

Asian Growth is Hot in Dallas/Ft. Worth

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By Edward T. Rincón, Ph.D.

As major corporations throughout the U.S. sharpen their pencils to strengthen their competitive edge, Asian consumers are increasingly becoming a more important part of their efforts to target multicultural consumers. While efforts to target Asian consumers have generally focused on east and west coast markets, new research illustrates that Asians in the Dallas/Ft. Worth metropolitan area are becoming a hot commodity and increasingly attracting the attention of Corporate America. Before addressing the attributes that make Asian consumers attractive, however, let's first consider who is included in the term "Asian."

The Asian category includes persons from 16 countries. Although there are various ways to define the Asian category, a good first place to start is the definition used by the Census Bureau since all of the population counts for Asians are reported in this format. Table 1 includes the country of origin for all of the groups that the Census Bureau includes in the Asian race category.

Table 1
Asian Population in Dallas/Ft. Worth by Asian Subgroup, 2007

Group	Number	Percent
Total Asian	291,168	100.0
Asian Indian	86,712	29.6
Bangladeshi	1,997	0.7
Cambodian	4,833	1.7
Chinese, except Taiwanese	41,352	14.2
Filipino	19,649	6.7
Hmong	852	0.3
Indonesian	1,047	0.4
Japanese	6,445	2.2
Korean	24,302	8.3
Laotian	5,125	1.8
Malaysian	1,521	0.5
Pakistani	10,900	3.7
Sri Lankan	819	0.3
Taiwanese	2,284	0.8
Thai	4,833	1.7
Vietnamese	68,189	23.4
Other Asian	7,440	2.7
Other Asian, not specified	2,868	1.0

Source: American Community Survey, 2007

At first glance, it may appear that there are too many subgroups of Asians to develop any meaningful marketing strategy. However, take comfort in knowing that 75 percent of the Asian population in Dallas/Ft. Worth is represented by just four Asian subgroups: Asian Indians (29.6%), Vietnamese (23.4%), Chinese (14.2%), and Koreans (8.3%). In 2007, Asians represented 4.5 percent of the total population in Dallas/Ft. Worth, or 291,168 persons. Despite their relatively smaller presence, however, Asians are growing at a fast pace of 50 percent since the year 2000 when they numbered 193,742. The only other area in Texas that includes a comparable number of Asian persons is the Houston-Baytown-Huntsville metropolitan area (322,750).

A unique demographic profile makes Asians in DFW an attractive consumer segment. Compared to the average Dallas/Ft. Worth resident, Asian consumers were more likely to be married, have a bachelor's or graduate degree, and earn a higher median household income. Moreover, Asians were just as likely as Dallas/Ft. Worth residents to own a home but four times as likely to be foreign-born. The strong presence of foreign-born Asians reinforces the maintenance of their native-language and cultural traditions, which further shape their media and product preferences.

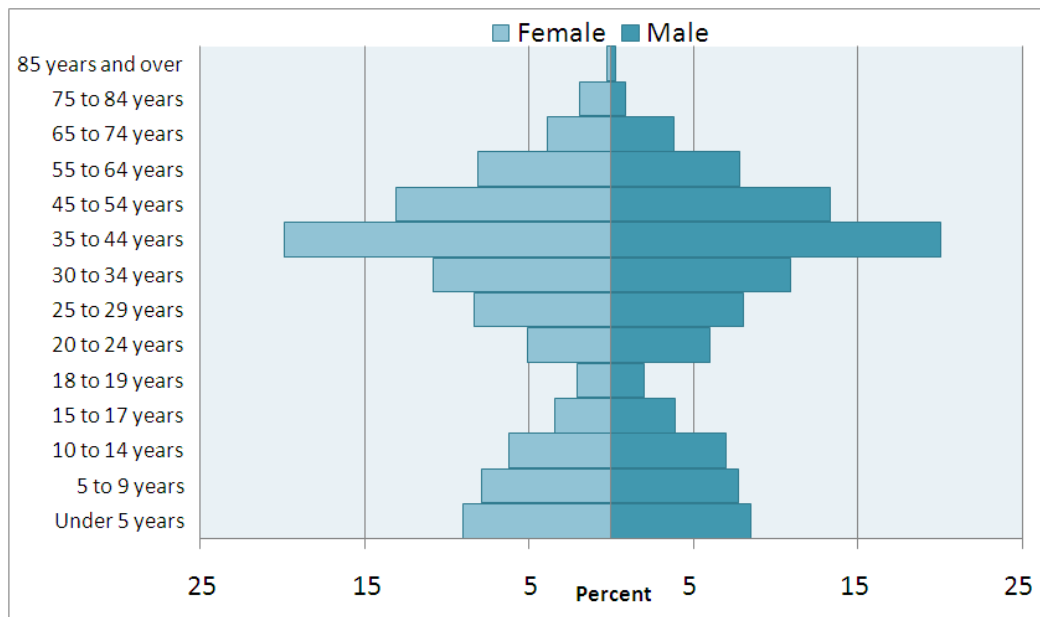
Table 2
Demographic Profile: Asians vs. Total DFW Population

Characteristic	Asians	Total Population
Percent persons 25 years or older with a bachelor's or graduate degree	54.7%	29.3%
Median household income	\$64,559	\$53,918
Percent homeowners	64.4%	64.1%
Percent adults who are foreign-born	87.9%	21.4%
Percents persons 15 years or older who are married	64.5%	54.4%

Source: American Community Survey, 2007

At a median age of 33.5 years, Asians are heavily concentrated in the 34 to 54 age group, as shown by Figure 1. This age segment includes many individuals who have completed their college degrees and in their prime income earning years.

Figure 1:
Age-Sex Distribution for DFW Asian Population, 2007

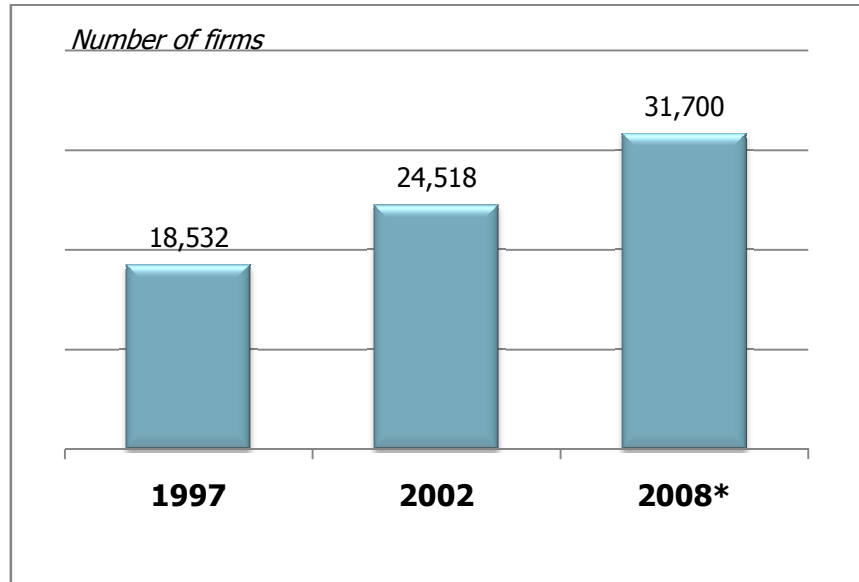


Source: American Community Survey, 2007

Asian buying power is also growing at a fast pace. The Census Bureau measures household aggregate income, which includes the total income earned by all household members in a specific period. Aggregate income is sometimes used as a gross measure of buying power. In 2007, the estimated Asian aggregate income in Dallas/Ft. Worth was \$7.3 billion, which nearly doubled from their aggregate income of \$4.0 billion in the year 2000. In addition to their increasing buying power, Asian consumers have distinct preferences in regards to the brands that they purchase and their shopping destinations, as discussed later in more detail.

Growth in the Asian business community is impacting the local Dallas/Ft. Worth economy as well. A strong tradition of entrepreneurship has led to significant growth in number of Asian-owned business firms, which contributes to a stronger local economy. Since the year 1997, Asian-owned firms have grown at a rate of 71 percent – from 18,532 firms to an estimated 31,700 firms in 2008 (see Figure 2). More importantly, Asian-owned firms reported \$6.1 billion in sales and receipts in 2002, and \$1.5 billion in payrolls. This growth benefits the Dallas/Ft. Worth area through the creation of jobs and contributions to the tax base.

Figure 2
Growth of Asian-Owned Firms in Dallas/Ft. Worth,
1997 to 2008



*Source: Census Bureau Economic Census, 1997, 2002. * The 2008 estimate was compiled by Rincon & Associates based on the annual growth rate between 1997 and 2002.*

The growth of Asian-owned firms in the metroplex has also led to the creation of various area chambers of commerce whose mission is to promote opportunities for Asian firms -- both domestically and globally. These chambers of commerce and their web site addresses are presented in Table 3:

Table 3
Metroplex Asian Chambers of Commerce

Chamber Name	Web Address
Greater Asian-American Chamber of Commerce	www.gdaacc.com
Association of Chinese Professionals (ACP) Foundation	www.acpdfw.org
Dallas Japanese Association	www.godja.org
Greater Dallas Indo-American Chamber of Commerce	www.gdiacc.org
Greater Dallas Korean American Chamber of Commerce	www.koreanchamber.org
North Texas & Collin County Taiwanese Chamber of Commerce	www.ntcctcc.org
Taiwanese Chamber of Commerce of Dallas/Ft. Worth	www.tccdfw.org
Thai Commerce Association	www.thaica-dfw.org
U.S.-China Chamber of Commerce	www.uscccdallas.org
U.S.-Pan Asian American Chamber of Commerce – Southwest Chapter	www.uspaacc-sw.org

Source: City of Dallas, Office of Economic Development, 2008. www.Dallas-EcoDev.org.

The presence of these various organizations is beneficial in two important ways. First, chambers of commerce provide a welcoming message to other Asian businesses who are considering Dallas/Ft. Worth as a place to establish or expand a business. Secondly, it communicates to the broader community that the Asian business community is mature and capable of serving domestic and global trade.

Reaching Asian consumers is now a reality. The increasing growth of Asian buying power in the Dallas/Ft. Worth metroplex would be of limited use to interested businesses if the tools to understand and reach this segment were not in place. Indeed, marketers sometimes overlook opportunities in the Asian community because of the lack of reliable information regarding their consumer needs, lifestyles, language usage, brand preferences, and other important characteristics to guide their marketing strategies. The absence of reliable marketing data stems in part from the relative absence of research firms with the required staff and software technology to collect information from Asian consumers and firms in their native language. Ironically, a large proportion of Asians prefer to communicate in their native language when given the choice, despite being highly educated and proficient in the English language.

One Dallas firm, however, has overcome these linguistic barriers with its recent release of the *Dallas/Ft. Worth Multicultural Trendline Study 2008*. The study, conducted by Rincon & Associates, is a ground-breaking study that included 400 Asians, 600 Hispanics, and 400 African-Americans who were interviewed in five languages – English, Spanish, Chinese, Korean, and Vietnamese. As the first study to address the consumer behavior of Asians residing in the metroplex, it provides a roadmap to the marketing community for reaching Asian consumers. Following are some of the highlights from the study:

- **Newspapers:** Aside from reading English-language newspapers, Asians residing in the metroplex have access to 12 Asian-targeted newspapers which are read more frequently than English-language newspapers.
- **Internet:** The majority of Asians (75%) have access to the Internet, which is the primary source of information when shopping for large purchases.
- **Radio and television:** Asians have few choices available in regards to radio programs in their native language or content that is directed to their needs. While they watch English-language television stations for general newscasts, they have few expectations about news stories related to the Asian community.
- **Supermarkets:** Asians spent an estimated \$622 million at area supermarkets – primarily at such stores as Wal-Mart, Hong Kong Marketplace, and Saigon Taipei Supermarket.
- **Banking:** To handle their financial needs, Asians primarily used Bank of America and Chase. While many Asians have credit cards available, they are reluctant to incur debt for the purchases that they make.
- **Home Furniture:** To purchase home furniture, Asians primarily shopped at IKEA and Rooms-to-Go.
- **Home Appliances:** Sears-Roebuck and Best Buy were the primarily shopping destinations for refrigerators, washers and dryers.
- **Automobiles:** When buying automobiles, Asians were more likely to buy Asian brands like Toyota and Honda, with relatively less interest in American brands.

A growing Asian consumer and business community, coupled with reliable market intelligence about Asians, suggests that Dallas/Ft. Worth has evolved into a market that promises to capture the attention of domestic and international business partners in years to come.

There is continuing interest between the Asian global community and Dallas-area organizations to develop global trade and relationships. For example, Mayor Tom Leppert, preceded by other public officials, has led several trade missions to The Republic of China to reinforce business relationships and promote trade between China and the Dallas region. In addition, a recent visitor from a research firm based in The Republic of China visited the office of Rincon & Associates to understand how U.S. firms design polling methodologies for diverse groups. The two-hour discussion included Dr. Wu Yin with Horizon; Dr. Edward T. Rincon, President; Lupita C. Rincon, Vice President; and Kathy Dress, who has assisted Rincon & Associates in coordinating Asian-targeted studies. The discussion focused on technical issues involved in sampling populations, segmentation strategies, and a possible training mission to China. The visit also signaled interest in the public opinions of Chinese persons residing in the United States.

Figure 1
Visitor from The Republic of China



From left to right: Lupita C. Rincon, Dr. Edward T. Rincon, Dr. Wu Yin,
Kathy Dress

In summary, the Dallas/Ft. Worth metropolitan area is rapidly becoming a “southern gateway” for many Asians who are seeking a supportive community, lower cost of living, and a friendly business environment. Marketers who are interested in maintaining their competitive edge would be smart to keep an eye on this attractive segment of consumers.

About the Author

Edward T. Rincón, Ph.D. is president of Rincón & Associates, a Dallas-based research firm that specializes in multicultural consumers. Under his direction, the company has conducted various studies of multicultural consumers in such industries as automotive, media behavior, food and beverages, transportation, economic development, political behavior, education, and various others. Dr. Rincón is a research psychologist who has taught courses on survey research methods and Hispanic marketing, and whose studies and viewpoints have been cited in national publications like *The Wall Street Journal*, *Business Week*, *Restaurants and Institutions*, *Broadcasting and Cable*, *American Demographics*, *Forbes.com*, *Advertising Age*, *Multichannel News*, *Supermarket News*, and National Public Radio. Further information about the company can be found at www.rinconassoc.com while questions related to this article may be directed to info@rinconassoc.com.

About the Dallas/Ft. Worth Multicultural Trendline Study

The *Dallas/Ft. Worth Multicultural Trendline Study 2008* is a syndicated study sponsored by Rincón & Associates and conducted annually among Hispanic, Asian, and African-American adults residing in the Dallas/Ft. Worth Combined Statistical Area (CSA). The telephone surveys are conducted in five languages (English, Spanish, Chinese, Korean, and Vietnamese) from the interviewing center of Rincón & Associates in Dallas, Texas. Although the topics can vary each year, the study includes the following information for each multicultural group:

- ❖ Demographic and socioeconomic characteristics
- ❖ Media behavior: Newspapers, television, radio, magazines, Internet
- ❖ Shopping behavior: Banking, credit cards, home furniture, home appliances, clothing for men/women/children, supermarkets, automobiles, and purchase intentions
- ❖ Healthcare: Providers visited for family’s medical needs, access to insurance, barriers to healthcare
- ❖ Travel plans: Plan for domestic and international travel
- ❖ Political preferences
- ❖ Plans to further education