

MARKETING LIQUOR TO MINORITIES AS COMPARED
TO THE WHITE MAJORITY

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Scope and Method of Study: This study compared the marketing practices used to sell liquor in the minority communities as compared with the white majority community. Sample data was gather from a representative number of liquor stores. in both minority and white communities. The data gathered as well as information obtained thorough media sources and a variety of reference material was analyzed. The results were compiled and the data for the minority community was compared the data for the white community.

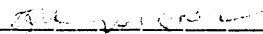
Findings and Conclusion: When the data for the two communities was compared it was found that many of the marketing practices for alcoholic beverages were similar in the minority and white communities. Differences were found in the areas of product offering and availability. These differences supported the hypothesis that alcoholic beverages are marketed differently to the minority community than to the white community.

ADVISOR'S APPROVAL _____

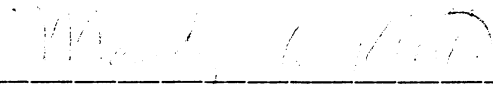
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MARKETING LIQUOR TO MINORITIES AS COMPARED
TO THE WHITE MAJORITY

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MARKETING LIQUOR TO MINORITIES AS COMPARED TO THE WHITE MAJORITY

Study Schedules:

1. Population distribution by zip code.
2. Liquor store distribution by zip code.
3. Population distribution by minority percentage.
4. Liquor store distribution by density.
5. Sample data sheet.
6. Magazine Circulation Demographics.
7. Minority community sample data.
8. White community sample data.
9. Household income distribution by minority percentage.

I. Introduction

During 1990 a new controversy came to light in the area of product marketing. There has been a great deal of opposition voiced by the minority community in several large metropolitan areas within the United States regarding the marketing of alcoholic beverages. Media coverage of this topic has ranged from articles in the *Wall Street Journal* to an episode of ABC's news talk show, *Nightline*. In recent years there has been an increased awareness of the types of problems created by alcohol. Alcohol's effects on the human body have been common knowledge for many years, but not until recently have people become so aware of its ill effects on society. Unemployment, dysfunctional families, lack of role models, poor living conditions and severe depression are all conditions which have been linked to the abuse of alcohol. Many studies done in recent years have found alcohol to be a major factor in the problems which plague a large portion of the minority community. Concerned members of the minority community, in looking for a solution to their numerous problems have accused the liquor industry of racist marketing practices. "It's become an enormous issue for marketing," says Wilder Baker, chairman of the Warwick, Baker & Fior ad agency and president of the New York Ad Club. "The right to advertise has come in conflict with the public's sensibility of an issue¹.

This paper will attempt to provide the information necessary for the reader to conclude that the liquor industry in the United

¹Buck, Rinler, "PowerMaster Trips ANA's Dewitt Helm", *Adweek*, 8 July 1991:12.

States markets their product differently to the minority community than to the white community within a given metropolitan area.

II. Background and Issues

Alcoholic beverages have been around in some form far longer than has been recorded in most history books. Equally as long, man has been brewing, fermenting, distilling and consuming these beverages.

In the early twentieth century the dangers and negative effects of alcohol were the major factors which lead to the prohibition of alcoholic beverages. Though not legal, production of alcoholic beverages continued and a black market developed almost overnight to supply the demands of consumers. In just a few years it became apparent to law makers that prohibition was not going to succeed and the law banning production and consumption of alcoholic beverages was repealed. Over the past fifty years since the repeal of prohibition the liquor industry has continued to grow and prosper with a wide variety of products that vary greatly in flavor and alcohol content.

In response to accusations made by various minority groups, the liquor industry leaders have used the United States government as a defense. They claim they are meeting all of the guidelines set forth by governing agencies and therefore are doing no wrong.

The liquor industry is very closely monitored and regulated within the United States. Advertising of alcoholic beverages is regulated by the U.S. Bureau of Alcohol Tobacco & Firearms.

Distribution and sales of alcoholic beverages is regulated at the state level. These regulations vary state by state. State governments strictly enforce these regulations and closely monitor the liquor industry because of the potential for revenue generation through taxation of alcoholic beverages. The end consumer purchases alcoholic beverages either as a drink, which can be purchased at a restaurant or bar, or as a packaged container at a retail store.

Due to the nature of the product, marketing alcoholic beverages requires meeting and working within very strict regulations established and enforced by the U. S. Bureau of Alcohol Tobacco & Firearms. Companies are not permitted to use television or radio to advertise a product which has an alcohol content in excess of twenty percent. This rule essentially bans the use of air waves to advertise all beverages other than beer, malt liquor and wine. Advertisement of most alcoholic beverages, other than beer malt liquor and wine is done in magazines, newspapers, outdoor media, point of sale displays and promotions. Additional regulations prohibit the advertising and promotion of a beverage's strength either by stating alcohol content or making a reference to alcohol content.

Distribution is another marketing variable that is regulated. This form of regulation is established and monitored at a local level. Local elections are held in most communities to determine whether alcoholic beverages may be sold.

Product offerings vary from low calorie beer, which may have an alcohol content of only three percent, to distilled spirits with alcohol contents in excess of fifty percent. The U.S. Bureau of Alcohol Tobacco & Firearms classifies and regulates alcoholic beverages

based on their alcohol content. Beer can contain no more than four percent alcohol, malt liquors can contain no more than seven percent alcohol, wines are allowed to contain up to twenty percent, and any beverage containing more than twenty percent alcohol is considered a distilled spirit².

As a general rule alcoholic beverages are not marketed to any one specific group. Rather the various types of beverages are each targeted to specific markets.

III. Methodology of Study

The first step in writing this paper was choosing a market in a large metropolitan area with a large minority population. It was also necessary to choose a market which was reflective of most large metropolitan areas regarding liquor purchase and consumption. Dallas, Texas met all of the requirements.

Dallas is one of the largest cities in the United States with a total population on 1,163,253. Sixty-three percent of the Dallas population is white with the remaining thirty-seven percent being made up of minorities. Of the fifty largest metropolitan areas in the United States, Dallas ranks eighteenth nationally in percent of Black population³ and fourteenth in percent of Hispanic population⁴. Dallas offered a very good market for sampling purposes because of the

²Freedman, Alex M., "Potent, New Heilman Malt Is Brewing Fierce Industry and Social Criticism", *Wall Street Journal*, 18 June 1991:B1.

³"Percentage of Black Population in Nation's 50 Largest Metros", *Sales and Marketing Management*, 13 August 1990:A-12.

⁴"Percentage of Hispanic Population in Nation's 50 Largest Metros", *Sales and Marketing Management*, 13 August 1990:A-13.

population demographics and the dispersion of liquor stores throughout the city. Dallas has a total of two hundred and fifty six licensed liquor stores operating throughout the city in both white and minority neighborhoods.

In an attempt to best identify the marketing strategy being incorporated by the liquor industry to sell alcoholic beverages in Dallas, a variety of parameters, such as demographics and product marketing, were chosen for examination. First, the population distribution and liquor store or product distribution were examined. Secondly, the ways in which the product was being marketed were looked at. Product marketing consist of advertising, promotions, pricing and product offering.

The majority of the raw demographic data was obtained from results of the 1990 United States census⁵. From this data it was possible to extract population distribution by zip code for both whites and minorities (see schedule 1). Information stating the location of liquor stores within the city was obtained from the Texas Alcoholic Beverage Commission (TABC) in Austin, Texas. The listing of liquor stores obtained from TABC contained zip codes which made it possible to plot the liquor stores the same as the population distribution (see schedule 2). After plotting the data by zip code it was easy to select the liquor stores which resided in and serviced predominantly white consumer markets and those which serviced predominantly minority consumer markets.

In an attempt to perform a thorough analysis related to

⁵*The Source Book of Zip Code Demographics*, Washington: CACI Marketing Systems, 1991.

product marketing, it was determined that a field test would be the most accurate and least biased way of gathering data. Using a field test, common data was gathered from liquor stores in both white and minority markets. A representative sample was determined to be approximately twenty percent of the total number of licensed liquor stores in Dallas, or fifty liquor stores.

The dispersion of the liquor stores within the city was fairly equal with regard to white and minority areas. Plotting the liquor stores by zip code and comparing these with the population distribution by zip code made it simple to choose an equal number of liquor stores for sampling in both white and minority communities (see schedule 3 and 4).

To ensure that comparable information was gathered from each store, a standardized data sheet was designed with a fill in the blank format (see schedule 5). The study covered several different types of alcoholic beverages and various classes within each type. Beverage types were chosen so that the study would contain a data sample from each of the alcoholic beverage classifications set forth by the U.S. Bureau of Alcohol Tobacco and Firearms. Within each classification, *i.e.*, beer, malt liquor, wine, and distilled spirits, various brands were chosen in an attempt to gather representative data of the entire alcoholic beverage market. Two types of beer were chosen; Budweiser, a popular moderately price product, and Becks, a product which is more expensive and generally considered to be upscale. Both beers chosen have an alcohol content of approximately three point five percent. Two types of malt liquor were also chosen; Schlitz, a popular yet premium priced malt liquor, and Magnum, a

less expensive malt liquor. Each of the malt liquors chosen contains approximately five percent alcohol. In the wine category there were four products chosen on which to collect data. In consideration of the hypothesis of the study two fortified wines were chosen. Fortified wines are typically associated with their high alcohol content and lack of taste appeal. The two fortified wines are MD 20/20, which has an alcohol content of nineteen percent, and Cisco which has an alcohol content of twenty percent. Two additional wines were chosen, Boone's Farm, a sweet wine considered to be a low quality wine which has an alcohol content of seven point five percent and Sutterhome, a popular table wine which contains twelve point five percent alcohol. In the distilled spirits category, three products were chosen: Taaka, an inexpensive vodka, Smirnoff, a moderately priced vodka and Absolut, a premium vodka. All of the distilled spirits chosen have a forty percent alcohol content.

For each type of beverage chosen, the size of product offering was recorded. For each size offered the list price of the product as well as the sale price, if applicable, were recorded. Shelf facings for each product size were recorded. Shelf facing refers to the amount of display space given to a particular product on a store shelf. Lastly, all point of sale promotions for a product offering were recorded. Point of sale promotions are promotions such as end of aisle displays, banners, in store signs or any form of advertisement which takes place where the product is being offered and sold.

Having covered product offering, distribution, pricing and promotion, the final marketing parameter to cover is advertising. As previously stated, liquor advertising is limited to outdoor and print

media for beverages other than beer malt liquor and wine.

Outdoor media was limited specifically to billboards for this study simply because no other forms of outdoor advertising existed. In an attempt to gather a fair representation of the billboards a simple visual sampling was made. In both minority and white communities all billboards advertising alcoholic beverages were recorded if they were located in or near the communities where the product sampling was being taken.

Two different forms of print media were examined. First, newspapers were examined. Dallas has two major newspapers: the *Dallas Times Herald* and the *Dallas Morning News*. The *Dallas Morning News* was chosen for the study because it has the largest circulation. The paper was examined for twenty-one consecutive days. The advertisements were examined for type of product being advertised and source of advertisement. Source of advertisement refers to the entity generating the advertisement, whether it is the manufacturer, distributor or the point of sale retailer. The second form of print examined was the magazine. Four magazines were chosen to study. *Ebony* and *Jet* were the two magazines chosen which have a primarily minority circulation. *Vanity Fair* and *Metropolitan Home* were the other two magazines chosen, each of which has primarily a white circulation (see schedule 6). Magazines were examined only to the degree that the number of advertisements for alcoholic beverages per issue was recorded. These magazines were examined over a four year period from 1987 through 1990. The source of most magazines advertisement is the manufacturer.

IV. Report on Findings

The first data to be analyzed is that obtained on the standardized data sheet completed in each liquor store. The data sheets were separated into two categories, minority and white, based on the sample liquor stores location or zip code. After separating, the sheets were totaled and an average was obtained by category for each product (see schedule 7 and 8).

When looking at the sampling averages for beer there is not a great deal of difference between the minority community data and the white community data. Prices on Budweiser were slightly lower in liquor stores in the minority community than liquor stores in the white community. Liquor store shelf facings in minority communities were less than in white ones. The majority of liquor stores sampled in the minority communities were much smaller and had less shelf space available than did the stores in white communities. There were point of sale promotions in two of the stores in the white communities and none in the minority communities.

The pricing and shelf facing of Becks beer was very comparable when analyzing the data sheet averages for liquor stores in the minority and white communities. This data is misleading. Becks beer was only available in one liquor store of the twenty-five sampled in the minority community.

Malt liquors are bottled in three different sizes; forty ounce single bottles, twelve ounce six-pack containers and sixteen ounce

six-pack containers. Forty ounce bottles of Schlitz were considerably less expensive in the liquor stores sampled in the minority community than in the white community. This may be biased by the fact that forty ounces bottles of malt liquor were only found in four of the liquor stores sampled in the white community. Prices on the twelve and fourteen ounce sizes of Schlitz were very close to the same in both the minority and white communities. Schlitz was given more shelf facing in the liquor stores in the minority community than it was in white. This is especially true if total shelf space per store is taken into effect. The data collected for Magnum malt liquor is closely correlated to that of Schlitz except for the fact that Magnum is considered to be of less quality and is offered at a lower price than Schlitz. Magnum had two point of sale promotions in the stores in minority community.

The third category of liquor sampled was wine. The two fortified wines sampled are very similar. MD 20/20 and Cisco were available in only 750 ml. bottles in the liquor stores sampled in the white community. They were also offered in 375 ml. bottles in the stores sampled in the minority community.

The price of the 750 ml. bottles of MD 20/20 and Cisco were approximately eight percent lower in the stores sampled in the minority community than those in the white community. The fortified wines were only found in five of the liquor stores sampled in white communities. Also, the fortified wines, like malt liquors had higher shelf facing in the liquor stores sampled in the minority community even though these stores have less total shelf space.

Boones Farm might be classified as a sweet wine which is

available in only a 750 ml. bottle. Boones Farm was available in most liquor stores sampled, in both white and minority communities for one dollar and ninety-nine cents. This price was the sale price at over half the liquor stores sampled in the white community with a listed retail price approximately thirty-five percent higher. The majority of liquor stores sampled in the minority community listed Boones Farm at one dollar and ninety-nine cents, with only a few showing a higher retail price.

Sutterhome was the last wine sampled. Sutterhome, a domestic moderately priced table wine, is only available in a 750 ml. bottle. It was found in only three of the liquor stores sampled in the minority community. Sutterhome was found in all the liquor stores sampled in the white community. The product was on sale at approximately one half of the liquor stores sampled with the sale price being approximately twenty five percent less than the retail price. Though only three stores sampled in the minority community carried Sutterhome, each of them offered it at a retail price that was the same as the sale price in the white community. Understandably, the shelf facings were much greater in the liquor stores sampled in the white community. Sale priced items in five of the stores sampled in the white community were accompanied with point of sale promotions.

The last product type sampled was distilled spirits, specifically, vodka. Taaka was the least expensive vodka sampled. Four sizes were considered for the sample: a 200 ml., 375 ml., 750 ml. and 1.75 L. The prices, though not exactly the same, did not vary a great deal between liquor stores sampled in the minority community and in the

white community. The larger sizes of Taaka had a greater number of shelf facings in the stores sampled in the white community than in the minority community. This could be solely due to the limited total shelf space in the stores sampled in the minority community. There was only one sale noted on this product. A store in the white community offered the 1.75 L. size at a sale price one dollar less than retail.

Smirnoff was the second vodka sampled. As with Taaka, Smirnoff was priced very much the same in stores sampled in the minority and white communities. One store in the minority community offered the 750 ml. bottle at a slightly reduced price. Two stores in the minority community had point of sale promotions on the 1.75 L. bottle. Three stores sampled in the white community offered the 1.75 L. sized at a sales price approximately ten percent less than the retail price. There were also six point of sales promotions for Smirnoff in stores sampled in the white community. Two of these promotions were for the 750 ml. size and four were for the 1.75 L. size. As with Taaka, the larger sizes of Smirnoff had more shelf facings in the stores sampled in the white community than in the minority community.

As stated before, the sampling of outdoor media was limited to billboards. The only billboards within approximately a one mile radius of liquor stores sampled in the white community were located off highways or expressways that are used by both minorities and whites. Seven of the billboards were advertisements for alcoholic beverages. Of these seven, three were for beer and four were for distilled spirits. Using the same selection criteria, thirteen billboards

with advertisements for alcoholic beverages were observed in the minority community. Of these advertisements three were for beer, five were for malt liquor and four were for distilled spirits.

Advertising data gathered from the newspaper provided little or no relevant information. After reviewing the Dallas Morning News for twenty-one consecutive days, only seven advertisements were encountered. Each advertisement was for a variety of product offerings and sponsored by a chain of liquor stores. Each of these store chains are located at a variety of locations throughout Dallas and surrounding cities in both white and minority communities.

Of the four magazines sampled, the two that have primarily a minority circulation did contain the largest number of advertisements for alcoholic beverages. During the period examined, *Ebony* averaged approximately six advertisements per issue. *Jet* averaged approximately five advertisements per issue during the same time period. The two magazines sampled that have a large white readership, *Vanity Fair* and *Metropolitan Home*, both averaged approximately three advertisements per issue over the sample time period.

The population distribution in Dallas is like most major cities in that the majority of the minority population tends to be concentrated in one or more sections of the city in which the majority of the white population do not reside. In Dallas the majority of the white population tend to live in the northern portion of the city, while minorities tend to live in the eastern and southern portions of the city. The liquor stores in Dallas are numerous and located throughout the city. Though the liquor stores in Dallas tend to be

concentrated in certain areas of the city, there is approximately an equal number of stores in both the white and minority communities. It would be fair to say that based on the number of liquor stores in each community, there exists little or no difference in the availability of liquor in the minority versus the white community.

When looking at the product, price, product classification, size offering and availability were all examined. The data gathered on price was not conclusive, but did point to some differences between liquor stores sampled in the white community versus those in minority community.

The price at which the product could be purchased varied little between the white and minority communities, or even from store to store. While taking the store samples it became very obvious that the retail end of the liquor industry is very price competitive. Several of the liquor stores chosen for sampling would not allow notes to be made while in the store. When questioned, many of the managers made it clear that they did not want their competitors to have knowledge of their product pricing. The number of sale items did vary between the liquor stores sampled in the white and minority communities. There was a tendency towards higher retail prices with a marked down sale price in the stores sampled in the white community. For example with Boones Farm wine, the majority of liquor stores sampled in the minority community offered the wine at a listed price of one dollar and ninety-nine cents, whereas approximately half of the liquor stores sampled in the white community offered the wine at a list price between two dollars and three dollars with a marked down sales price of one dollar and

ninety nine cents. The consumer was paying the same amount in both areas, but was led to believe that he was getting a better deal in the white community. This might be because minority consumers tend to be more concerned with getting the most for their dollar. They do not necessarily look for sale items, rather they look for the best price, whether a promotion or sale exists or not. Studies by Bauer and Cunningham⁶ and Feldman and Starr⁷ have found that blacks do indeed mention low price as their major shopping goal more often than do whites even with income controlled"⁸. An example of this occurred while taking a sample in a store which catered almost exclusively to minorities. A man walked into the store and asked the clerk which malt liquor he could acquire the most of for two dollars. The man expressed no concern for brand preference or promotion awareness, he was simply concerned with getting the most product for his money. In his vocabulary most was defined as greatest quantity.

Product classification, size offering and availability are all related. There was no difference in the way in which the liquor was classified from store to store. Each store had the liquor classified the same as it was on the survey sample sheet. The liquor was usually displayed with the less expensive liquors, either displayed below or to the left of the more expensive liquors. This pattern was true for

⁶Bauer, Raymond A. and Scott Cunningham, *Studies in the Negro Market*, Boston, Marketing Science Institute, 1971.

⁷Feldman, Laurence P. and Alvin D. Starr, "Racial Factors in Shopping Behavior", in Keith Cos and Ben M. Enis, Editors. *A New Measure of Responsibility for Marketing*. Proceedings of the American Marketing Association National Conference, June 1966:215-226.

⁸Andreasen, Alan R., "The Differing Nature of Consumerism in the Ghetto", *The Journal of Consumer Affairs*, Winter 1976:183-184.

all of the liquor stores sampled with no variance noted.

Product size was notably different in liquor stores sampled in the white community than it was in the minority community. The data gathered for beer reflected little or no difference between the minority and white community. Malt liquor, on the other hand, was offered in a 40 oz. bottle size in most of the liquor stores sampled in the minority community, but was available in only two of the stores sampled in the white community. One store manager stated that the 40 oz. bottle was popular because it was equal to approximately three cans of the twelve ounce size yet it was easier to carry. This is a major factor in the minority community since a large number of customers in the community rely on walking as their main source of transportation. In addition, the majority of the liquor stores sampled in the minority community offered fortified wines in 375 ml. bottles. None of the liquor stores sampled in the white community offered the product in the 375 ml. size. The remainder of the data gathered for wine and distilled spirits reflected little difference in size offering between the liquor stores sampled in the minority and white communities.

Product availability was the major variant between liquor stores sampled in the white community versus liquor stores sampled in the minority community. In the beer classification Budweiser was available in all of the liquor stores sampled. Becks was available in all of the liquor stores sampled in the white community, yet could be found in only one of the liquor stores sampled in the minority community. Malt liquor, both Schlitz and Magnum, could be found in every liquor store sampled in the minority community but was only

present in approximately twenty percent of the stores sampled in the white community. The fortified wines, MD 20/20 and Cisco were available in every liquor store sampled in the minority community and additionally were given many shelf facings. In contrast these fortified wines were only available in three of the liquor stores sampled in white community. The sweet wine, Boones Farm, was available in the all of the stores sampled in the minority community and in most of the stores sampled in the white community, though the sweet wine was given three to four times as many shelf facings in the liquor stores sampled in the minority community as in the white community. The opposite was true for Sutterhome, the table wine sampled. Though available in only a few of the liquor stores sampled in the minority community, it was plentiful and occupied many shelf facings in the liquor stores sampled in the white community. The data gathered on distilled spirits revealed very little except that more shelf facings were given to the smaller less expensive containers in the liquor stores sampled in the minority community and the larger more expensive bottles were given more shelf facings in the liquor stores sampled in the white community.

The manager of a liquor store in a minority community discussed freely the product offerings in his store versus the store he used to manage in a white community. He stated that he offered a variety of malt liquors and fortified wines because that was what his customer wanted. He said, referring the the fortified wines "They taste like crap, but they don't buy them for the taste. They buy them for the effect." He went on to say that his customers buy the malt liquors and the fortified wines because of their high alcohol content

and their low price. If the consumer's goal is to get the most alcohol for the money, then fortified wines and malt liquors are their most economical buy. The manager went on to explain that Boones Farm is also very popular because it is an inexpensive wine that does not taste strong and has a fruity flavor. The manager said that in his former store which was in a predominantly white community, he did not even carry the fortified wines and offered very few malt liquors or sweet wines. He stated, "The majority of the people who buy that wine are street people. There aren't many street people in North Dallas, at least not near as many as down here." ('Down here' referring to the minority community his store was located.)

The last marketing issue addressed was advertising. Three forms of advertising were examined: promotions, outdoor media, and print media. Promotions were limited to point of sale for this study. There were only a few point of sale promotions in the liquor stores sampled in the minority community, whereas there were three to four times more promotions in the liquor stores sampled in the white community. There is not enough data to support the theory that minority consumers are less influenced by point of sale promotions than are white consumers, and, therefore, fewer point of sale promotions are used in minority community. A more rational explanation would be since the average liquor store in a minority community is considerably smaller than the average store in a white community, there is simply less floor space and shelf space available for point of sale promotions.

As stated previously, outdoor media was restricted entirely to billboards advertising alcoholic beverages. In the white community

of Dallas billboards could only be found on or near highways and expressways. These billboards were all very large and advertised popular moderate to expensive alcoholic beverages. In contrast the majority of the billboards in the minority community were small and advertised inexpensive to moderately priced alcoholic beverages. There were some large billboards in the minority community which advertised expensive alcoholic beverages, but these billboards were found along major highways and expressways. The smaller billboards tended to be lower to the ground and in close proximity to the liquor store. As stated before, a large portion of the minority community relies on walking as a major form of transportation. Smaller billboards close to the ground and in close proximity to the liquor stores are more visible to the commuter on foot than a large billboard suspended high in the sky.

As previously stated, no data was obtained from reviewing newspaper advertisements which suggested marketing differences between white and minority markets. "A number of studies have shown that blacks are less likely to read newspaper ads or to shop widely for product alternatives"⁹.

A sampling of four major magazines revealed only a minor difference between the number of alcoholic beverage advertisements within each magazine. Of the two magazines with a large minority readership had only a slightly higher average number of advertisements per issue than did the two magazines with a large

⁹Andreasen, Alan R., "The Differing Nature of Consumerism in the Ghetto", *The Journal of Consumer Affairs*, Winter 1976:183-184.

white readership. While *Ebony* and *Jet* are only two of a few magazines which cater to blacks, the data on schedules 6 and 9 suggest that neither of these magazines is widely read by persons in the minority communities sampled. Little can be derived from this data because so much of the advertising in magazines is dependant on the publications target market, circulation volume and demographics.

V. Conclusion

In conclusion the data supports the hypothesis that liquor is marketed differently to minorities than to whites. The major difference being in the area of product offering and availability. The data clearly shows that alcoholic beverages which are inexpensive yet high in alcohol content are made much more available to minority consumers than to white consumers.

Though it appears that the liquor industry is targeting the minority community for sale of malt liquors and fortified wines, it is important to note that the marketing strategy being applied is no different than the marketing strategy incorporated to sell any other product in any other industry. The liquor industry is simply providing a supply where a demand exists. In this case the demand for inexpensive beverages with a high alcohol content are higher in the minority community than in the white community. This is not to say that race is a factor in marketing alcoholic beverages. Rather, a consumer's buying power is the major factor considered when developing a marketing strategy. In Dallas as in many large cities

there is a direct correlation between income level and race (see schedule 9). Minorities in Dallas on the average have lower household incomes and therefore less buying power.

A successful marketing strategy would involve advertising the product in ways that the consumer finds appealing. The product must also be priced and distributed so that the consumer can easily locate and purchase the product. Lastly, the product has to provide the consumer a feeling of value or satisfaction. To properly accomplish this, the liquor industry must identify their target market. In the case of malt liquor and fortified wines, the target market is made up of consumers with limited buying power who are looking to get the most product for their money. Since the target market exists primarily within the minority community, it would only make sense that product advertising and availability would also be directed at the minority community.

To say that the liquor industry markets differently to the minority community than it does to the white community in Dallas is correct. But, to say that the liquor industry is racist in their marketing strategy in Dallas would be an incorrect statement. The marketing strategy appears to be based on the basic principle of meeting demand with supply.

chedule 1.

DALLAS POPULATION DISTRIBUTION BY ZIP CODE

ZIP CODE	TOTAL POPULATION	WHITE POPULATION	MINORITY POPULATION	%WHITE POPULATION	%MINORITY POPULATION
75201	3,548	1,419	2,129	40.0%	60.0%
75202	1,663	697	966	41.9%	58.1%
75203	24,741	4,998	19,743	20.2%	79.8%
75204	21,455	8,410	13,045	39.2%	60.8%
75205	27,686	25,000	2,686	90.3%	9.7%
75206	36,433	29,219	7,214	80.2%	19.8%
75207	3,206	936	2,270	29.2%	70.8%
75208	33,546	19,222	14,324	57.3%	42.7%
75209	16,818	10,427	6,391	62.0%	38.0%
75210	11,268	327	10,941	2.9%	97.1%
75211	53,675	34,728	18,947	64.7%	35.3%
75212	29,499	3,864	25,635	13.1%	86.9%
75214	35,496	29,923	5,573	84.3%	15.7%
75215	25,131	452	24,679	1.8%	98.2%
75216	77,285	3,864	73,421	5.0%	95.0%
75217	67,941	42,667	25,274	62.8%	37.2%
75218	27,134	25,533	1,601	94.1%	5.9%
75219	19,691	13,429	6,262	68.2%	31.8%
75220	27,812	21,999	5,813	79.1%	20.9%
75223	14,565	6,598	7,967	45.3%	54.7%
75224	33,135	15,706	17,429	47.4%	52.6%
75225	22,172	21,241	931	95.8%	4.2%
75226	3,681	1,402	2,279	38.1%	61.9%
75227	33,363	28,959	4,404	86.8%	13.2%
75228	53,338	47,577	5,761	89.2%	10.8%
75229	34,640	31,661	2,979	91.4%	8.6%
75230	28,415	27,392	1,023	96.4%	3.6%
75231	43,473	38,908	4,565	89.5%	10.5%
75232	35,951	11,037	24,914	30.7%	69.3%
75233	13,123	7,375	5,748	56.2%	43.8%
75234	29,160	26,623	2,537	91.3%	8.7%
75235	16,049	8,313	7,736	51.8%	48.2%
75236	3,724	2,871	853	77.1%	22.9%
75237	5,401	2,425	2,976	44.9%	55.1%
75238	26,923	25,200	1,723	93.6%	6.4%
75239	3,338	1,459	1,879	43.7%	56.3%
75240	32,291	28,610	3,681	88.6%	11.4%
75241	46,280	5,970	40,310	12.9%	87.1%
75243	42,377	33,902	8,475	80.0%	20.0%
75244	20,123	18,594	1,529	92.4%	7.6%
75246	4,110	1,755	2,355	42.7%	57.3%
75247	1,266	432	834	34.1%	65.9%
75248	46,054	43,843	2,211	95.2%	4.8%
75249	5,572	4,446	1,126	79.8%	20.2%
75251	881	682	199	77.4%	22.6%
75252	2,745	2,674	71	97.4%	2.6%
75253	7,664	7,036	628	91.8%	8.2%

chedule 1.

DALLAS POPULATION DISTRIBUTION BY ZIP CODE

ZIP CODE	TOTAL POPULATION	WHITE POPULATION	MINORITY POPULATION	%WHITE POPULATION	%MINORITY POPULATION
75261	6,857	6,473	384	94.4%	5.6%
75287	2,554	2,368	186	92.7%	7.3%
TOTAL	1,163,253	738,648	424,605		

¹⁰

¹⁰ *The Source Book of Zip Code Demographics*, Washington: CACI Marketing Systems, 1991.

Schedule 2.

DALLAS LIQUOR STORE DISTRIBUTION BY ZIP CODE

ZIP CODE	%WHITE POPULATION	%MINORITY POPULATION	LIQUOR STORES
75201	40.0%	60.0%	9
75202	41.9%	58.1%	3
75203	20.2%	79.8%	0
75204	39.2%	60.8%	11
75205	90.3%	9.7%	4
75206	80.2%	19.8%	20
75207	29.2%	70.8%	20
75208	57.3%	42.7%	0
75209	62.0%	38.0%	7
75210	2.9%	97.1%	21
75211	64.7%	35.3%	0
75212	13.1%	86.9%	0
75214	84.3%	15.7%	9
75215	1.8%	98.2%	40
75216	5.0%	95.0%	0
75217	62.8%	37.2%	0
75218	94.1%	5.9%	2
75219	68.2%	31.8%	10
75220	79.1%	20.9%	46
75223	45.3%	54.7%	1
75224	47.4%	52.6%	0
75225	95.8%	4.2%	3
75226	38.1%	61.9%	5
75227	86.8%	13.2%	3
75228	89.2%	10.8%	2
75229	91.4%	8.6%	5
75230	96.4%	3.6%	0
75231	89.5%	10.5%	14
75232	30.7%	69.3%	10
75233	56.2%	43.8%	0
75234	91.3%	8.7%	0
75235	51.8%	48.2%	1
75236	77.1%	22.9%	0
75237	44.9%	55.1%	0
75238	93.6%	6.4%	2
75239	43.7%	56.3%	0
75240	88.6%	11.4%	2
75241	12.9%	87.1%	0
75243	80.0%	20.0%	0

Schedule 2.





DALLAS LIQUOR STORE DISTRIBUTION BY ZIP CODE

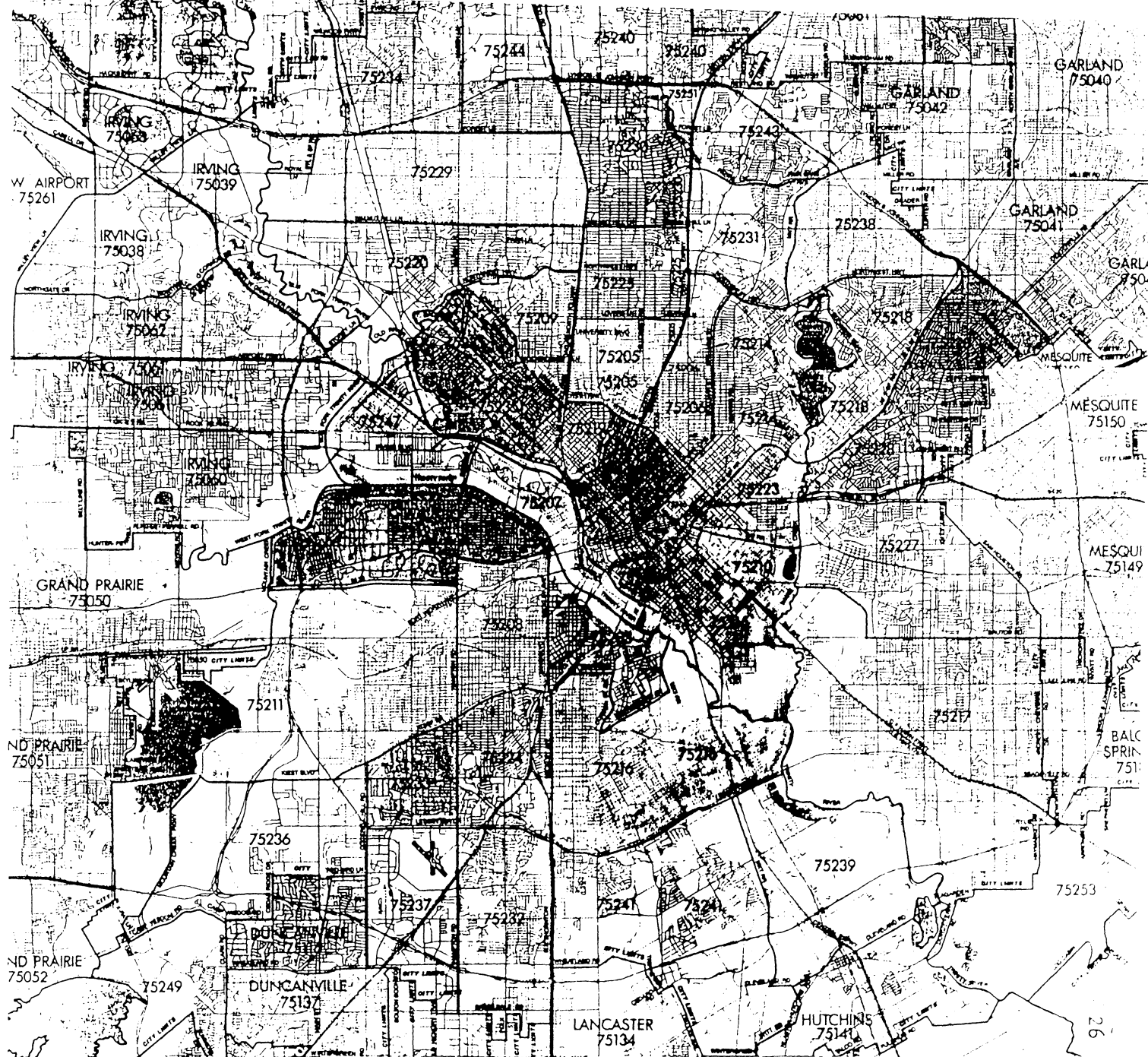
ZIP CODE	%WHITE POPULATION	%MINORITY POPULATION	LIQUOR STORES
75244	92.4%	7.6%	1
75246	42.7%	57.3%	2
75247	34.1%	65.9%	3
75248	95.2%	4.8%	0
75249	79.8%	20.2%	0
75251	77.4%	22.6%	0
75252	97.4%	2.6%	0
75253	91.8%	8.2%	0
75261	94.4%	5.6%	0
75287	92.7%	7.3%	0
TOTAL			----- ¹¹ 256

¹¹Roster Listing of Active Permits by County/Class. Texas Alcoholic Beverage Commission, Austin, Texas, 27 May 1991.

Schedule 3.

Dallas Population
Distribution

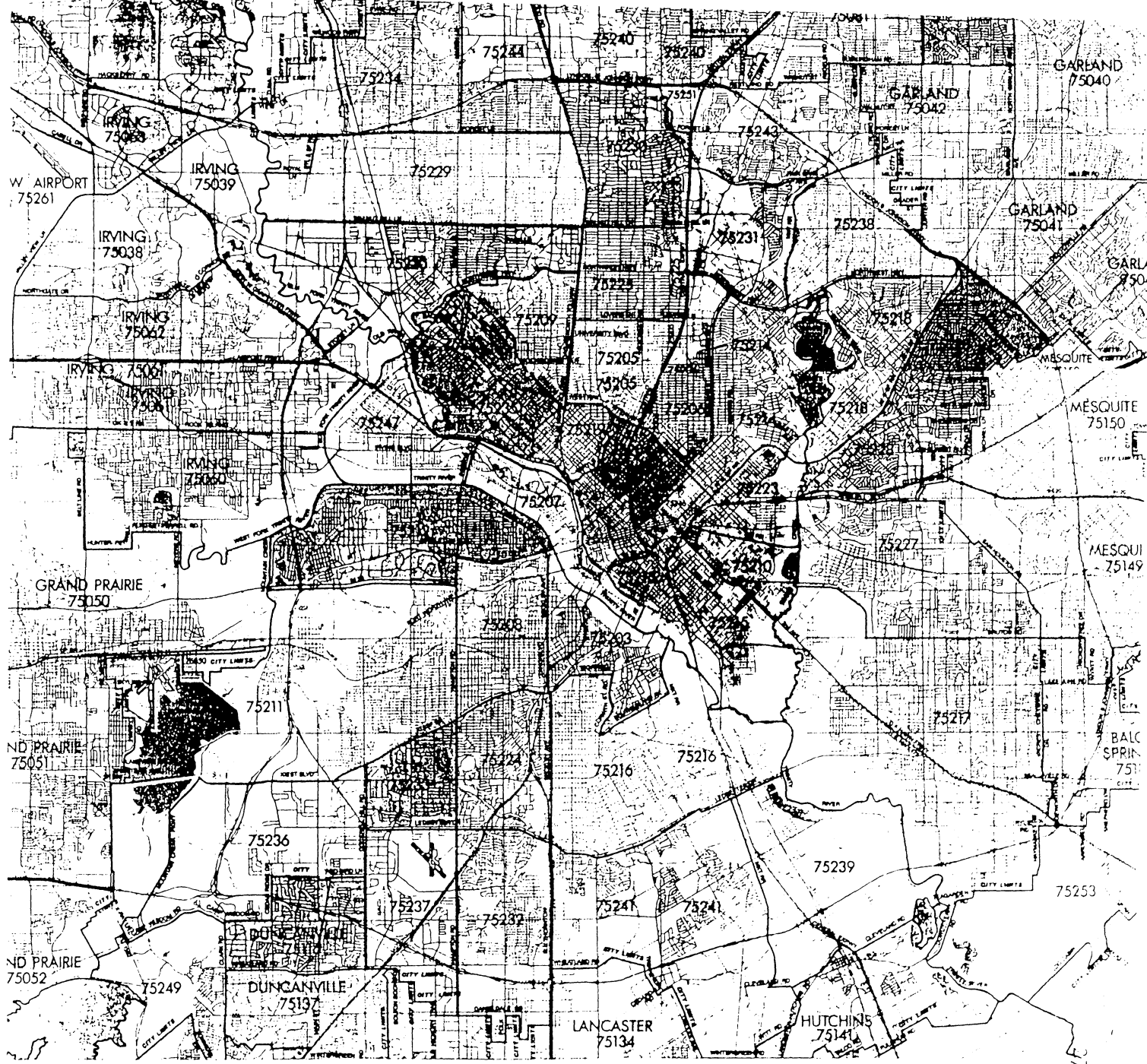
- 0-24.9% minority 
- 25-49.9% minority 
- 50-74.9% minority 
- 75-100% minority 



Schedule 4.

Dallas Liquor Store
Distribution

- 1 - 10 stores 
- 11 - 20 stores 
- 21 - 30 stores 
- > 30 stores 



**LIQUOR STORE
SAMPLE DATA COLLECTION SHEET**

LOCATION:	BEER	BEER	MALT	MALT	WINE	WINE	WINE	WINE	VODKA	VODKA	VODKA
NUMBER:			LIQUOR	LIQUOR			BOONES	SUTTER			
ZIP CODE:	BUDWISER	BECKS	SCHLITZ	MAGNUM	MD 20/20	CISCO	FARM	HOME	TAACA	SMIRNOFF	ABSOLUTE

40 OZ.	LIST PRICE										
	SALE PRICE										
	POS PROMOTION										
	SHELF FACINGS										

12 OZ/6PK 175ML	LIST PRICE										
	SALE PRICE										
	POS PROMOTION										
	SHELF FACINGS										

16 OZ/6PK 350ML	LIST PRICE										
	SALE PRICE										
	POS PROMOTION										
	SHELF FACINGS										

750ML	LIST PRICE										
	SALE PRICE										
	POS PROMOTION										
	SHELF FACINGS										

1.75L	LIST PRICE										
	SALE PRICE										
	POS PROMOTION										
	SHELF FACINGS										

Schedule 6.

MAGAZINE CIRCULATION DEMOGRAPHICS

PERIODICAL SAMPLED -----	% WHITE CIRCULATION -----	% MIONORITY CIRCULATION -----	MEDIAN HOUSE HOLD INCOME -----
EBONY	6%	94%	\$30-34.9M
JET	4%	96%	\$20-24.9M
METROPOLITAN HOME	81%	19%	\$50-59.9M ¹²
VANITY FAIR	85%	15%	\$25-29.9M

**LIQUOR STORE SAMPLE DATA
AVERAGE FOR STORES SAMPLED IN THE MINORITY COMMUNITY**

		BEER	BEER	MALT	MALT	WINE	WINE	WINE	WINE	VODKA	VODKA	VODKA
		BUDWISER	BECKS	LIQUOR	LIQUOR	MD 20/20	CISCO	BOONES	SUTTER	TAAKA	SMIRNOFF	ABSOLUTE
				SCHLITZ	MAGNUM			FARM	HOME			
40 OZ.	LIST PRICE			\$1.27	\$1.17							
	SALE PRICE											
	POS PROMOTION			0	0							
	SHELF FACINGS			1.0	1.0							
12 OZ/6PK 200ML	LIST PRICE	\$4.00	\$6.49	\$2.99	\$2.60					\$2.53	\$3.19	
	SALE PRICE	\$3.99										
	POS PROMOTION				2							
	SHELF FACINGS	4.9	3.0	2.8	2.7					1.4	1.4	
16 OZ/6PK 375ML	LIST PRICE			\$4.01	\$3.05	\$1.54	\$1.39			\$4.30	\$5.62	\$9.72
	SALE PRICE											
	POS PROMOTION				2							
	SHELF FACINGS			2.4	2.2	2.7	5.0			1.3	1.1	1.0
750ML	LIST PRICE					\$2.74	\$2.80	\$2.38	\$3.99	\$6.95	\$10.74	\$17.99
	SALE PRICE							\$1.99			\$10.49	\$17.54
	POS PROMOTION											
	SHELF FACINGS					2.9	4.9	5.0	1.0	1.3	1.3	1.2
1.75L	LIST PRICE									\$12.92	\$17.49	\$29.66
	SALE PRICE											
	POS PROMOTION										2	
	SHELF FACINGS									1.3	1.2	1.0

**LIQUOR STORE SAMPLE DATA
AVERAGE FOR STORES SAMPLED IN THE WHITE COMMUNITY**

		BEER	BEER	MALT LIQUOR	MALT LIQUOR	WINE	WINE	WINE	WINE	VODKA	VODKA	VODKA
		BUDWISER	BECKS	SCHLITZ	MAGNUM	MD 20/20	CISCO	BOONES FARM	SUTTER HOME	TAAKA	SMIRNOFF	ABSOLUTE
40 OZ.	LIST PRICE			\$1.44	\$1.24							
	SALE PRICE											
	POS PROMOTION											
	SHELF FACINGS			1.0	1.0							
12 OZ/6PK 200ML	LIST PRICE	\$4.39	\$6.37	\$3.02	\$2.52					\$2.43	\$3.30	
	SALE PRICE											
	POS PROMOTION	2										
	SHELF FACINGS	7.5	2.8	1.0	1.0					1.0	1.1	
16 OZ/6PK 375ML	LIST PRICE	\$5.19		\$4.03	\$3.03					\$4.54	\$5.60	
	SALE PRICE											
	POS PROMOTION											
	SHELF FACINGS	1.5		1.0	1.0					1.0	1.1	
750ML	LIST PRICE					\$2.99	\$2.99	\$2.66	\$4.74	\$6.93	\$10.41	\$17.37
	SALE PRICE							\$1.99	\$3.99			\$16.49
	POS PROMOTION								5		2	8
	SHELF FACINGS					2.0	2.0	2.3	3.4	2.5	2.8	2.5
1.75L	LIST PRICE									\$12.97	\$17.98	\$29.87
	SALE PRICE									\$11.99	\$16.32	
	POS PROMOTION										4	6
	SHELF FACINGS									2.1	2.4	2.3

DALLAS MEDIAN HOUSEHOLD INCOME BY ZIP CODE

ZIP CODE	MEDIAN HOUSEHOLD INCOME	MINORITY	MINORITY	MINORITY	MINORITY
		POPULATION 0-24.9% HOUSEHOLD INCOME	POPULATION 25-49.9% HOUSEHOLD INCOME	POPULATION 50-74.9% HOUSEHOLD INCOME	POPULATION 75-100% HOUSEHOLD INCOME
75201	\$19,844			\$19,844	
75202	\$22,071			\$22,071	
75203	\$16,574				\$16,574
75204	\$18,626			\$18,626	
75205	\$32,814	\$32,814			
75206	\$25,236	\$25,236			
75207	\$19,905			\$19,905	
75208	\$22,237		\$22,237		
75209	\$28,154		\$28,154		
75210	\$11,720				\$11,720
75211	\$24,044		\$24,044		
75212	\$13,794				\$13,794
75214	\$29,824	\$29,824			
75215	\$13,637				\$13,637
75216	\$20,873				\$20,873
75217	\$25,173		\$25,173		
75218	\$32,353	\$32,353			
75219	\$15,115		\$15,115		
75220	\$28,388	\$28,388			
75223	\$20,388			\$20,388	
75224	\$25,578			\$25,578	
75225	\$34,851	\$34,851			
75226	\$14,395			\$14,395	
75227	\$29,027	\$29,027			
75228	\$33,717	\$33,717			
75229	\$52,149	\$52,149			
75230	\$37,725	\$37,725			
75231	\$27,481	\$27,481			
75232	\$34,408			\$34,408	
75233	\$32,476		\$32,476		
75234	\$40,568	\$40,568			
75235	\$23,590		\$23,590		
75236	\$33,295	\$33,295			
75237	\$33,782			\$33,782	
75238	\$41,607	\$41,607			
75239	\$22,785			\$22,785	
75240	\$31,205	\$31,205			
75241	\$28,147				\$28,147
75243	\$34,108	\$34,108			
75244	\$34,828	\$34,828			
75246	\$14,608			\$14,608	
75247	\$21,651			\$21,651	
75248	\$50,880	\$50,880			
75249	\$41,603	\$41,603			

DALLAS MEDIAN HOUSEHOLD INCOME BY ZIP CODE

ZIP CODE	MEDIAN HOUSEHOLD INCOME	MINORITY POPULATION 0-24.9% HOUSEHOLD INCOME	MINORITY POPULATION 25-49.9% HOUSEHOLD INCOME	MINORITY POPULATION 50-74.9% HOUSEHOLD INCOME	MINORITY POPULATION 75-100% HOUSEHOLD INCOME
75251	\$60,714	\$60,714			
75252	\$66,467	\$66,467			
75253	\$28,588	\$28,588			
75261	\$40,070	\$40,070			
75287	\$57,484	\$57,484			

AVERAGE	\$29,971	\$38,541	\$24,398	\$22,337	\$17,458

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