

IN THE LIMELIGHT

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Two of the hottest buzz words in advertising – multicultural marketing – took center stage last week at Geoscape's 5th annual Multicultural Marketing Summit. Presenters urged those not active in the multicultural landscape to “wake up” and move these efforts into the forefront of their consumer outreach.

Over three days, client- and agency-side marketers got a first-hand tutorial of Geoscape's marketing intelligence tools and discussed the how's and why's of successfully targeting multicultural consumers, primarily Hispanics.

Geoscape president César Melgoza made the case that brands can benefit from targeting Hispanic consumers because these are traditionally younger and thus offer the possibility of a longer relationship. Additionally, he noted, the cost of acquisition is lower because many Latinos are underserved, especially in terms of banking and insurance.

"You have good revenue potential because you're spending less to reach them," said Melgoza. "That helps build the case for increasing budgets."

The message to marketers was clear: when it comes to purchases, consumers are more selective, demanding increased variety. "Marketers must advance micro-targeting techniques harder because with too many choices consumers demand more," said Melgoza.

Television producer Nely Galán, of Galán Entertainment, riled up conference attendees with imitations of media executives, a quick-witted synopsis of the rise of Spanish-language television in the U.S. and non-Latino networks' expansion into Latin America and the occasional jab.

"The multicultural business is no longer a minority business... We're the majority," she insisted. "It's time to create brands that speak about the experience of Latinos in the U.S."

Kevin Jordan, managing director of the Goldman Sachs Urban Investment Group, discussed with attendees the strong business case for a company to start marketing to multicultural consumers in the U.S. Citing June 2007 data from the Selig Center for Economic Growth at the University of Georgia, he projected Hispanic buying power to grow to \$1.26 billion in 2012 - a jump from \$211.9 million in 1990.

Additionally, Hispanic market share is projected to jump to 9.7 percent of total U.S. sales, up from 5 percent in 1990.

"The U.S. multicultural market is bigger than any other market, except China," Jordan said. "Its buying power is 70 percent of the U.S. gross domestic product. In China, it's probably half that figure."

He also believes there's less risk involved in marketing to U.S. Hispanics than exposing a company to the volatility of overseas markets.

Other sessions featured a discussion on how Chris Mendoza, director of multicultural business at MassMutual Financial Group, helped a conservative, 157-year company to launch initiatives targeting Latinos and Chinese audiences, respectively.

"Multicultural isn't translating brochures and throwing them out there for agents to use," said Mendoza.

Among other presenters:

- Liliana Gil, director of worldwide marketing services at Johnson & Johnson, emphasized that targeting multicultural audiences is important because they represent a strong source of U.S. economic growth.
- Sheila Dougherty, senior manager of Latino operations at H&R Block, emphasized that Latino budgets should no longer be the "leftovers" and should receive the same treatment as a company's total-market budget.
- Kathleen Haley, multicultural marketing director for HP, suggested that marketers shift their thinking of the "general market" to instead thinking of the "total market." And, within that, looking at the different multicultural segments a company can reach through various consumer touch points.

Within the framework of the conference, executives revealed that little more than a year after its merger with Latin Force, the Miami-based market intelligence firm, Geoscape is returning to its roots... and its name.

Now focused on the consumer demographics of diverse U.S. cultures, including Hispanics, the company has formally adopted the Geoscape name. The firm's Hispanic solutions division keeps the Latin Force name. "We want to bring the multicultural environment to the forefront," says Melgoza.

David Pérez, who founded Latin Force and in 2007 merged it with Geoscape, pointed out that the company's focus in on market intelligence – particularly on the geo-demographics, strategy and analytics marketers need to correctly target multicultural consumers. The Geoscape name, he noted, is more conducive to this effort.

"We take the insights of the market, the data and put together the strategy," said Pérez,. "We connect all the dots."