

TIME'S SPECIAL REPORT ON SOUTH-ASIAN MARKETS IN NORTH-AMERICA

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BRIAN SMITH FOR TIME

There are some 2.5 million desis in the U.S., including the Subrahmanian family in Florida. Says mother Lakshmi, second from left: "We like to buy the best."

Chasing Desi Dollars

THEIR ROOTS ARE ON THE INDIAN SUBCONTINENT; THEIR WALLETS ARE HERE. WHY COMPANIES ARE CATERING TO A HOT MINORITY: DESIS

By BARBARA KIVIAT

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Jay Sean is an hour late, but the crowd gathered in the makeshift studio at MTV's Times Square headquarters doesn't seem to mind. Twenty-some twenty-somethings are sitting around the edges of the room when the spiky-haired British R&B star finally enters, causing more than one girl to lean forward. Sean is miked and seated in front of an MTV logo reminiscent of the Taj Mahal. The camera rolls, and the interview begins. Sean talks about being a kid and starting a band in England with his cousin, recording their first demo tape in his bedroom and being swooned over. He also talks about listening to bhangra music, choosing singing over medicine as a career and picking a Bollywood actress to star in his latest music video. The interview wraps, but the star, who was raised

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in Britain by India-born parents, stays seated to shoot a few promotional clips. "This is your boy Jay Sean," he says, "and you're watching MTV Desi."

Welcome to the next marketing frontier. For years, Western companies have understood the potential of 1 billion consumers in India, but now they are slowly starting to realize the purchasing power of people in the U.S. who trace their roots to the subcontinent--a group known as desis. MTV India has aired overseas since 1996, but MTV Desi--a channel for Americans of Indian, Pakistani, Bangladeshi, Sri Lankan, Bhutanese and Nepalese descent--is brand new, launching this summer. And MTV isn't alone as it chases desi dollars. South Asian marketing is still in its infancy, but early adopters like General Motors, Citibank and GlaxoSmithKline are advertising in ethnic newspapers, buying airtime on satellite channels, sponsoring cultural festivals, underwriting minority scholarships and even creating new products, like MTV Desi.

Why the interest? It's not just America's growing appetite for South Asian culture--movies like *Bend It Like Beckham* and stars like Bollywood actress and model Aishwarya Rai. The marketing thrust started with the 2000 Census, which revealed that during the 1990s the number of Indians in the U.S. more than doubled--making them the fastest-growing Asian minority. There are some 2.5 million desis in the U.S., and the vast majority are Indian. That may not seem terribly significant compared with, say, 40 million Hispanics, but consider how premium a customer a South Asian is: Indians alone commanded \$76 billion worth of disposable personal income last year, according to market-research firm Cultural Access Group, using figures from the University of Georgia's Selig Center for Economic Growth; median household income is nearly \$64,000--50% higher than the national average. The U.S. has always welcomed the world's poor and working classes. India has sent its professionals.

And they're not afraid to spend. Lakshmi Subrahmanian, 48, sums up the shopping habits of her four-person, five-computer, six-figure-income family this way: "We like to buy the best." The mental-health counselor and her electrical-engineer husband Jayram, 53, who own a five-bedroom house in Coral Springs, Fla., are about to trade in their 2002 Mercedes--it's time for something newer. That spells opportunity for General Motors, which has begun pushing Cadillacs in desi circles. "This is a great market," says Jean Liu-Barnocki, GM's manager for Asian-American marketing, "and we're putting some very targeted resources behind reaching it."

At first glance, that might seem fairly simple. Unlike Hispanics and other Asian minorities, South Asians often arrive fluent in English. The influence may be more British than it is American--cricket is preferred to baseball--but a desi in the U.S. can still pick up USA Today and understand a Gap ad.

Whether that message gets through, though, is a separate matter. "We speak English, but we don't speak the same language," says Vivek Sharma, senior manager of India Abroad, a U.S.-based newspaper that, along with titles such as India Today, India-West and New India Times, is attracting ads from the likes of Mercedes-Benz, Lufthansa, New York Life, GM, Western Union, AT&T and the New York Times. Just consider that Sean, in

typical eyebrow-raising rock-star fashion, picked actress Bipasha Basu for his music video in part because she was racy enough to have had an onscreen kiss--a rarity for a Bollywood star. The mores of bare-it-all Hollywood could not be further away.

To make an advertising message culturally relevant, says Saul Gitlin, executive vice president at Kang & Lee Advertising, you have to do more than toss a desi face into a commercial. Values such as education, hierarchy and status are unshakable for desi families, even if modified to reflect American lifestyles. "There's a core belief in higher education and studying and saving," says Phil Salis, vice president of consumer marketing at MetLife, which has created desi-specific television advertising to run on satellite channels such as ZEE TV, B4U, Sony TV and TV Asia. He's not kidding: 64% of Indians in the U.S. hold a bachelor's degree, vs. 24% of the overall population. Says Salis: "That's a great opportunity for financial services."

Marketers are also recognizing that in close-knit, largely immigrant communities, familiarity with a brand plays a much more important role than it does with the general public. "Word of mouth is huge," says Lakshmi Bhargave, 25, a graphic artist in Chicago. "We have this theory that between Indians, it's more like two degrees of separation rather than the usual six." So firms show up at desi events and subtly introduce the message: We're a part of your community too. Wells Fargo sponsored a Bollywood concert in Cupertino, Calif., in June, setting up a table in the lobby and dispensing brochures touting its new money-transfer service to India, an initiative aimed at stealing business from Western Union. "It's not just about advertising," says Michelle Scales, director of the diverse growth segment at Wells Fargo. "It's about being visible in the community."

It took Hispanic marketers 20 years to convince media executives that there was a case for targeting Hispanics, and today people like Vimal Verma, chairman and CEO of American Desi, a satellite network that launched earlier this year, are engaged in a similar campaign for South Asians. He hopes what many in the industry do: if the entertainment platform is built, the advertising dollars will follow.

That's what the folks back at MTV are banking on too. "If you wanted to reach young South Asians, there hasn't been a branded, credible platform," says Nusrat Durrani, senior V.P. and general manager of MTV World. Voilà MTV Desi, which should air nationally in July. After Jay Sean's interview, he sticks around to pose for photographs with fans. "To me, it's been a long time coming," the singer says between autographs. "There is a massive market out there." Sean, an artist and an entrepreneur, pauses and then continues, "We make up one-fifth of the population of the world. Imagine that."

--With reporting by Jeanne DeQuine/ Miami, Noah Isackson/Chicago and Laura A. Locke/ Cupertino

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