

The diverse sub-segments of the Asian market may seem difficult for marketers to tackle, but those who do it effectively have much to reap from the richest segment of the multicultural market.

THE HISPANIC MARKET: REDEFINING MAINSTREAM AMERICA

In 2000, the Hispanic population became the United States' largest minority. Hispanics comprise 13.5 percent of the country's population, meaning that more than one person in eight who lives in the United States is of Hispanic origin, and that number will continue to grow at a much faster pace than the general population.

Between 1990 and 2007, the Hispanic population will climb from 22.3 million to 50.2 million, an increase of 124.6 percent, compared to 13.1 percent for the non-Hispanic population and the 23.1 percent gain for the total population.

Hispanics' corresponding buying power will grow at a compound annual rate of 8.7 percent over the 17-year period, compared with 4.8 percent for non-Hispanics. Hispanics control \$580.5 billion in spending power in 2002 and that figure will rise to \$926 billion in 2007, according to SCEG (2002). By 2005, Hispanic buying power (\$764 billion) will exceed that of African Americans (\$760 billion) and by 2007, it will account for 9.4 percent of all United States buying power (SCEG, 2002).

According to Census 2000, 1.1 million Hispanics reside in New Jersey, accounting for 13.3 percent of the state's 8,414,350 population. The New Jersey counties with the largest Hispanic populations are Hudson (242,123), Passaic (146,492) and Essex (122,347). Puerto Ricans (366,788) are the largest defined segment of New Jersey's population, followed by Mexicans (102,929) and Cubans (77,337).

Puerto Ricans (1,050,293) also make up the majority of New York's 18.9 million Hispanics. In fact, half of all Puerto Rican immigrants to the United States settle in New York (Rossman, 1994).

Clearly, Hispanics are a significant consumer segment in New Jersey and New York. Between 1990 and 2002, the share of buying power controlled by U.S. Hispanic consumers will rise from 5.2 percent to 7.6 percent, and the group's share will rise in every state except Hawaii. New York (8.2 percent) and New Jersey (7.9 percent) rank eighth and ninth in shares of total Hispanic buying power (SCEG, 2002).

One of the most desirable aspects of the Hispanic market is that it skews very young. The median age is about 26, according to Census 2000 figures, which puts more than half the population in the highly sought after 18-34 demographic. In contrast, the median age of the general U.S. population is 35. And 35 percent of the Hispanic population is under the age of 18, compared with 26.6 percent of the general U.S. population.

Better employment opportunities have helped to increase the group's buying power (SCEG, 2002). Although Hispanic households have a lower annual median income than the general population (\$33,600 vs. 42,200), much of that disparity is due to recent immigrants. But, Lopez (1987) as cited by Swenson (1990) states that "After living in this country 10 or more

years, the family incomes of Hispanics tend to be equal or exceed that of their non-Hispanic counterparts” (Swenson, 1990, pg. 87).

The Hispanic consumer market in the United States is one that embraces its heritage and identity. Cheskin (2002) reports that 69 percent say they are more Hispanic than American, 26 percent say they are equally Hispanic and American, but only 5 percent say they are more American than Hispanic.

“Consequently, we cannot assume that Hispanics in the U.S. will ever become like the mainstream market in five to 10 years, or ever. This market will always maintain its cultural ties, such as language, and values such as commitment to family. It is this acculturation process that causes the Hispanic market to influence the mainstream market” (Cheskin, 2002, pg. 5).

To effectively reach the Hispanic market, Swenson (1990) recommends a lifestyle approach. That is, connecting with the values that are essential to the Hispanic community, such as pride in their heritage, educational aspirations, enjoyment of public gatherings, enthusiasm for sports such as soccer, and a love of music (Swenson, 1990). But, the single most important segmentation factor among Hispanics is the country of national origin (Rossman, 1994). “There is no one monolithic market.... the culture, beliefs, opinions and consumer behavior patterns of Cuban-Americans, Mexican-Americans, Puerto Ricans, Dominicans, Salvadorans and other Hispanics are not identical” (Rossman, 1994, pg. 47).

Segmentation analysis is especially effective for products that focus on the consumer’s lifestyle and self-image. For example, Coca-Cola has segmented its ads to Hispanics by including the comfort food appropriate to the Mexican, Cuban and Puerto Rican segments in its ads, while Coors beer tailors locations, music, and casting of models in regions that have a dominant Hispanic segment (Rossman, 1994). In the long run, these segmentation strategies can

win loyalty from the Hispanic consumer. Forty percent of Hispanics say they prefer to buy products from companies that show an interest in the Hispanic consumer (Rossman, 1994). “From a marketer’s point of view, highly acculturated Hispanics may seem demographically similar to the mainstream, but they are keenly aware and highly appreciative of any effort made by a marketing campaign or promotional mix that acknowledges their considerable purchasing power” (Rossman, 1994, pg. 59).

Yet despite the youth and rapidly increasing spending power of the Hispanic market, the Association of Hispanic Advertising Agencies says that only 3.2 percent of top advertisers’ resources are allocated to the domestic Hispanic market - and the United States is the second-most populous Spanish-speaking country, after Mexico (Kerrigan, 2002).

In conclusion, the Hispanic culture is “strong, and will allow itself to be enriched through acculturation, rather than transformed into the mainstream realm” (Cheskin, 2002, pg. 16). But Cheskin (2002) also cautions that marketing to Hispanics doesn’t mean translating ads into Spanish having or using Hispanic spokespeople. “Marketing to Hispanics means understanding its segments and culturally relevant attitudes” (pg. 16).

ASSIMILATION VS. ACCULTURATION

In designing an effective marketing program, businesses must also take into account the assimilation level of ethnic consumers. This means going beyond basic demographic information and learning how well their target audiences speak English, what their value systems are, and how they use and perceive things (Rossman, 1994).

Ethnic markets can be sub-segmented into varying degrees of assimilation and acculturation, which Rossman (1994) defines as follows: “Assimilation is when an immigrant

group adopts mainstream values and behaviors instead of keeping the culture of their heritage; acculturation means adding some elements of the mainstream culture without abandoning the native culture” (Rossman, 1994, pg. 44).

Patterns of assimilation vary among the different sub-segments of a culture. For example, Cubans report feeling less assimilated than any other Hispanic group in the U.S., while nearly two-thirds of Mexicans feel highly or partially assimilated (Rossman, 1994).

Generally, it is estimated that 13 percent of U.S. Hispanics have totally assimilated, meaning that they have embraced the American culture on a day-to-day basis. Forty-nine percent were partially assimilated, meaning that they were generally fluent in English and might use it extensively in the work environment but tended to use Spanish at home. Thirty-eight percent were unassimilated, living totally immersed in Spanish language, media, products and value systems (Swenson, 1990).

Assimilation levels can also have an impact on the ability of an industry to gather demographic and psychographic information about consumer markets. Standard research questionnaires, even when translated accurately into Spanish or Chinese, may not work because many immigrants are not comfortable with the practice of giving out personal information when it is asked for (Rossman, 1994). The author encountered some of this reluctance when conducting survey research (chapter 6).

In addition, telephone interviews may not be useful with Hispanics or Asians unless interviewers are completely fluent in the respondent’s native language. Although some Hispanics and Asians will give out information on the telephone, depending on their degree of assimilation, they often prefer a face-to-face interview (Rossman, 1994). In general, “the whole

concept of using 'standard techniques' is flawed, since most of the models are based on Anglo-American consumer values" (Rossman, 1994, pg. 24).

COMMUNICATION AND CONTEXT

To effectively communicate across different cultures, it takes a thorough understanding of how each culture interprets the many verbal and non-verbal dimensions of a message and its delivery. Dr. Edward Hall (1959) as cited by Rossman (1994) divides cultures into high-context and low-context cultures. Communication in a high-context culture depends primarily on the context, or nonverbal aspects of communication; low-context cultures depend on more explicit, verbally expressed communication. According to Hall's classification, the United States is a low-context culture, relying heavily on information communicated explicitly by words, with little information communicated non-verbally (Rossman, 1994).

Asian and Hispanic cultures, by contrast, are high-context and can communicate meaningfully even when no words have been exchanged. Meaning is conveyed through body language, status, tonality, relationships and the use of silence. Gestures, silences, eye contact and facial expressions can have very different meanings across cultures. For example, most Americans regard someone who doesn't make contact with them as shifty or untrustworthy, but many Asians think that looking someone in the eye is rude, confrontational or disrespectful (Rossman, 1994).

Galletti (2002) compares the characteristics of low and high-context cultures in Figure 2-

1:

CHARACTERISTICS OF LOW AND HIGH-CONTEXT CULTURES

Low-Context (United States)	High-Context (China, Japan, Mexico)
Individualistic	Group-Oriented
Linear Logic	Spiral Logic
Direct Style	Indirect Style
Verbal-based understanding	Context-based understanding
Speaker-oriented	Listener-oriented
Person-oriented	Status-oriented

Figure 2-1

Most advertising in the United States is low-context, relying on words to explain products and services, and how they differ from the competition. By comparison, ads used in high-context countries such as Japan and Mexico rely on nuances and overall differences in the tone, music, appearances, imagery and other nonverbal cues to differentiate the product. Low-context ads, which often emphasize price, could be interpreted as pushy and aggressive by high-context cultures, while low-context cultures might find them informative and persuasive (Rossman, 1994).

In an analysis of American and Japanese magazine advertisements, Mueller, as cited by de Mooij (1998) found that Japanese advertisements tend to be less direct than American advertising, relying more on emotional appeal and atmosphere. More time is spent setting the stage for the message than delivering the message itself. Japanese advertisements frequently emphasized the role of status in society, veneration of the elderly and a relationship with nature (de Mooij, 1998).

Advertising copy must also address the mores and taboos of each ethnic subgroup. For example, flippant or whimsical copy in English can come off as immature in Chinese (Fattah, 2002). Visually, it is also important to differentiate between sub-groups in advertising by using Korean models for Korean creative, Puerto Rican for Puerto Rican creative, etc. (Swenson, 1990).

Asians and Hispanics also respond to different color palettes than mainstream America. For example, in the general market, white could represent cleanliness or simplicity, but it signifies mourning to the Chinese. A bright yellow background could also have negative connotations in some Asian cultures (Fattah, 2002). Novak (2002) adds that marketers frequently overlook the role of upbeat and vibrant colors in creating positive brand imagery of a product and its packaging among Hispanic consumers.

Rossman (1994) emphasizes the importance of understanding these and other nuances in determining the outcome of an ethnic marketing campaign: “Unless we are aware of these differences, the message and intentions can be misunderstood” (pg. 37).

THE LANGUAGE OF MARKETING

As the minority population grows, so do the number of ethnic media in which to reach it. Newspapers, magazines and televisions programs for every segment abound (Rossman, 1994). But how effective are ethnic media?

In April 2002, New California Media (NCM), an association of over 400 print, broadcast and online media, released findings from a large-scale study on the reach, impact and potential of media targeted to Hispanic, Asian-American and African-American communities in the state of California. The study had three major findings that relate to the scope of the author’s research.

The first was that ethnic media were effective in reaching ethnic populations. NCM found that Spanish-language media reach 89 percent of California Hispanics, while 84 percent of Asian-Americans are reached by ethnic television, radio and newspapers (Pelay, 2002).

The second major finding was that a significant percentage of Hispanics and Asian-Americans prefer ethnic media to their English language or general market counterparts. Fifty-one percent of Hispanics preferred Spanish language radio stations to English language and 43 percent showed a strong preference for Spanish language television. To a lesser extent, 23 percent of Hispanics preferred in-language newspapers (Pelay, 2002).

Finally, NCM found that ethnic Californians were more likely to pay attention to advertising in ethnic media than to ads in the general market. Two-thirds said they felt that businesses that advertise in ethnic media understand their needs and desires better than other companies. Almost two-thirds (63 percent) said they are more likely to buy a product or service advertised in an ethnic-oriented publication or program, with advertising loyalty ranking highest among Hispanics (Pelay, 2002).

While Hispanic households may speak either English or Spanish or some combination of both, Asian-American households can speak a number of languages that have many dialects. Such is the difficulty of understanding and focusing on a market that has 10 million people divided into six major ethnic groups (Chepesiuk, 2001).

The Asian market is characterized by an overwhelming preference for in-language marketing, high consumption of print media and high Internet usage, driven by computer penetration of more than 70 percent in Asian homes (Fattah, 2002). According to Jeff Lin, CEO of Admerasia, a New York City-based multicultural marketing company, the majority of Asian Americans read in-language newspapers or watch in-language media (Chepesiuk, 2001).

Some 80 percent of Asians are reachable in-language, according to Sarah White, account services manager at the Interviewing Service of America, a multicultural research service based in Los Angeles. In fact, even when Asians conduct their day-to-day affairs in English, they are far more receptive to marketing communications in their mother tongue: “There is a way of being, an openness that you can’t achieve unless you speak their language” (Fattah, 2002, pg. 6).

Kang & Lee Advertising of New York (1998) indicates that Asian-American in-language preference varies by sub-group, and can be broken down as follows: Vietnamese (93 percent), Chinese (83 percent), Korean (81 percent), Filipino (66 percent), Asian-Indian (55 percent) and Japanese (42 percent).

The costs of advertising in native-language media are low, but the impact is high, according to Wanla Cheng, a principal in Asian Link Consulting Group, a New York City-based marketing and consulting firm specializing in multicultural marketing: “Asian American consumers are ready and willing to listen to in-language messages. In fact, they like to be courted in their own languages because it makes them feel like companies respect and value them as consumers” (Chepesiuk, 2001, pg. 24).

Asian media, unlike its counterpart in the Latino market, is far cheaper to buy, but the people it reaches have a much higher consumer profile than many other demographics. While Latino media campaigns can cost millions, Asian marketing campaigns typically run in the hundreds of thousands or less (Fattah, 2002).

Print is the dominant media vehicle for reaching the Asian-American population according to Kang & Lee (1998). There are two to four national daily publications per ethnic group with separate regional editions in major geographic markets. In addition, there are anywhere from two to five local newspapers per group. They are a primary source of news and

information for Asian-America, and many publications are supported by parent companies in Asia (Kang & Lee, 1998).

Asian-American television is also rapidly expanding its reach. There are at least three to five stations per ethnic group in major geographic markets and one to two stations per group in secondary markets (Kang & Lee, 1998). Direct TV, the leading provider of digital satellite television, demonstrated its belief in the potential for Asian language broadcasting by recently launching the Phoenix North American Chinese Channel on its Direct program service. The channel broadcasts in Mandarin and includes 24 hours of news and entertainment programming from Hong Kong, Taiwan and the Chinese mainland (Chepesiuk, 2001). Radio is also an effective communication vehicle with two to three stations carrying programming for each Asian ethnic group in major geographic markets. Twenty-four hour programming and low rates can translate into high frequency for advertisers (Kang & Lee, 1998).

For Hispanics, sustaining their Latin culture is a priority and they consider the Spanish language to be one of the most important aspects of their culture to preserve. More than two-thirds (68.6 percent) of all Hispanics prefer to speak more Spanish than English. This includes Hispanics who speak only Spanish (20.6 percent), Spanish more than English (32.7 percent) and English and Spanish equally (15.3 percent) (Cheskin, 2001).

Cheskin (2001) notes that 88 percent of U.S. Hispanics learn Spanish as their first language, and most of them watch, listen to and read Spanish-language media. Strategy Research Corporation found that two-thirds of U.S. Hispanics watch Spanish language television and slightly more than one-fifth read Spanish language newspapers (Swenson, 1990). But because English-language media also accesses a substantial percentage of Hispanic households, Swenson (1990) recommends a bilingual approach.

Novak (2002) asserts that Hispanics' group orientation has a direct bearing on the mix of marketing channels used to reach the Hispanic consumer: "Spanish radio alone can reach nearly 80 percent of the Hispanic targets and offers powerful promotional opportunities," (p. 7). Novak (2002) adds that outdoor advertising is also particularly effective in reaching this audience.

Hispanics account for almost 10 percent of the television households in the United States, according to a report from Initiative Media, and Hispanic television is rapidly expanding on broadcast and cable television (Romano, 2002). NBC recently purchased Telemundo, the United States' second-largest Spanish-speaking television network, realizing that a substantial Hispanic population is watching Spanish-language television and purchasing the products on its commercials. The move will pay off as spending on Hispanic ads outpaces general market advertising in the coming years (Kerrigan, 2002).

Sports programming is the second-most watched genre, and Telemundo recently inked a three-year TV deal with the National Basketball Association (NBA). Both Telemundo and its sister youth-oriented network Mun2 plan to create wraparound programming to complement NBA programming. Their main competitor, Univision, which attracts about 70 percent of the general Hispanic audience, programs boxing to attract young male viewers (Romano, 2002).

The greater effectiveness of Spanish-language television advertising over English-language among Hispanic viewers was also confirmed by Roslow Research Group (2000), as cited by Pelay (2002). Commercials in Spanish were found to be 61 percent more effective at increasing ad awareness levels than commercials in English, and 57 percent more effective in communicating their message. The study also found that commercials in Spanish are significantly more persuasive than commercials received in English. Even among bilingual Hispanics, commercials in Spanish were found to be more effective than those in English. They

were 3.4 times more persuasive among bilingual Hispanics and 6 times more persuasive among Spanish-dominant Hispanics (Pelay, 2002).

When the study was repeated in 2001 among Hispanic teens, Roslow Research Group found that although the effectiveness gap between Spanish and English was somewhat lower than with adults, it was still significant. Commercials in Spanish were 40 percent more effective at increasing ad awareness levels, 16 percent more effective in message communication, and twice as persuasive as ads received in English (Pelay, 2002).

But while nearly all Hispanics speak Spanish, many have trouble understanding the Spanish of people whose country of origin differed from their own. Swenson (1990) cautions that businesses should either avoid the use of local idioms altogether, or decide to appeal separately to each major Hispanic group.

While Asians are the most plugged into the Internet of any culture in the U.S., Hispanics are also quickly closing the digital divide. ComScore Networks, as cited by Pelay (2002) reported that Hispanics are the fastest-growing segment of the online population, estimating that the average monthly unique online users grew from 12.2 million to 14.5 million from 2001 to 2002. That 19 percent increase was more than triple the six percent growth rate of the general online population. According to comScore, Hispanics comprise more than 10 percent of the total online population in the United States. While the comScore study did not address online language preferences, another Roslow Research Group study found that between the fall and spring of 2001, the percentage of time Hispanics were using Spanish online increased sharply from 39 percent to 55 percent (Pelay, 2002).

The literature also stressed that consistency of language across advertising and guest services is also important. A customer who speaks Spanish and comes to a facility because of a

newspaper ad in their native language could become frustrated and resentful if they find services only offered in English. This is particularly a factor in the New Jersey and New York markets, where there is a significant immigrant population (Rossman, 1994).

SEGMENTING THE SEGMENTS

As marketers are moving from mass marketing to segmented marketing in mainstream America, they must also learn to segment ethnic markets, as well according to Swenson (1990) and Rossman (1994).

“Beneath the surface of the Asian-American segment are Chinese, Koreans, Vietnamese, Filipinos and Japanese – all maintaining their relative autonomy within a larger framework. The Hispanic market, too, is multifaceted, consisting of Mexicans, Puerto Ricans, Cubans, Haitians, Jamaicans, Dominicans, South Americans and Central Americans. When formulating marketing plans to reach particular segments, a company needs to recognize that approaches which work for one sub-segment may not work for another, particularly if there is a difference in language or culture” (Swenson, 1990, pg. 5).

The Hispanic market, for example, has some 20 distinct and major sub-markets within it. Swenson (1990) cautions that judging the entire Hispanic segment by experience with one group can be stereotypical and undermine an effective marketing strategy. When targeting the Asian market, Wu (1999) issues a similar caveat: “Ethnic marketing reduces us all to ‘representatives’ of racial groups for the sake of marketing strategies. It also turns us into merely consumers, worth caring about only if we are spending money” (p.10). Wu (1999) cites the example of a major Asian-American magazine which sent a mass mailing to people with Asian-sounding

surnames. The magazine received hate mail in reply from people who didn't want to be mistaken for Asian.

SUMMARY

There are many variables to be taken into consideration in the development of effective marketing campaigns among the diverse Hispanic and Asian-American audiences. Language, Time, Formality, Individualism, Rank, Hierarchy and Tradition, Religion, Taste and Diet, Colors, Numbers and Symbols are just some of these factors (Rossman, 1994). They make a cultural analysis essential for developing an ethno-consumeristic understanding of Hispanics and Asians (Costa & Bamossy, 1995).

“The use of cultural and linguistic sensitivity in marketing benefits on two levels – one that makes the brand's attributes relevant to these audiences, another that demonstrates that the brand considers them important. Often, marketers gloss over the power of this second level when, actually, it can be the deciding factor in establishing this category of leadership. If you don't embrace it, you simply aren't going to be competitive” (Rossman, 1994, pg. 47).

Chapter 3

THE INFLUENCE OF CULTURAL FACTORS ON GAMBLING BEHAVIOR

“Gambling is one of the few social activities that occurs in nearly all cultures and in every period of time: in this respect it can be said to be virtually a universal phenomenon in human societies” (McMillen, 2000, pg. 6). Chinese gambling for example, can be traced back 4,000 years and excavations in Egypt and India have unearthed dice and gaming boards from 1600-1000 B.C. The Hittites may have been the first culture to bet on horse-racing in 4000 B.C. (McMillen, 2000).

Though gambling has what McMillen (2000) calls an “apparent universality,” it is a widely held belief that Asians, particularly the Chinese, are the biggest gamblers of all (Nepstad, 2000). This love of gambling is a stereotype that is not only supported by demographic information provided by the casino industry and historical and anecdotal evidence, but is also embedded in Asians’ perception of themselves.

Which brings us to the question: Why are Asians more likely to gamble than other cultures? Nepstad (2000) offers several hypotheses, including that the poverty of the Chinese throughout history leads them to hope for a streak of luck, a big win. But, Nepstad (2000) says a more probable theory is based on the idea that gambling is rooted in Confucian beliefs:

“Confucianism stresses securing favors from the gods by praying to them, and sacrificing to them. In this way the Chinese hoped to gain favor for their endeavors, in short, to have good luck. Luck and the quest for good luck becomes a fundamental component of national life. It is this strong belief in Luck that leads many to gamble their meager savings in the hope of

becoming rich. So a love of gambling can be said to follow naturally from this belief in Luck” (Nepstad, 2000, p.4). Gabriel (1998) supports this idea, pointing out that the Chinese used gaming pieces to consult with the Gods: “In ancient Chinese temples, for example, the patterns made by a handful of tossed reeds corresponded to the intricate diagrams of *yin* and *yang* in the *I Ching*” (p. 6).

A study of American and Chinese proverbs by Elke Weber, Ph.D of Ohio State University, revealed that Chinese sayings encouraged risk taking, in contrast to the American notion of “a penny saved is a penny earned” (as cited by Galletti, 2002, p. 24). Cullen (2002) confirms this notion, observing that more and more stock market day traders seem to be Chinese-born: “No group of immigrant Americans... seems to have embraced the stock market as passionately as the Chinese. Many are well educated and computer-savvy. Flush with cash, they’ve plunged into the market like no immigrants before” (p. 3). One day trader tells Cullen (2002), “Chinese feel there’s one pocket for saving, the other for playing money” (p. 23).

While gambling is still considered a taboo among many Americans, it is more of a reflection of a cultural norm among the Chinese. In fact, the Chinese Classification of Mental Disorders (CCMD-2-R) removed the category of pathological gambling entirely from its manual in 1997. This decision was based on the observation that pathological gambling disorder lacked contextual validity in Chinese society. Gambling that produces adverse consequences in American society may cause neither personal turmoil nor interpersonal conflict in Chinese society (“Gambling in a Chinese Cultural Context,” 1997).

In a study of Australian gamblers who came from non-English speaking backgrounds, Cultural Partners Australia Consortium [CPAC] (2000) found that gambling is widespread among the Chinese, Vietnamese and Korean communities in Victoria.

In a series of interviews, it was noted that people of Chinese background preferred to gamble at a casino that had an accessible and friendly “Asian” atmosphere that catered to their entertainment and social needs. Discussants said that older Chinese are more likely to gamble and that gambling was a popular pastime in Hong Kong. They also indicated that although it is illegal in mainland China, underground gambling is widespread. Common Chinese gambling games included mahjong, card games, horse racing and rooster fighting (CPAC, 2000).

Gambling was also found to be a popular form of entertainment amongst Vietnamese people in Victoria. Vietnamese preferred a gambling venue where they can be entertained without the need for high-level English language skills (CPAC, 2000). The study found that Vietnamese are much more business like about their gambling and may view it as a potential source of funds. Whereas, for the Chinese, it is part of life and a celebration of luck (CPAC, 2000).

“The aspect of luck is very much an important part of the Chinese cultural psyche. Superstitious beliefs associated with luck such as lucky or unlucky colours or numbers are everyday aspects of life for such groups as the Hong Kong Chinese. For example, red and yellow are auspicious colours while black and white are generally avoided. The number eight in Cantonese is considered lucky, as it sounds like the word rich, while the number four is considered unlucky as it sounds like the word death. These superstitions often interplay on gambling behavior” (CPAC, 2000, pg. 37).

“Gambling is an obsession for Filipinos” (“In nation of gamblers, numbers game threatens Philippine’s president,” 1999, p. 1). Gloria (2000) concurs that, “Since time immemorial, many Filipinos have been gambling their worries away” (p. 3). At least 34 forms

of gambling are available in the Philippines (Koo, n.d.) and it is the quest for an easily-made fortune that fuels the obsession.

“In one of Asia’s poorest nations, everybody seems to think fortune is going to smile down on them someday. So Filipinos constantly bet at cockfights, on daily lottery draws, at bingo parlors, on horse races or in the nation’s 11 Casino Filipino branches. The casinos feature the slot machines, baccarat, blackjack and dice games one would find in Las Vegas, though without so much glitter” (“In nation of gamblers, numbers game threatens Philippine’s president,” 1999, p. 9-10).

Filipinos start gambling young, with children typically placing their first wagers on spiders fighting to the death. “Even four years old, five years old, they’re gambling already,” said Celia Domingo, manager of Merrill’s Diner, which offers off-track betting on the horses at the Santa Ana Racetrack. “Sometimes their bets are candies, but that’s just the beginning” (“In nation of gamblers, numbers game threatens Philippine’s president,” 1999, p. 2).

But do Filipinos in the United States have the same traits as Filipinos in the old country? Yes, says the editor of *The Filipino Press* (2002). Like their Philippine counterparts, “many Filipinos love to gamble. San Diego County has half a dozen Indian gambling establishments. A good number of their customers are Filipinos. This is not to include the mahjong and card parties that take place every weekend in hundreds of homes” (“Do Filipinos in the U.S. have the same traits as Filipinos in the old country?” 2002, p. 9).

The Travel Industry Association of America shows that Asian-Americans have an above average proclivity to participate in gambling (Language Line Services, 2000). Similarly, in a 1999 focus group study conducted by the Wisconsin Department of Tourism, gambling was mentioned among many of the Chinese, Japanese and Korean participants as an enjoyable leisure

activity in which they or other traveling companions participate (Wisconsin Department of Tourism, 1999). This perceived propensity to gamble has created a high demand for Asian guests at Las Vegas and Atlantic City casinos. Asian players account for 80 percent of revenue from high-stakes games in major Las Vegas strip hotel-casinos (“Prevalence of Gambling in Toronto’s Chinese Community,” 1998).

An attraction to high-limit tables and the tendency to gamble for long periods of time make the Chinese one of the most attractive groups of customers for Las Vegas casinos (Galletti, 2002). According to according to Bill Chu, Asian regional marketing director for Harrah’s Las Vegas, as cited by Galletti (2002): “Asians are the only growing segment of the casino market, and the Chinese are the only people in Asia with cash” (p. 8).

Creating a comfortable environment is an important step in establishing a long-term relationship with Chinese gamblers. Chinese have a stronger belief in the existence of good luck when compared to North Americans and they associate colors, numbers, animals and objects to good or bad luck. For example, the color red represents happiness, but some Chinese feel that writing in red is not appropriate. The number four is considered bad luck because its pronunciation is similar to that of the word “death,” while the number eight is considered lucky. In addition to taking these factors into account, it is also recommended that the physical settings adhere to the Feng Shui discipline, which says that object placement enhances the life energy, or chi (Galletti, 2002).

These are all factors that Las Vegas casinos have addressed in creating a positive experience for Chinese gamblers. Station Casinos has been aggressive in appealing to an Asian clientele. Station executives believe it is a niche market that has largely been ignored by local casinos, while the Strip’s larger operators primarily cater to Asian high rollers from Southern

California and overseas. One of Station Casinos' tactics was opening a Pit 8 section, named for its location on the casino's floor as well as the luckiest number for superstitious Asians. The Palace Station opened a specialized table games pit that offers two baccarat, two blackjack and six pai gow poker tables. Palace Station also broadened the Asian food offering of its coffee shop and has booked periodic appearances by Asian entertainers at the property's 175-seat showroom. It advertises in Vietnamese and Chinese publications in Southern California to tap into that region's estimated population of 925,000 Asian-Americans (Berns, n.d.).

It's the Asian clientele that generates high-end play at baccarat games and boosts sales at luxury retail spots such as The Forum Shops at Caesars. "They're primarily focused on the higher end. They're very brand-conscious and very quality-conscious," according to Maureen Crampton, marketing director for The Forum Shops, as cited by Smith (2002, p. 6). Crampton also said that Asian customers spend three to five times more than domestic tourists (Smith, 2002).

Park Place Entertainment held a pair of concerts during December 2001 targeting Asians at its Caesars Palace and Paris Las Vegas hotels which sold out at 4,000 and 8,000, respectively. In designing the Empress Court restaurant at Caesars, which specializes in Asian cuisine, Park Place sent its food and beverage managers to Hong Kong for three months to experience top restaurants there and recruit a chef and culinary team, according to Debbie Munch, spokeswoman for Park Place Entertainment. She also said that Park Place also has executives from the Far East at Paris and Caesars, and keeps a comprehensive list of workers who speak Asian language (Smith, 2002).

Caesars has plans to remove its Circus Maximus showroom to make way for more high-roller suites and an Asian restaurant near the high-limit gaming area. Caesars also sponsors

events during Chinese New Year and holds a Mexican fiesta in September to mark that country's Independence Day. The Monte Carlo similarly places parties and events around Chinese New Year, Mexican Independence Day and Cinco De Mayo (Mirhadi, 2000).

Several other Vegas Strip casinos have made changes – both subtle and obvious - to make Asian customers feel at home. The MGM Grand is rumored to have replaced its original lion entrance so patrons wouldn't have to walk through the animal's gaping mouth – a superstition in some Asian countries that brings bad luck (Mirhadi, 2002).

The Rio marks its VooDoo Lounge, which is on the 40th and 41st floors, as being on the 50th and 51st because the Arabic numeral 4 in Chinese script represents a symbol for death. When the hotel's Masquerade tower was added in 1997, architects decided to skip the 40th to 49th floors, going directly from the 39th to the 50th in numbering scheme. The hotel's 13,000 square foot Palazzo suites are decorated in the feng shui tradition, and Asian guests are never given gifts in white boxes or handed white flowers because the color represents bad luck (Mirhadi, 2000).

One of the most obvious ways casinos appeal to Asian gamblers is through their stomachs. Of the 26 casinos that occupy the Las Vegas strip, 19 have one or more restaurants that serve Asian cuisine. For example, the Mandalay Bay has a 303-seat pan-Asian restaurant, a 140-seat Chinese restaurant and a 78-seat noodle bar. The Bellagio and Caesars also both offer three Asian-themed restaurants serving Cantonese, Japanese and pan-Asian (Ader, 2002). The California, a downtown Vegas hotel, has tried to create a niche with Pacific Islanders by offering special deals and serving native cuisine such as oxtail soup (Mirhadi, 2000). Nine of Atlantic City's 12 restaurants serve Asian cuisine. Caesars has an 86-seat Chinese restaurant and 64-seat Japanese, while the Trump Taj Mahal has a 182-seat pan-Asian restaurant and a 10-seat noodle bar (Ader, 2002).

Atlantic City casinos have taken other measures to cater to the Asian market, with tactics such as devoting entire wings to Chinese gamblers, complete with Chinese-speaking dealers and entertainers from Hong Kong. To fill its casino during a tough holiday season in 1997, the Claridge brought in popular Hong Kong entertainer James Wong. Wong raked in \$120,000 in ticket sales for his three sold-out stand-up comedy shows, none of which was performed in English, and about 10 times that amount at the gaming tables (Nutt, 1997).

In a commitment to its Asian customers, Claridge hired a dozen additional Chinese employees, from casino hosts to cooks, and opened an Asian room for gambling named Victorious Hall, with signs in Mandarin and Cantonese leading the way. The Claridge strategy was to target the middle market of working people, small-business owners and young Chinese professionals, instead of just international high rollers (Nutt, 1997). The casino hired L3 advertising for a 2000 print campaign that included Chinese-language brochures and advertising with tag lines such as “Whoever you are, to us you are always a king,” and “Our guests regard Claridge as their private club” (L3 Advertising, n.d.).

The Trump Taj Mahal, which opened in 1990, was one of the first Atlantic City casinos to set up Asian gaming rooms and is known for its large Asian gaming program. The Taj Mahal’s Dragon Room, a section of the main casino, includes mini-baccarat, Pai Gow, Pai Gow poker and sic bo. The Taj Mahal draws primarily from New York City, but also has a strong market of customers who come from China itself. The Taj Mahal estimates that at least 20 percent of its table business is Asian (Nutt, 1997). The Taj Mahal claims to have the largest Chinese entertainment program in Atlantic City, having staged all-Chinese shows since its opening 12 years ago. The Taj Mahal estimates that it draws 15,000-20,000 guests to its gaming tables on weekends when there is Chinese entertainment (Nutt, 1997).

While the literature reviewed thus far has focused primarily on casino gambling, the author found that, although most other forms of gambling are illegal, wagering on horse racing is extremely popular in Japan (Haukebo, 1999).

With an annual betting volume of about \$36 billion, Japan far outpaces every other country. The country's population is less than half that of the United States, the Japanese bet three times as much on horse racing (Haukebo, 1999).

These results are all the more impressive considering that between 1975 and 1984, on-track attendance in Japan plunged nearly 44 percent before beginning a gradual but total recovery in the 1990s. Horse racing in the United States has not been as fortunate (Haukebo, 1999).

Why is horse racing so popular in Japan? Answers range from the sport's nostalgic feeling, to the solid infrastructure of the Japan Racing Association which oversees the country's 10 racetracks, to simply a love of gambling (Haukebo, 1999). Tim Smith, president and chief executive of the National Thoroughbred Racing Association in the United States, is quick to credit the Japan Racing Association with the sport's recovery: "The number one thing we studied and learned about Japan was that structure matters a whole lot. We're certainly not where they are in terms of centralized structure and control of their product – and we probably never will be because of the state-by-state regulation here. But I think they've shown that branding, advertising, marketing, television, scheduling of races and so on is most effectively done (as cited by Haukebo, 1999, pg. 2).

In the mid-1980s, Japan undertook an ambitious plan to update and improve its racetracks and brand racing as a form of entertainment for thrill-seekers. A staggering \$100 million was spent over several years to advertise horse racing, using well-known stars to try to appeal to new

audiences. Young women were a primary target, and female attendance grew about 5 percent from the early 1980s to the 1990s (Haukebo, 1999).

HISPANICS AND GAMBLING

While there has not been as much written about the propensity of Hispanics to gamble, 65 percent of Hispanics see gambling as a source of income according to a 1999 study by the University of Chicago's National Opinion Research Center, two percent greater than the share of whites who do (Morin, 1999). CPAC (2000) found that Spanish speakers view gambling as more of a social activity and a form of relaxation and entertainment.

Gambling has long been part of Mexican history and betting on games of chance was an extremely popular activity in Aztec society. The game the Aztecs wagered on was a dice-rolling game called *patolli*, which is thought to have Asiatic origins. Aztecs may have believed that "the state of mind needed to be a successful gambler might actually have had the effect of prolonging a person's existence...Rather than being a restriction, the energetic, keen state of mind needed for betting on games of chance could well have increased a warrior's chance for survival in the heat of battle" (Wasserman, 1982, pg. 284)

In Argentina, gambling exploded during the Golden Age (1890-1913) of Buenos Aires. Gambling was everywhere – "in *casas de juego, garitos, agencias de lotería, riñas, toros, carreras, ruletas, tómbolas*" (Salvatore, 2001, pg. 10). Brazilians share a similar desire for risk-taking, betting some \$4 billion a year on games legal and not. According to anthropologist Roberto DaMatta, "Gambling is part of the culture. It's a kind of magic way of making money" ("Brazilian Bingo," 1994, pg. 1).

Playing numbers is extremely popular in the Dominican Republic, and some immigrants to the United States have gone as far as running illegal street lotteries based on the official Dominican lottery. Police in Boston broke up one such numbers racket in September 2002. “For some, playing the street lottery is a cultural statement, like hanging a Dominican ornament from the rear-view mirror” (Kahn, 2002, pg. 11).

One merchant Kahn (2002) interviewed said, “It’s not only the Dominicans. It’s not only the Dominicans.... Go to the Chinese, they have some numbers. The West Indians, they play” (pg. 12).

CONCLUSION

The research (CPAC, 2000) suggests that cultural factors impact the propensity to gamble and preferences for gambling modalities. Historical and anecdotal evidence (CPAC, 2000; Gabriel, 1998; Galletti, 2002; Nepstad, 2000; McMillen, 2000) also demonstrated that gambling is widely accepted by many Asian sub-cultures, including the Chinese, Japanese and Filipinos. The literature also produced some insight into the role of gambling in Hispanic culture.

Finally, the literature illustrated specific ways in which casinos in the United States have marketed and catered to the Asian gambler, and also suggested that untapped markets of Asian and Hispanic horseplayers do exist.

Chapter 4

SPORTS=DEPORTES=SUPOOTSU

Professional sports leagues and franchises are increasing their commitments to the multicultural market with a variety of strategies aimed to appeal to Hispanic and Asian-American audiences. Major League Baseball (MLB) has probably been the most aggressive in this area, by using the diversity of its player rosters to connect with fans across North America. “Over the past 30 years, diversity has increased and baseball is reflective of that society,” says Tim Brosnan, senior vice president of MLB domestic and international properties. “Are we recognizing that we have untapped fan bases? Absolutely” (Gardyn, 2000, p. 3).

MLB has more Latino players (25 percent) than any other sport and the number of Asian ball players is expected to grow significantly in the next few years (Gardyn, 2000). Recognizing the large Hispanic market in the heart of southern Florida, the Marlins were among the first ball clubs to hire a Hispanic marketing director when the expansion team was launched in 1993 (Hoag, 2002). MLB’s strategies may be starting to pay off - almost 25 percent of all Hispanics attended a MLB game (32.9 percent of all Hispanics 18-34) in 1999, according to a study by Strategy Research Corporation. This attendance is higher than any other sport, including soccer (Latino Sports Marketing, n.d.).

MLB also caught on early that international players spark interest among ethnic groups within the United States, as well as popularize the sport in a player’s home country. The Los Angeles Dodgers was one of the first teams to recognize the marketing value of mirroring their fan demographic with their player roster. The franchise created fan frenzies with Mexican pitcher Fernando Valenzuela in 1981 and the Japanese-born Hideo Nomo in 1995. Their current

player roster includes three players from Venezuela, two from the Dominican Republic and two from Puerto Rico (Rovell, 2002).

Nomo started a wave of Japanese players to the major league ranks, paving the way for pitchers Hideki Irabu, Shigetoshi Hasegawa, Kazuhiro Sasaki, Masato Yoshii, and Kazuhisa Ishii (Rovell, 2002).

After a three and a half-year absence, the Dodgers brought Nomo back to Los Angeles in 2002 and quickly moved to offer merchandise and services that appealed to Japanese baseball fans. “Nomo’s return to Los Angeles this year means one thing: more bucks,” said Michael Culross, sports editor of the *Rafi Shimpo*, the oldest Japanese language paper outside of Japan. “When he first came here there were sushi stands, and when he was traded, they disappeared. Now that he’s back, they’re back again” (Rovell, 2002, p. 27).

The acquisition of Ichiro Suzuki, who quickly became an every day starter, provided a much-needed boon to the Seattle Mariners over the last two seasons. His award-winning rookie season, which included an American League MVP, resulted in sales of tickets and merchandise to new-found Japanese-American baseball fans and thousands more Japanese nationals who made the trek to the United States (Rovell, 2002) to watch him play.

While sushi was available at concession stands before Ichiro Suzuki and Kazuhiro Sasaki arrived in Seattle, the Mariners added more Asian food after their arrival. In addition to offering traditional ballpark fare like hot dogs and hamburgers, they also sell the Ichiro roll, a spicy tuna roll, and the Daimajin, an eel roll named after Sasaki (Rovell, 2002).

Rovell (2002) cites one example of Japanese fans’ devotion to their baseball heroes: When the Mariners’ team store at Safeco field began selling Ichiro-autographed baseballs for

\$200, Japanese fans would buy 10 to 15 of them. So, the Mariners raised the price to \$500 a ball and then to \$1,000. They still bought six or seven balls (Rovell, 2002).

“Talent is critical, but it would be just too coincidental for all these players to be on teams in areas of high Asian population,” said David Carter, principal of the Sports Business Group, a sports consultancy firm based in California. “They might not be able to quantify the exact impact of signing a player of a specific ethnicity, but they know it can have a major impact” (Rovell, 2002, p. 30).

Major League Soccer banked on that principal when it debuted a professional soccer league in 10 cities in 1996. “The league’s founders believed that success of the teams would be contingent on placing international players in markets that mirrored their ethnic heritage. So a Polish player belonged in Chicago, to help draw fans from the city’s Polish community, and a player from Central America belonged in Washington D.C., which has a large Latino community” (Rovell, 2002, p. 31).

The National Football League (NFL) pinpointed Hispanics as the league’s top marketing priority for the 2002-03 season, and in July, the NFL hired Lumina Americas, a New York-based Hispanic firm, to develop a Latino marketing campaign (Hoag, 2002).

According to studies by Strategy Research Corporation, pro-football is watched by higher proportions of Hispanics (64 percent) than African-Americans (58 percent) and whites (52 percent). Hispanic males ages 18-34 are 59 percent more likely than the general market to frequently attend pro-football games and 42 percent more likely than the general market to frequently watch professional football games (Latino Sports Marketing, n.d.).

The San Francisco 49ers began airing highlight and game preview shows aimed at northern California’s Hispanic and Chinese football fans which quickly drew an arsenal of

advertising and sponsorship support from companies such as Cingular Wireless, Ragu spaghetti sauce, Best Foods, Lawry's Spices. The Spanish-language version airs on Telemundo stations in the San Francisco-San Jose, Sacramento, Fresno and Monterey areas, while the Chinese-language program airs on Brisbane's KTSF (Leuty, 2001).

Hispanics already account for 13 percent of the NBA's fan base (Gould Media 2003), and one study by the Sports Business Journal indicates that they are 57 percent more interested in the NBA than the mass market (Latino Sports Marketing). To cater to its diverse fan base, the NBA broadcast the 2002 Finals in Spanish on television, radio and the Internet, and now offers its web site in English, Spanish and Japanese. The league inked a deal with Telemundo to broadcast 15 of the 2002 season's games in Spanish -- an unprecedented move for a major sport (Hoag, 2002).

These efforts are supported with marketing programs from the individual franchises as well. For example, the Dallas Mavericks, whose diverse roster includes Wang Zhi Zhi from China, offers portions of its site in Spanish and Mandarin Chinese (Rovell, 2002).

The Miami Heat has created a path to Spanish speakers through strong community relations and advertising programs. "Our strategy is to get involved with grass-roots events to be where the Hispanic community is," said Michael McCullough, chief marketing officer for the Miami Heat (Hoag, 2002, 20). The Heat have accomplished this by lending the Heat dancers and Burnie the flame mascot to community events such as Miami's Calle Ocho street festival and fundraisers by the Kiwanis of Little Havana. The franchise began advertising with Spanish-language billboards in 2002 and also implemented a ticket-sales promotion with the Pilon coffee brand. It continued its Spanish-language radio coverage of games in South Florida and taught Heat players to pronounce a few words in Spanish for radio ads (Hoag, 2002).

Spanish-language newspapers have become an increasingly important part of the strategy for sports leagues trying to reach Hispanic fans. For example, three times a year, Major League Baseball produces a full-color insert with articles in Spanish and English and distributes it in eight of the largest Spanish-language dailies, such as the Miami-based *El Nuevo Herald* and Los Angeles' *La Opinion*, and the English-language *New York Daily News*. The publication, called *Major League Baseball en Español*, was and is supported by advertising from MLB's sponsors (Haber, 2002).

Contrary to their English counterparts, Spanish-language dailies are rising in circulation and improving in journalistic quality, making them an attractive media opportunity for professional sports leagues and their sponsors (Haber, 2002). "It's become a very meaningful part of our advertiser's media buys," said Don Hintze, vice president of publishing for Major League Baseball Properties (Haber, 2002).

The NFL also ran an insert in Spanish-language papers in Los Angeles, New York and Chicago and the NBA is looking into something similar for 2003 (Haber, 2002).

Significant multicultural programming opportunities for sports franchises and advertisers also lie in television. For example, ESPN will launch *ESPN Deportes* as a 24-hour Spanish-language sports network in the third quarter of 2003. In November 2000, the company launched *ESPNdeportes.com*, a Spanish-language sports site to serve the Latin America and U.S. Hispanic communities (ESPN, 2002).

The research demonstrates many examples of how professional sports organizations are aggressively attacking the multicultural marketplace and the positive returns they have generated. It is also clear that the reach and impact of ethnic media are expanding, and that they offer a valuable way to communicate with sports fans. Furthermore, it becomes apparent that the

horse racing industry could successfully apply many of the strategies that have been implemented by professional baseball, basketball football and soccer. The following chapter will take an in-depth look at how the gaming industry has approached communicating with Hispanic and Asian-American consumers through interviews with racing and casino industry experts.

Chapter 5

GAMING INDUSTRY PERSPECTIVES ON COMMUNICATING WITH A MULTICULTURAL AUDIENCE

CREATING AND SELLING AN EXPERIENCE

One of the country's premier venues for watching and wagering on thoroughbred racing, Florida's Gulfstream Park lies within Miami's large Hispanic market. In its efforts to increase on-track attendance, Gulfstream has taken a lifestyle approach to connect with the Hispanic audience. The backbone of this program has been to use entertainment by Latin jazz performers such as Chuck Mangione, Sergio Mendes, and Robert Perreira to draw a new audience to the facility and expose them to live horse racing in the process.

In February 2003, the author conducted a telephone interview with Gulfstream Park's Director of Marketing, David Rovine, to learn about the track's Hispanic marketing program.

Author: How does Gulfstream segment its marketing program to target the Hispanic market? Is the message different for the Hispanic segment than the one for the mass market?

David Rovine: "We look at the Hispanic market just as any new market and we talk to that audience in a similar fashion. We started working aggressively in that market last year. The target age is 30-45, with a skew of five years and the event of choice is musical concerts. We've found the best way to reach them is through events and we do it through Latin jazz. We've added Latin performers to our existing jazz concerts, and put advertising in Hispanic newspapers, television and radio stations. But we are selling them the same products we sell to everyone— food, fun, music and racing, not necessarily in that order.

Author: What are some of the other tactics that you have used to reach this audience?

D. R.: “One of the things we did was hire Javier Romero, who is the host of the hugely popular Saturday show Sabado Gigundo, and a DJ on a local radio station. We hired him and put him in our newspapers ads as a spokesperson, telling people to ‘Come out to Gulfstream Park, it’s one of my favorite places.’ You have to talk to the Hispanic audience through the right people.

“And we’ve also added a public relations campaign to get more into the market. We’ve identified major Hispanic charities and taken money from our charity fund and donated to them. We’ve met with the directors of these charities and gotten involved in their campaigns. They’ve been generally willing to work with us. Without a doubt, the PR aspect is very important.

Author: How important is the service aspect?

D. R.: “I’ve found that this audience will respect you when you speak to them. But you need to be prepared to offer bilingual services, tellers, food service, etc. You have to think through the whole concept. For example, we offer win, place, show cards in English and Spanish.

Author: Have you seen a return on this investment?

D. R.: “We’ve absolutely seen a huge return on our investment. We have had a 25 percent increase in attendance at our jazz concerts. It’s also enabled us to find sponsors for that target audience who might not ordinarily jump aboard with us.”

Author: What portion of your marketing and advertising budget have you dedicated to the Hispanic segment?

D. R.: “We don’t have the budget to duplicate our general marketing program. Right now, we have dedicated ourselves to four events. I believe it takes at least four events to sell

them on the experience. One day is not enough to get someone used to the facility and familiar with everything we have to offer.”

Author: What do you see as some of the challenges in marketing to specific ethnic segments?

D.R.: “I would say the lack of funds is the biggest challenge at this point.”

Author: Do you think that advertising in Spanish and offering bilingual services has enabled Gulfstream to form a stronger bond with Hispanic bettors than if it only spoke to them in English?

D. R.: “It is a market that does want to be spoken to in their own language. We are selling an experience. You can’t sell just racing if you want to attract new people. You have to sell them on an experience. Spanish the language of their emotions, and the language of their home and that’s important in selling an emotional experience, which racing is.”

COURTING THE ASIAN HORSEPLAYER

The author interviewed Rich Eng, horse racing columnist for the Las Vegas Review-Journal via e-mail in March 2003. Eng offers a unique perspective on this issue, drawing from his experiences as an Asian American, former racing executive, current member of the media and lifelong horseplayer.

Author: As data indicates, many of Las Vegas' and Atlantic City's high rollers are Asian-Americans. Do you think such a strong consumer potential for Asian gamblers exists in horse racing?

Eng: “The importance of the Asian high roller market can be measured in the fact that Chinese New Year is one of the key weekends of the year in Las Vegas. Every weekend here is big, but Chinese New Year keeps gaining in significance.

“It is a high risk, high return endeavor to recruit these players. Just imagine the pressure knowing that if two or three of your best Asian gamblers don't come, it could lead to a bad result for the casino.

“The market for Asian horseplayers is probably not as esoteric. The recruitment by the racetracks should lean towards quantity of players over quality, as in the high rollers. Ours is not a game where we're looking for spikes in our handle, unless you're Churchill Downs and it's the Kentucky Derby. We should be more concerned with long-term gains provided by a constant churn of handle by new Asian customers.

“Is there an untapped Asian market for horse racing? Of course there is.

“It is well documented that the two fastest growing ethnic groups in America are Asians and Hispanics. And with that comes significant spending power. For example, in most major U.S. markets, there are specific Chinese and Spanish language television stations.

“The NBA is learning a marketing lesson that horse racing could study and possibly follow. Chinese basketball star Yao Ming is a rookie center for the Houston Rockets. He was the first pick in the 2002 NBA draft.

“When the Rockets go on the road, "Ming-mania" is cropping up in other NBA cities. The league and the teams are doing things to market to the Asian basketball fans in each city.

“Horse racing does not have an Asian star comparable to Yao Ming. But it is a sport and gambling that a big part of the Asian community is familiar with. An untapped pool of Asian horseplayers has multiplied since U.S. immigration laws were relaxed about 30 years ago. A

large influx of Asian immigrants knows the racetracks in Hong Kong, Japan, Macau, etc. Racing there is so big that a day of the sport is nearly a national holiday.

“The U.S. stereotype of the Asian gambler was portrayed in the 1970s sitcom "Barney Miller." Actor Jack Soo played a police detective who when he wasn't working on a case, was reading the Daily Racing Form to handicap the races at Aqueduct. It was a tacky portrayal, but likely closer to the truth than the myth.”

Author: Do you think racetracks could benefit from segmenting their marketing programs to reach specific cultures, such as Asians and Hispanics, rather than targeting just the mass market?

R.E.: “The question of segment marketing has been around for a long, long time. For most industries, segment marketing needs to be done but more importantly is can they afford to do it.

“Mass marketing is so convenient and economical when one broad brush can cover all. Segment marketing means going after niche business and the costs keep growing as more and more targets are identified.

“The topic of segment marketing was a subject covered at an Arizona Symposium on Racing that I attended some 20 years ago. A marketing consultant spoke about the importance of doing segment marketing and that it can be cost effective if you zero in on your target and reach it with an effective message.

“She was met with some hostility by racetrack marketing executives who claimed it was too expensive to do. She answered that while the marketing execs may be right, it is something the racing industry must do to grow a shrinking and aging fan base. She said something to the

effect that if you really can't afford to do it, that won't be a problem in the long run. Eventually you will just go out of business.”

Author: How important do you think offering bilingual services is to attracting and keeping the loyalty of the Asian gambler? Many casinos offer bilingual services [in the form of bilingual employees and signage], Asian cuisine, and a physical environment that takes into account Asian traditions and beliefs [feng shui, certain numbers, colors, etc.] Do you think racetracks could benefit from doing the same?

R.E.: “It makes sense to have bilingual customer service agents and especially mutuel clerks. Asians are very partial to doing business with their own.

“Very early in my racing career, I was volunteered by management to work a mutuel window while the clerks were on strike. It wasn't fun being called a ‘scab’, but it was great experience meeting horseplayers first-hand. It only took a day or two before I noticed most of my customers were Asian bettors.

“Some of the players spoke to me in Chinese or Japanese but I had to beg off because I don't speak the language. However, they trusted me anyway for punching out their bets.

“The challenge of creating a nice atmosphere for Asian horseplayers is another one of those cost versus benefit questions in marketing. If you are going to market to that ethnic segment, then physical environment becomes very important.

“Many good marketing campaigns conducted by racetracks and the racing industry have failed because attracting new fans to your facility is not enough. If those people do not have a good time they won't be repeat business. That has been a basic racetrack-marketing fault. Our sport has an intimidating learning curve but there are things that can be done to make that visit more enjoyable.”

Author: Assimilation and acculturation levels of Asian-American consumers vary among different age groups, sub-cultures [e.g. Chinese, Japanese, Filipino, Korean, Asian-Indian] geographic regions, etc. But, do you think that speaking to Asian sub-cultures in their native language establishes a stronger potential consumer relationship with them than reaching them only in English?

R.E.: “That is a difficult problem because some Asian languages have many, many dialects within the language. Two people from the same country can have problems communicating if they speak different dialects.

“This too is a cost versus benefits marketing question. I would suspect that the cost would outweigh the benefits in this case unless the client or clients bet so large an amount that it becomes cost effective.

“If things like physical environment, food and beverage, signage and betting assistance were provided, that would be as much as an ethnic customer could hope for. One advantage of horse racing is there is some universality to it. Betting the daily double in Singapore, London or Caracas is basically the same in any language.”

BUILDING THE ONE-TO-ONE RELATIONSHIP

While casinos segment their target audiences, it is perhaps the personalization above all else that makes their marketing programs a success with gamblers of any ethnicity. To learn more about how casinos build one-to-one relationships with Asian and Hispanic gamblers, the author conducted a telephone interview in February 2003 with Jesse Ferrell, a Player Development and Executive Casino Host for the Rio All-Suite Hotel and Casino in Las Vegas. Ferrell is also an adjunct professor of Casino Marketing at the University of Nevada Las Vegas.

Author: Much has been written about Asian gamblers on the Strip, but to your knowledge, have any Las Vegas casinos made efforts to reach Hispanic gamblers?

“In the beginning, the draw was primarily from Mexico, but the peso has gotten hammered in recent years, so the Hispanic market has really spread abroad. We’ve seen an influx [of gamblers] from Brazil, Portugal and Spain.

The return on investment can be huge in both markets. But in terms of looking at the overall consumer spending power, you have to be careful. There are a lot of people with high incomes who will never gamble.”

Author: Does The Rio sub-segment domestically, that is, advertise in Chinese, Japanese, Korean, etc.?

J.F.: “Some casinos say they engage in Asian marketing, but that term doesn’t service it well,” he said. “Koreans, Chinese, Japanese...the preferences of those sub-segments can be as different as night and day. A lot of collateral pieces are done in different languages. But it’s ultimately up to the executives to make the connection. We can sub-segment domestically with our advertising, but the value in that really depends on the density of the population in an area. That type of advertising would really only carry weight for us locally, in Southern California or pockets of Northern California where there are concentrations of specific ethnic groups, vs. some place abroad, such as Hong Kong, where it comes down to word of mouth. One customer begets another customer, and so on.”

Author: How does The Rio cater to its Asian gamblers?

J.F.: “They do it on the personal level. For instance, Pai Gow is played by a lot of Asians. We hire personnel who are bilingual, or chefs who can cook the cuisine. We don’t really use any signage - it’s mostly done in the collateral pieces ahead of time.

“Really, the trend is to personalize the experience. They expect the goodies and rewards, but what keeps them coming back is how they feel about the contacts. Customers become universal - the same customer is in a database at Caesars Atlantic City, Caesars Tahoe, etc. And there are far more gaming properties trying to sell their widgets to the same database than ever before.”

Author: Would you say that one of the ways casinos personalize the experience is to speak to different ethnic groups in their native language?

J.F.: “Sure, that is a good point. Advertising and marketing is one of the ways that we do it. But again, it is the personal touch. In the Asian and Latin American markets, the expectations for executive hosts are much higher than the domestic market. The service end becomes extremely important. You’ll die on the vine without it. The customer expects you to be on call 24 hours a day.

“Discounting also becomes very important in those markets. Discounting is a form of complimentary in which the casino subsidizes the player’s loss factor by contracting a percentage ahead of time. It could be anywhere from 15-25%. It’s a nasty game in which casinos compete for players. On the international side, Latin American and Asian players expect to be discounted at higher levels. And 25 percent of a million-dollar loss is a huge hit for any casino.”

CONCLUSION

As the preceding interviews show, there are many factors to be weighed in assessing the costs vs. benefits of using a linguistic approach to marketing to the Hispanic and Asian consumer markets and their many sub-segments. These include making decisions on advertising, in-house print pieces, bilingual staff, ethnic cuisine and customer perks. The importance of developing a strong public and community relations program was also stressed as a powerful complement to an organization's marketing and advertising efforts. But the most critical factor that all three interviewees stressed was follow-through: An organization simply must have a customer service infrastructure that will meet, and ideally exceed, its ethnic customers' expectations, otherwise it will alienate them after the first experience.

Chapter 6

A SURVEY TO ASSESS THE COMMUNICATION PREFERENCES OF HISPANIC AND ASIAN-AMERICAN BETTORS AND NON-BETTORS

DESIGN OF THE SURVEY

A survey (appendix a) was designed to assess several key areas of language preferences: how Hispanics and Asians receive their information, how they prefer to communicate, how they view their consumer potential in the horse racing industry, what their wagering preferences are and whether their needs might differ from those of non-Asians and non-Hispanics. The results of the survey were expected to complement existing research on cross-cultural communication, and shed some light on the dimly lit area of the impact of cultural characteristics on the acceptance of gambling.

The author's intention was to elicit a positive or negative response to the idea that the communication preferences of Hispanic and Asian bettors and non-bettors differ from those of the mass market.

The survey included 10 statements that were measured on the basis of the Likert scale, a measurement system using a five-point scale. The rating scale was broken down into the following individual responses: Strongly Agree, Agree, Neutral, Disagree or Strongly Disagree.

The second part of the survey included 10 optional questions designed to obtain further demographic, geographic and psychographic information about the respondent.

Respondents were also given space to provide additional open-ended comments.

SAMPLE

The goal was to survey 50 Hispanic and 50 Asian individuals in order to receive quantitative results that would be relevant to this study. Respondents were pre-qualified first as being of Hispanic or Asian origin, and second as having learned a language other than English as their first language.

The author sampled 50 Asians and 50 Hispanics at five locations in New Jersey: 1) Meadowlands Racetrack, East Rutherford, 2) Jersey Gardens Shopping Center, Elizabeth, 3) PSEG Headquarters, Newark, 4) Atlantic City boardwalk and 5) Mitsuwa Shopping Center, Edgewater.

ANALYZING THE RESULTS OF THE SURVEY

Statement 1: I watch television programming in my native language on a regular basis.

Fourteen of the Asian-American respondents strongly agreed and another 12 agreed that they watch television programming in their native language on a regular basis. Twelve respondents took a neutral position. There were six respondents who disagreed with this statement, and six who strongly disagreed.

Since 52 percent of Asian-American respondents were in agreement with statement one, it can be concluded that a significant portion of the sample pool watches Asian-language television programming on a regular basis.

In the Hispanic sample, twelve respondents strongly agreed and 15 agreed that they watch Spanish-language television on a regular basis. Seven respondents disagreed and four strongly disagreed with this statement. Twelve took a neutral position.

With 54 percent of Hispanic respondents in agreement with statement one, it can be concluded that a significant portion of the sample market frequently watches Spanish-language television.

Native-Language Television Programming is Pervasive

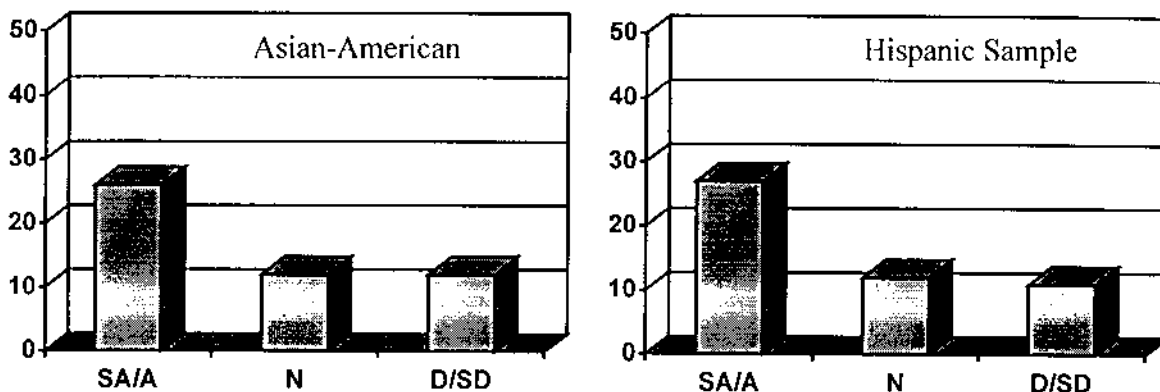


Figure 6-1

Statement 2: I read newspapers or magazines in my native language weekly.

Asian-American respondents were almost evenly divided on this statement: 11 strongly agreed and nine agreed that they read newspapers or magazines in their native language on a weekly basis. Nine disagreed and another nine strongly disagreed. Twelve respondents took no position.

With 40 percent of the sample in agreement with this statement, it can be concluded that a significant number of respondents read in-language newspapers or magazines on a regular basis. It can also be concluded that with 36 percent in disagreement, a notable portion of the Asian-American sample preferred to read English-language publications, or did not have frequent access to media in their native language.

Eight of the Hispanic respondents strongly agreed and 13 agreed that they read Spanish-language periodicals on a weekly basis. Eleven disagreed and three strongly disagreed to statement two. Fifteen took a neutral position.

Since 42 percent of respondents were in agreement with this statement, it can be concluded that a large segment of this market is reachable in Spanish-language print media. With 28 percent in disagreement, it can also be concluded that a notable segment of this market prefers to read English-language publications.

Ethnic Newspapers and Magazines Have Significant Reach

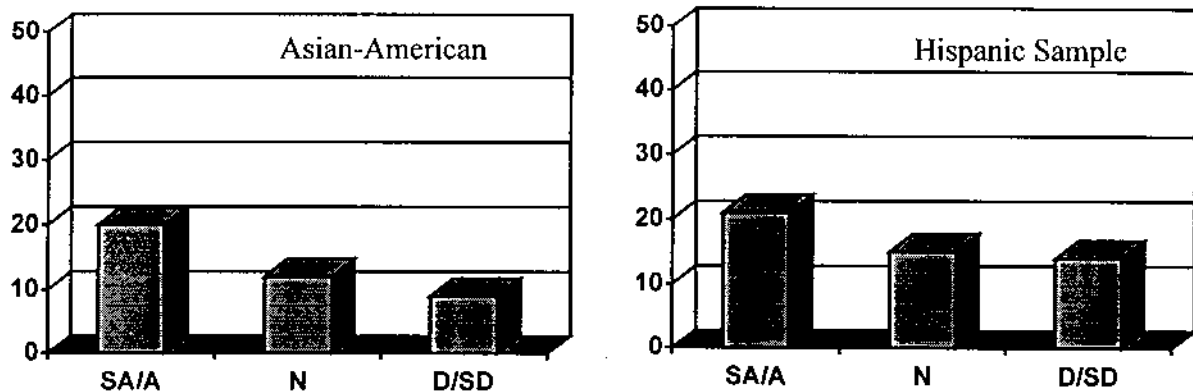


Figure 6-2

Statement 3: I am more likely to receive sports and entertainment information in my own language.

Eleven of the Asian-American respondents strongly agreed and seven agreed that they are more likely to receive sports and entertainment information in their native language. Nine respondents disagreed and 12 strongly disagreed with statement three. Thirteen took a neutral position.

Since 36 percent of respondents were in agreement with this statement, it can be concluded that a meaningful portion of the sample pool turns to Asian-language sources for sports and entertainment information. With 42 percent in disagreement, it can also be concluded that a significant portion of this market is more likely to receive this information in English.

More Hispanics than Asians agreed to statement three. Five strongly agreed and 19 agreed that they were more likely to receive this information in Spanish. Twelve respondents disagreed and eight strongly disagreed with this premise. Five respondents did not take a position.

With nearly 49 percent of Hispanic respondents were in agreement with this statement, it is clear that a significant portion of this market was more likely to plan their leisure activities from information found in Spanish-language resources.

Sports and Entertainment Information is Received from Non-English Sources

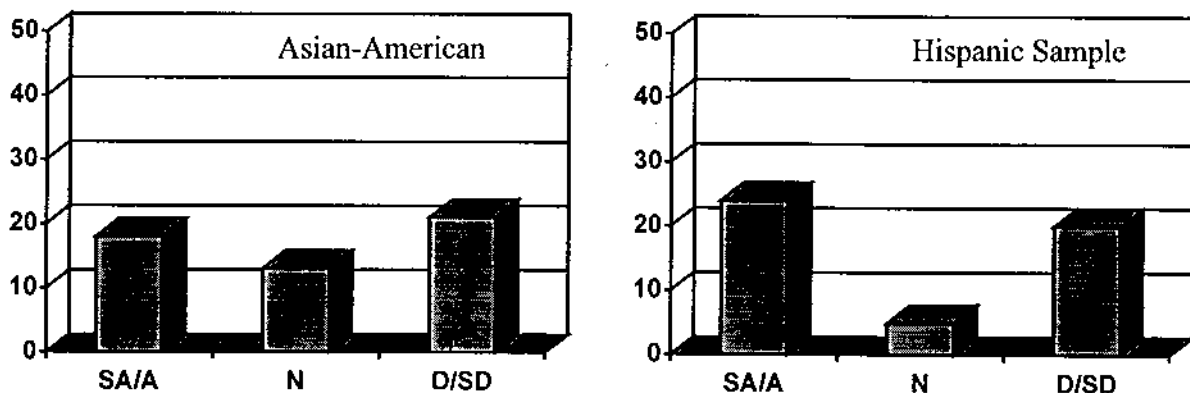


Figure 6-3

Statement 4: In my free time, I mostly communicate in my native language.

The majority of Asian-American respondents – 76 percent - strongly agreed (19) or agreed (19) that they communicate using their native language more than English in their free time. Four respondents disagreed and two strongly disagreed with this statement. Six respondents did not take a position on this statement.

The majority (62 percent) of Hispanic respondents also agreed with this statement. Fourteen strongly agreed and 17 agreed that they use Spanish more than any other language in their free time. Six respondents disagreed and one strongly disagreed to statement four. Twelve took a neutral position.

Since 76 percent of Asian-Americans and 62 percent of Hispanics agreed to statement four, it can be concluded that the overwhelming majority of both groups prefer to communicate in their native language rather than English in their free time.

Native Language is Dominant in Free Time

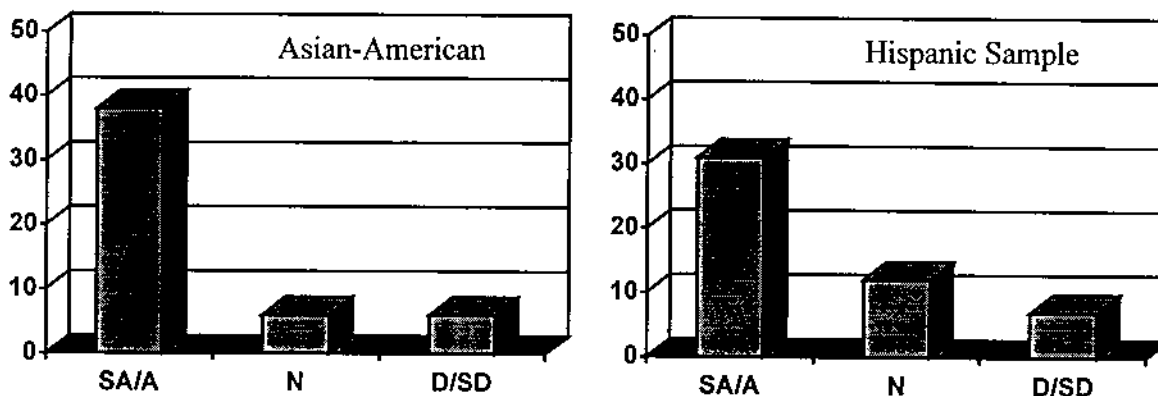


Figure 6-4

Statement 5: I frequently receive promotional mailings from businesses in my native language.

Only a small number of Asian-American respondents reported that they frequently receive promotional mail in their native tongue. Seven were in agreement and another seven strongly agreed to this statement. Twelve respondents disagreed and 17 strongly disagreed. There were nine who took a neutral position.

Since 58 percent of Asian-American respondents disagreed with statement five, and only 28 percent agreed, one can conclude that the majority of direct mail this segment receives is written in English.

Similarly, a small number of Hispanic respondents reported that they frequently receive direct mail in Spanish. Four agreed and nine strongly agreed to statement five. Sixteen disagreed and eight strongly disagreed; twelve took a neutral position. One respondent chose not to answer this question. Since 26 percent of Hispanic respondents were in agreement with this statement and 49 percent were in disagreement, it can be concluded that the majority of the sample pool rarely receives promotional mailings in Spanish.

Few Receive Direct Mail in Native Language

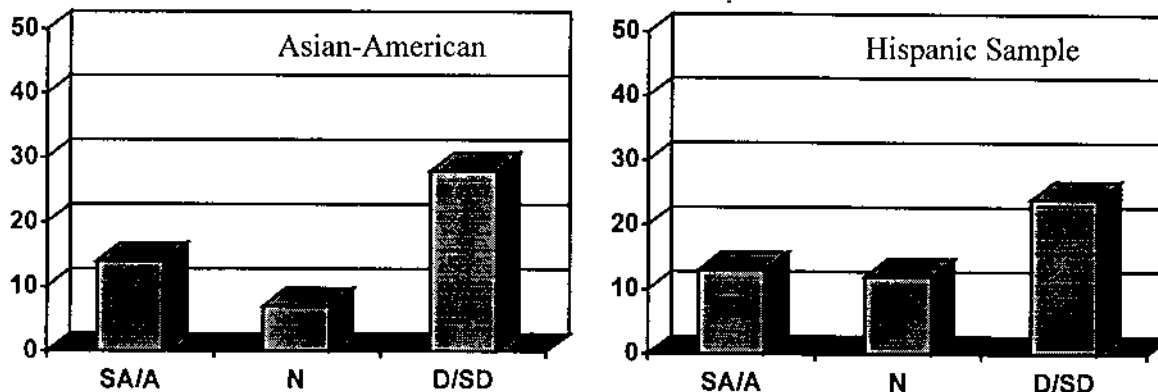


Figure 6-5

Statement 6: I am more likely to read an advertisement that appears in my native language.

The Asian-American sample was almost evenly divided on statement six. Nine strongly agreed and 11 agreed that they were more likely to read an advertisement that appears in their native language. Twelve respondents disagreed and 9 strongly disagreed with this statement. Nine respondents did not take a position.

Since 40 percent were in agreement, it is apparent that perhaps a major segment of this market can be engaged with native language advertising. With 42 percent in disagreement, one can conclude that this segment also includes a significant percentage that want to have English as the facilitating language in their activities.

Responses to statement six were similar among the Hispanic sample. Six strongly agreed and 14 agreed that they were more likely to read an advertisement in Spanish, while 11 disagreed and five strongly disagreed. Fourteen chose a neutral position.

Likewise, 40 percent of Hispanics were in agreement, indicating that a major segment of this market can also be engaged with in-language advertising. With 32 percent in disagreement, this statement proved that a notable portion of the Hispanic sample prefers to be spoken to in English.

Native Language Advertisements Can Engage Major Market Segments

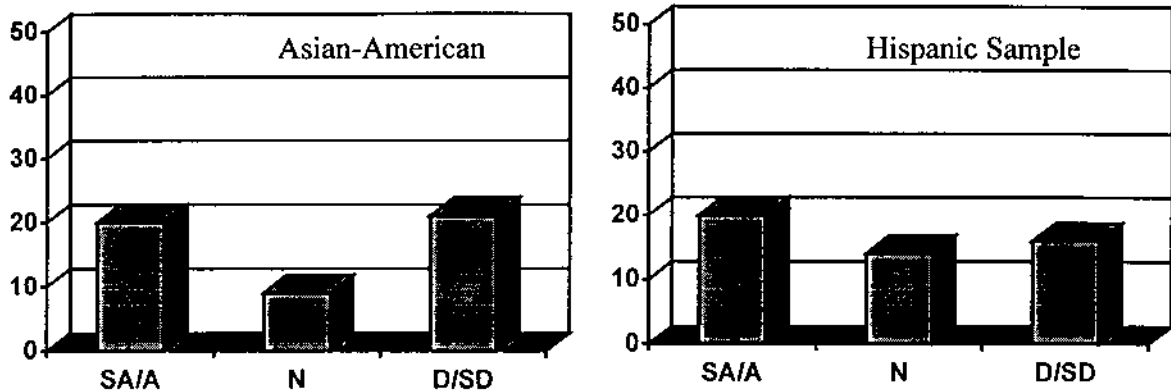


Figure 6-6

Statement 7: I feel more valued as a consumer when businesses advertise in my native language.

Ten of the Asian-American respondents strongly agreed and another seven agreed that they feel more valued as a consumer when businesses advertise in their native language. Twelve disagreed and seven strongly disagreed with statement seven. One respondent elected not to answer this question.

With nearly 35 percent of the sample in agreement, one can conclude that a significant number of Asian-American consumers feel more valued by businesses that advertise to them in their first language. Since 39 percent were in disagreement with statement seven, it can also be concluded that a significant number of respondents felt no more valued by businesses who spoke to them in-language vs. English.

The Hispanic sample felt more strongly on this topic. Eight respondents strongly agreed and 17 agreed that they feel more valued as a consumer when businesses advertise in Spanish. Eleven disagreed and three strongly disagreed with this statement. Eleven took no position.

Since 50 percent of Hispanic respondents were in agreement with statement seven, it can be concluded that the majority of the sample felt more valued as consumers when businesses spoke to them in Spanish.

In-language Advertising Can Help Consumers Feel More Valued

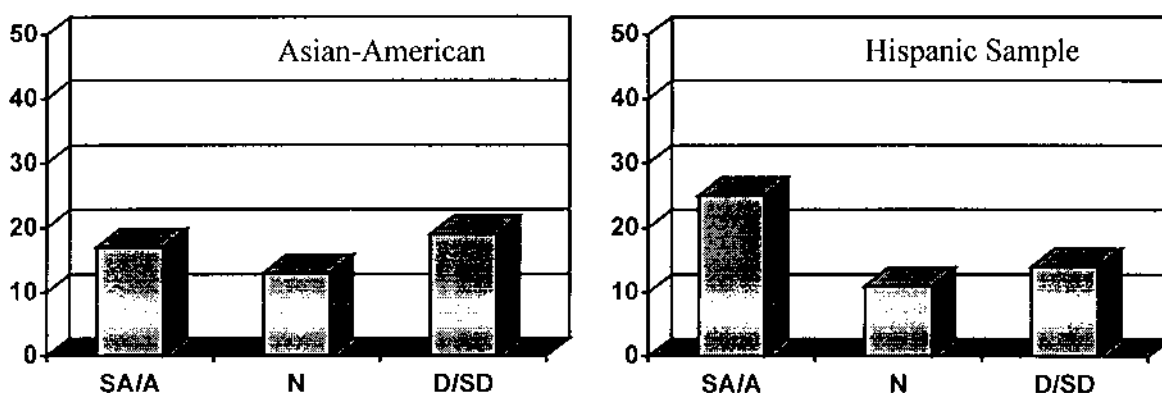


Figure 6-7

Statement 8: I am more likely to frequent businesses that offer services in both English and native language.

The majority (62 percent) of Asian-American respondents strongly agreed (15) or agreed (17) that they are more likely to frequent businesses that offer bilingual services. Two were in disagreement and six were in strong disagreement with this statement. Ten took no position.

Similarly, two-thirds of Hispanic respondents were in agreement with statement eight. Fourteen strongly agreed and 19 agreed with the premise, while two disagreed and one strongly disagreed with it. Fourteen respondents were neutral.

Since 62 percent of Asian-American respondents and 66 percent of Hispanic respondents were in agreement with statement eight, it can be concluded that bilingual services were an important part of the decision-making process for the majority of both consumer markets.

Majority of Both Segments Seek Out Bilingual Services

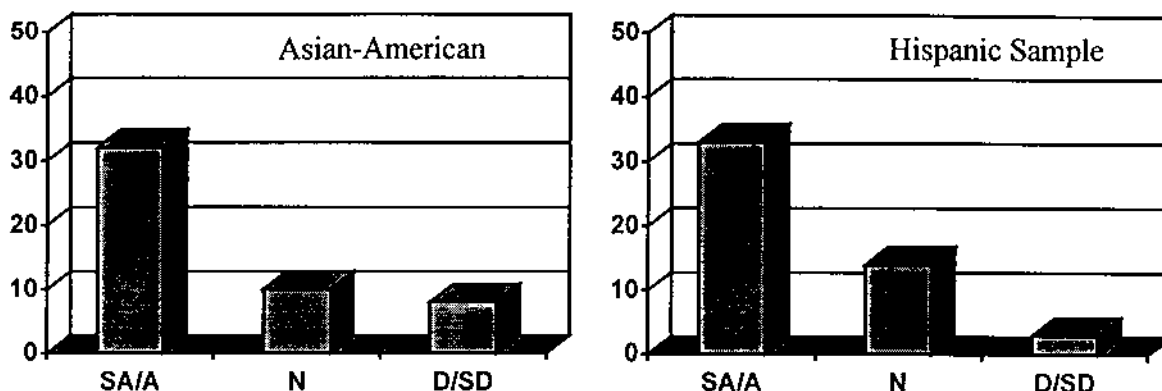


Figure 6-8

Statement 9: My ethnic group has a strong consumer potential in the horse racing industry.

The Asian-American sample was nearly evenly divided on statement nine. Eight respondents strongly agreed and nine agreed that their ethnic group has a strong potential in the horse racing industry. Eight disagreed and 10 strongly disagreed with this statement. Fifteen remained neutral.

With 34 percent in agreement, it can be concluded that a notable portion of Asian-American respondents agreed that their ethnic group had a strong potential for wagering on horse racing. Since 36 percent were in disagreement, one can also conclude that a significant number of respondents felt that Asian-Americans were not likely to gamble on horse racing.

Results were more conclusive within the Hispanic sample. Ten respondents strongly agreed and 14 agreed to statement nine, while seven disagreed and four strongly disagreed with it. Fifteen took a neutral position.

Since 48 percent of Hispanic respondents were in agreement with statement nine, one can conclude that this market views itself as having a strong potential for gambling on horse racing.

Segments Show Strong Consumer Potential in Racing

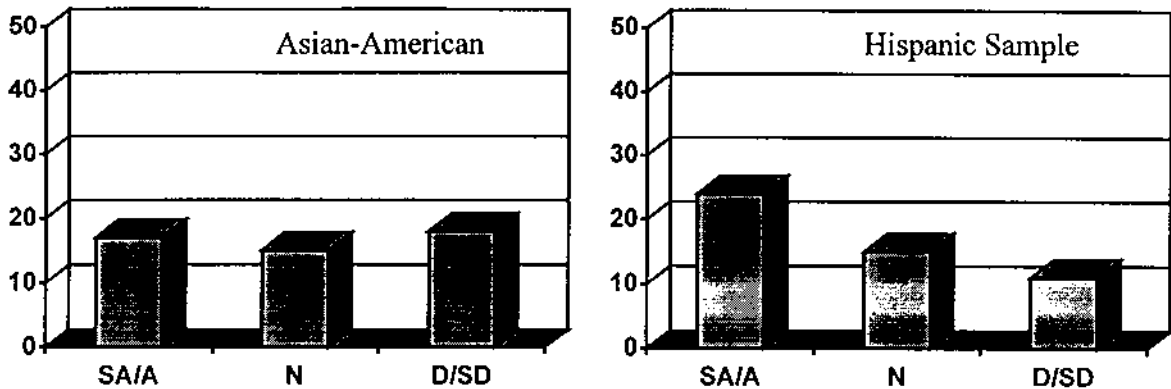


Figure 6-9

Statement 10: I would be more likely to gamble at a place that advertises in my native language, communicates directly to my ethnic group and has staff members that communicate in my native language.

In the Asian-American sample, eight respondents were in strong agreement and six were in agreement with statement 10. Fourteen were in disagreement and eight were in strong disagreement. Thirteen remained neutral, while one respondent chose not to answer this question.

Since 29 percent of Asian-American respondents agreed to statement 10, it can be concluded that a notable portion of this market would be more likely to gamble at a racetrack that speaks to them in their own language and offers bilingual services. With 45 percent in disagreement, one can also conclude that a significant portion would be just as likely to gamble at a facility that was English-only.

Results were more definitive among the Hispanic sample. Eleven respondents strongly agreed and 12 agreed with statement 10. Thirteen disagreed and six strongly disagreed with the premise. Seven remained neutral.

Since 47 percent of this market segment was in agreement to this statement, it can be concluded that a significant number of Hispanics would be more comfortable gambling at a racetrack that spoke to them in Spanish and offered bilingual wagering services. With 39 percent of the sample in disagreement to this premise, one can also concluded that a notable portion are just as comfortable gambling at a facility that only offered services in English.

Hispanic Segment More Likely to Gamble at a Bilingual Facility

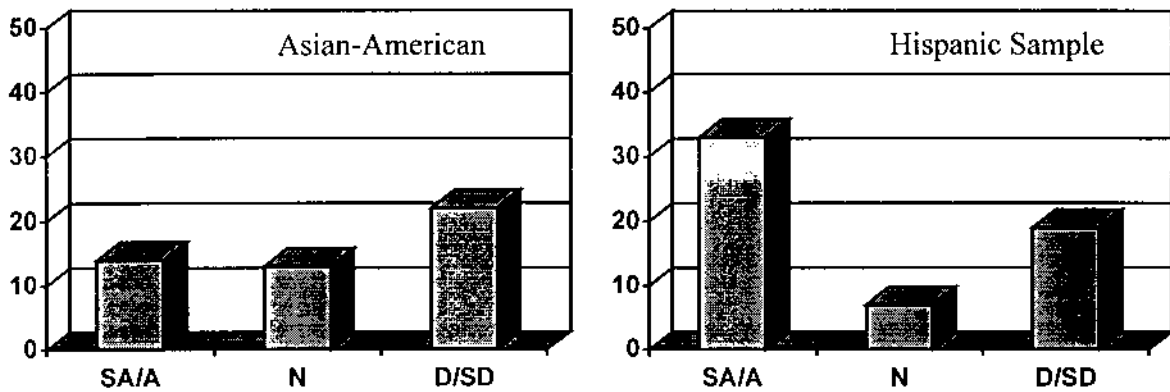


Figure 6-10

ASIAN AND HISPANIC BETTORS HAVE HIGHER PREFERENCE
FOR IN-LANGUAGE COMMUNICATION THAN NON-BETTORS

The preference for in-language communication was significantly higher among the 18 Asian and 21 Hispanic respondents who said they have gambled on horse racing (appendix b) vs. those who said they have not or did not respond to the question. While the sample was small, the data suggests that perhaps a significant segment of Asian and Hispanic bettors can be engaged using native language advertising and prefer their native tongue over English as the facilitating language in their gambling activities.

Statement 1

Sixty-one (61) percent of Asian respondents who bet on horse racing agreed that they watch television programming in their native language on a regular basis, as compared to 43 percent for those who did not bet.

In the Hispanic sample, 57 percent of bettors agreed to this statement, five percent more than non-bettors.

Statement 2

Half (50 percent) of Asian bettors were in agreement that they read newspapers or magazines in their native language on a weekly basis vs. only one-third (33.3 percent) of non-bettors who did so.

Hispanic bettors were 10 percent more likely to read Spanish-language publications than non-bettors (48 percent vs. 38 percent).

Statements 3 & 4

Asian bettors were more likely than non-bettors to communicate in their first language in their free time, 78 percent vs. 73 percent, and thus, were much more likely to seek out sports and entertainment information in their native language (44 percent vs. 27 percent).

Hispanic bettors were slightly less likely than non-bettors to use Spanish as the language of choice in their free time (48 percent vs. 50 percent), yet they were 7.6 percent more likely to receive their sports and entertainment information from non-English sources (66.6 percent vs. 59 percent).

Statement 5

One-third (33.3 percent) of Asian bettors agreed that they frequently receive promotional mailing from businesses in their native language, vs. 27 percent of non-bettors who agreed to this statement. This is perhaps directly correlated to the overall trend that Asian bettors were more likely to seek out communication in their native language.

Similarly, one-third (33.3 percent) of Hispanic bettors agreed to this statement, compared with 29 percent of non-bettors.

Statements 6, 7 & 8

Half (50 percent) of Asian bettors were more likely to read an advertisement in their native language, as compared to 37 percent of non-bettors. Correspondingly, Asian bettors felt more valued as consumers when businesses advertised in their native language (47 percent vs. 23 percent) and were more likely to frequent businesses that offered bilingual services than non-bettors (66.6 percent vs. 60 percent).

The contrast in the rate of agreement to statements six, seven and eight was much more pronounced between Hispanic bettors and non-bettors. Those who bet on horse racing were more than twice as likely to read a Spanish advertisement over an English one (57 percent vs. 28 percent) and feel valued by businesses that advertised in Spanish (71 percent vs. 35 percent). They were also more likely than non-bettors to frequent businesses that offered services in both languages (86 percent vs. 52 percent).

Statements 9 & 10

Obviously, those Asians who gambled on horse racing were much more likely to feel that their ethnic group had a strong consumer potential in the industry than non-bettors (50 percent vs. 23 percent). Based on this response, combined with the results of the preceding statements, it was obvious that they would also be more likely than non-bettors (44 percent vs. 17 percent) to want to wager at a place that advertised in their native language, communicated directly to their ethnic group, and had staff members that spoke their native language.

Likewise, Hispanic bettors were much more likely than non-bettors to feel that their ethnic group has a strong consumer potential in horse racing (71 percent vs. 31 percent), as well as more likely to wager at a facility that marketed to them in Spanish and offered bilingual services (71 percent vs. 29 percent).

Chapter 7

CONCLUSIONS AND RECOMMENDATIONS

SUMMARY OF THE DATA

The data produced in this study revealed that the Hispanic and Asian consumer markets offer the most growth potential as they multiply quickly in size and buying power over the next five years, and that New Jersey's racetracks are surrounded by two of the largest markets for both consumer segments. Examples provided also show that from soft drink makers to financial institutions, the businesses who commit to wooing consumers in these markets stand to reap a significant return on their investments.

The research showed that the communication needs of Hispanic and Asian consumers differ from those of the mass market, and that there are many variables to be taken into consideration in the development of effective marketing campaigns among the diverse sub-segments of these ethnic groups. Assimilation levels, the context of communication and language preferences are among the criteria that must be addressed in taking a multicultural approach to marketing. Casinos, professional sports organizations and at least one racetrack have demonstrated how these variables can be managed to effectively target these markets.

Furthermore, the research also suggested that cultural factors impact the propensity to gamble and preferences for gambling modalities. In addition, historical and anecdotal examples suggested that some Asian and Hispanic cultures may accept gambling more widely than others.

Finally, a survey revealed that perhaps a significant segment of the regional Hispanic and Asian consumer markets want to be engaged in their native language and would prefer to have

the option of conducting their wagering activities in their native language. This was further confirmed by a strong demand for these services among those respondents who have gambled on horse racing.

Over the last 10 years, the idea of multicultural marketing has gone from a new trend to an absolute necessity for many industries. For horse racing, it could be a powerful way to grow a new base of racing fans. Overall, the research produced in this study should serve as a starting point for New Jersey's racetracks in building a marketing program to effectively target Asian and Hispanic consumers, from the potential racing fan to seasoned horseplayer.

RECOMMENDATIONS

As the author explored the intersections of ethnicity and the propensity to gamble it quickly became apparent that there is a significant need for more quantitative research in this area. The author was surprised at how little research exists on the demographics of gamblers at casinos and racetracks in the United States. While the author cannot speculate on actual numbers, in her seven years of experience in the racing industry she has observed a marked lack of diversity among racetrack employees at the management level, a trend that is mirrored by the seeming predominance of White and African-American bettors at New Jersey's racetracks. In order for New Jersey's horse racing industry to reach new audiences, it needs to better define who its existing customers are. Investing in such a study will not only help reveal untapped markets and the preferences of those markets, but it will also become information that is marketable to sponsors.

Secondly, the horse racing industry must examine the diversity of its workforce. While the industry must look at ways to grow a new fan base, it must also recruit employees who are

enthusiastic about the racing product and feel empowered enough to deliver the high level of guest services that is expected by Asian and Hispanic gamblers, as emphasized by the interviews in chapter 5.

But above all, it is imperative that New Jersey's racing industry gets the jump on competing jurisdictions in the Asian and Hispanic markets. As one survey respondent, a Cuban man who frequently attends the races, said, "It is only a matter of time before someone starts advertising in Spanish and offering Spanish mutuel windows. Whoever does it first is going to be the winner. If Aqueduct [in New York] starts doing it first, then everyone will go there to bet, even if it's not as close as the Meadowlands [in New Jersey]."

It is a common belief that most bettors are introduced to horse racing by a friend or family member who already frequents the races. Census 2000 shows that Hispanic households are larger than the national average and that Asian households have the highest income levels in the nation. If the "one customer begets another" principle is applied, it stands to reason that results could be significant if one member of every five Puerto Rican or Cuban or Filipino households in northern New Jersey had a positive experience at the racetrack. Creating that positive experience means implementing an advertising plan that appeals to the palette of these audiences and connecting with their emotions, and supporting these marketing efforts with a comfortable gaming environment that offers bilingual wagering information and guest services.

New Jersey's racetracks already have a solid framework for offering such services. For example, many employees [admissions, food service, mutuel tellers, etc.] at the Meadowlands speak English and Spanish. If a guest approaches a bilingual employee using Spanish, that employee will usually oblige them, but why not take it to the next level by guaranteeing it as a

service and advertising that it is available? It's a relatively small investment that could produce a significant return in the long run.

Another resource the racing industry can draw upon is the demographics of its own "player roster." Thoroughbred racing, in particular, should take a cue from other professional sports and try marketing the many Hispanic jockeys who compete at thoroughbred racing's top levels. Major League Baseball and professional soccer have already proven how lucrative the "hometown hero" angle can be. Try working with Roberto Alvarado to connect with the regional Puerto Rican population, or Eibar Coa, to reach the local South American audience.

New Jersey's racing industry must also plan to complement its segmented marketing efforts and advertising dollars with a strong media relations plan. It is clear that ethnic media opportunities abound, and they may offer an important outlet for racing information. While it is becoming increasingly difficult for the racing industry to secure regular coverage by the mass media, ethnic media may not only be more receptive to feature pitches, but they may also offer more bang for the advertising buck.

The author believes strongly that there is a significant untapped pool of horseplayers who can be engaged through a multicultural approach to marketing. For New Jersey's racetracks to defend their position within the wagering market, it is imperative that they communicate meaningfully with the state's rapidly expanding Hispanic and Asian-American populations. By being the first to personalize the experience of watching and wagering on live horse racing for ethnic bettors, New Jersey will have a sizable lead on its competitors.

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Appendix A

Survey

October 2002

Dear Survey Participant,

This survey is being conducted as part of a graduate thesis project to complete the Master of Arts in Corporate and Public Communication at Seton Hall University.

The topic for this research project is multicultural marketing in New Jersey's horse racing industry.

All survey responses will be kept confidential. The results of this study will be presented in the Walsh Library at Seton Hall University on April 24, 2003.

Please contact me at (201) 842-5014 if you would like to receive a copy of the research results.

Thank you for your assistance. Your participation in this project is greatly appreciated.

Sincerely,
Amy Silver

SURVEY QUESTIONS

SA=Strongly Agree

A=Agree

N=Neutral

D=Disagree

SD=Strongly Disagree

1) I watch television programming in my native language on a regular basis.	SA	A	N	D	SD
2) I read newspapers or magazines in my native language weekly.	SA	A	N	D	SD
3) I am more likely to receive sports and entertainment information in my own language.	SA	A	N	D	SD
4) In my free time, I mostly communicate in my native language.	SA	A	N	D	SD
5) I frequently receive promotional mailings from businesses in my native language.	SA	A	N	D	SD
6) I am more likely to read an advertisement that appears in my native language.	SA	A	N	D	SD
7) I feel more valued as a consumer when businesses advertise in my native language.	SA	A	N	D	SD
8) I am more likely to frequent businesses that offer services in both English and my native language.	SA	A	N	D	SD
9) My ethnic group has a strong consumer potential in the horse racing industry.	SA	A	N	D	SD
10) I would be more likely to gamble at a place that advertises in my native language, communicates directly to my ethnic group and has staff members that communicate in my native language.	SA	A	N	D	SD

Optional Questions

Answer any, some, all or none of the below.

Background

- 1) Male _____ Female _____
- 2) Residence: State: NY _____ NJ _____ CT _____ PA _____ Other _____
County: _____
- 3) Age: 18-25 26-34 35-45 46-55 56-64 65+
- 4) Ethnicity:
- Asian:* Chinese Filipino Japanese Korean Vietnamese
Other Asian _____
- Hispanic:* Cuban Mexican Puerto Rican South American
Other Hispanic _____
- 5) Income Range:
- Under \$25,000 \$25-34,999 \$35-\$49,999 \$50,000-\$74,999 \$75,000+

Wagering Trends

- 6) Have you ever participated in betting on horse racing? Yes No
- 7) If so, how frequently do you bet on horse racing?
Daily Weekly Monthly Every few months Few times a year

Appendix B

Survey Response Keys

Optional Question Responses – Hispanic Sample

(Out of 50 respondents)

Background

1)	Male:	<u>24</u>		
	Female:	<u>24</u>		
2)	Residence:	NY	<u>9</u>	
		NJ	<u>41</u>	
		CT	<u>0</u>	
		PA	<u>0</u>	
	County:	Bergen (NJ)	<u>1</u>	
		Essex (NJ)	<u>7</u>	
		Hudson (NJ)	<u>4</u>	
		Middlesex (NJ)	<u>4</u>	
		Monmouth (NJ)	<u>1</u>	
		Passaic (NJ)	<u>7</u>	
		Union (NJ)	<u>3</u>	
		Manhattan (NY)	<u>1</u>	
		Rockland (NY)	<u>1</u>	
		Westchester (NY)	<u>1</u>	
3)	Age:	18-25	<u>8</u>	
		26-34	<u>14</u>	
		35-45	<u>13</u>	
		46-55	<u>12</u>	
		56-64	<u>1</u>	
		65+	<u>1</u>	
4)	Ethnicity:	Cuban	<u>8</u>	
		Mexican	<u>1</u>	
		Puerto Rican	<u>21</u>	
		South American	<u>12</u>	
		Other Hispanic	<u>4</u>	
		Dominican	<u>3</u>	
		Honduran	<u>1</u>	
5)	Income Range:	Under \$25,000	<u>17</u>	
		\$25-34,999	<u>12</u>	
		\$35-49,999	<u>10</u>	
		\$50-74,999	<u>5</u>	
		\$75,000+	<u>2</u>	

Wagering Trends

6) Have you ever participated in betting on horse racing?	Yes	<u>21</u>	
	No	<u>29</u>	
7) If so, how frequently do you bet on horse racing?			
	Daily	<u>1</u>	
	Weekly		<u>7</u>
	Monthly		<u>2</u>
	Every few months	<u>3</u>	
	Few times a year		<u>8</u>
8) Where do you bet on horse racing?			
	Racetrack		<u>13</u>
	Casino Racebook		<u>5</u>
	OTB		<u>5</u>
	Phone		<u>1</u>
	Internet		<u>0</u>
9) Of these places, where do you wager the most frequently?			
	Racetrack		<u>14</u>
	Casino Racebook		<u>5</u>
	OTB		<u>2</u>
	Phone		<u>0</u>
	Internet		<u>0</u>
10) If all these wagering options were available to you, which method would you prefer above all others?			
	Racetrack		<u>0</u>
	Casino Racebook		<u>6</u>
	OTB		<u>2</u>
	Phone		<u>1</u>
	Internet		<u>1</u>

Optional Question Responses – Asian Sample

(Out of 50 respondents)

Background

1)	Male:	<u>25</u>		
	Female:	<u>24</u>		
2)	Residence:	NY	<u>13</u>	
		NJ	<u>33</u>	
		CT	<u>0</u>	
		PA	<u>1</u>	
		Other	<u>1</u>	
	County:	Bergen (NJ)	<u>6</u>	
		Essex (NJ)	<u>4</u>	
		Hudson (NJ)	<u>3</u>	
		Passaic (NJ)	<u>1</u>	
3)	Age:	18-25	<u>9</u>	
		26-34	<u>7</u>	
		35-45	<u>15</u>	
		46-55	<u>10</u>	
		56-64	<u>1</u>	
		65+	<u>3</u>	
4)	Ethnicity:	Chinese	<u>13</u>	
		Filipino	<u>20</u>	
		Japanese	<u>7</u>	
		Korean	<u>8</u>	
		Other Hispanic	<u>1</u>	Taiwanese <u>1</u>
5)	Income Range:	Under \$25,000	<u>10</u>	
		\$25-34,999	<u>7</u>	
		\$35-49,999	<u>5</u>	
		\$50-74,999	<u>13</u>	
		\$75,000+	<u>4</u>	

Wagering Trends

6) Have you ever participated in betting on horse racing?	Yes	<u>18</u>
	No	<u>30</u>
7) If so, how frequently do you bet on horse racing?		
	Daily	<u>2</u>
	Weekly	<u>9</u>
	Monthly	<u>2</u>
	Every few months	<u>0</u>
	Few times a year	<u>5</u>
8) Where do you bet on horse racing?	Racetrack	<u>17</u>
	Casino Racebook	<u>4</u>
	OTB	<u>6</u>
	Phone	<u>1</u>
	Internet	<u>2</u>
9) Of these places, where do you wager the most frequently?		
	Racetrack	<u>14</u>
	Casino Racebook	<u>4</u>
	OTB	<u>3</u>
	Phone	<u>1</u>
	Internet	<u>0</u>
10) If all these wagering options were available to you, which method would you prefer above all others?		
	Racetrack	<u>12</u>
	Casino Racebook	<u>3</u>
	OTB	<u>6</u>
	Phone	<u>1</u>
	Internet	<u>1</u>