



Marketing to the Runner Up Masses

By Fernando L. Alvarez
APe-Shop, LLC
For Blue Plate Media Services
August 2006

In *Marketing to the Runner Up Masses*, we will cover important factors that will prove the importance of increasing your marketing budgets toward the Hispanic community: its economic indicators and the fight to staying away from sameness in creative messaging.

ECONOMIC SENSE

This group consists of many races, not just one. They are not easy to target, so goes the myth, because they come from different cultures with unique interpretations to messages, colors and creative, therefore making it more difficult to send them the right message. Fact is they are as foreign to you as China currently is to mainstream America. So we may find ourselves saying why even bother?

Yet, this group known for Latinos or Hispanics is out-performing the general population in almost every single economic growth yardstick.

Here are some interesting factors that make part of the equation and what they can mean to your market strategy results:

GROWTH RATE

- Their purchasing power growth rate is estimated at three times the overall national rate. How so? Well from 1994-2004, this group's disposable income recorded a compound annual growth rate of 7.7%, close to three times that of the total US rate at 2.8%. This is almost at the same rate that China and India are growing at. So it does not take much to reap the benefits of the fastest growing countries at home if companies change their mindset toward the Latino community's reality. GE's Immelt is bullish on China for the same reason: astonishing growth. Maybe this explains why their unit NBC acquired Telemundo. The Latino community is important if you want to keep competitive.

THE MUCH TALKED ABOUT SPENDING POWER

- According to the HispanTelligence, Latino purchasing power is at around \$700 billion and likely to reach \$1 trillion by 2010. While we go by these numbers, we like to believe that because of the Hispanic community's extra and unrecorded jobs (such as the famous '*mi otro part time, el que no reporto*' or '*my other unreported part time job*'), there is an additional \$100-200 million of unrecorded disposable income among this group. So in retrospect US Hispanics could have

easily reached the \$1 trillion mark of disposable income as we speak. More power to those who include the Latino community in their advertising budget.

AGE: A YOUNG GROUP

- The Hispanic median age group is 25 a far outcry to the rest of the nation which is 35. Additionally, 33% of the Hispanic population is under the age of 18.

BURRY THE PIÑATA AND THE WILD COLORS?

Creative.

- *The Message.* Yes, due to the conglomerate of different cultures within the Latino community, one has to be cautious with the message since it may mean different things to different cultures yet still being spoken in Spanish.
- *United Colors of Latinos.* Latinos have tremendous pride and respect thus personal affection to the colors of their country's flag and the colors of their soccer teams. If worked properly, companies can use certain colors to target more effectively. Budweiser is doing great work by using the colors of their teams and of their flags to get to them.

Advertising to Latinos in the US is entering its 30th Anniversary and its being confronted by a new and young group. Both, the older and newcomer Hispanic demographic is ready to graduate traditional color play, concepts and strategies. A new anew is needed.

A few "back-to-basics" strategies:

Tell your story of giving back.

Story telling on a company's generosity toward the Latino community will win Latino customers fast if properly orchestrated. This is not a new model in mainstream America. For instance, Target donates 5% of its pretax profits (equaling to about \$5 million a week)* to causes such as education, arts and social services. This model engages 35-45 year old moms in a kind of 'experiential marketing' strategy by funding causes related to their lifestyle. Such strategies are also effective when implemented in the Latino community as you can have them tip in your favor.

Be mischievous.

Hispanics love and applaud mischievousness. Using such approach in a campaign can be very powerful in winning any target market since it creates word of mouth or buzz. They love to talk about funny, naughty or teasing moments. We will see more of this on the Hispanic networks, online and in experiential and field marketing efforts. When targeting this group, humor will partially replace the existing emphasis on "the color of things" for the next 25 years.

*Newsweek, The Giving Back Awards, July 3 / July 10, 2006, pg. 76

Product development.

It wouldn't hurt to also highly consider tailored product development for the Hispanic community before entering a full-flung ad campaign. If done through the right strategic partnerships, it can be done relatively inexpensively and expeditiously. In fact, some agencies see product development as a key revenue driver and one that is currently being expanded upon.

With our macro view to the equation, we are much able to bypass just the 'message' or the 'creative' and empowering us to be mischievous, daring and marking our creative to last longer than others.' Rather, when we look at the growth of the numbers, it leads us to then look into buying trends. Leaving the message and the creative as last.

In all, we dig deeper by looking at sectors within the client's market profit pools that dent given industries such as sporting goods, toys, food and retail. We do so with a macro approach to it rather than just one with an ad campaign approach based on previous campaigns of the given product or even its demographic target.

In the end, if you want to tap into the phenomenally explosive growth and profitability of the Hispanic community, you must first recognize the importance of increasing your marketing budgets toward the Hispanic community – select an agency who understands how to speak to the community - and fight to stay away from sameness in creative messaging. Fact is, the obvious top three Hispanic radio stations and networks don't really deliver the right message to that 18 and younger (33%) of the US Hispanic population.

To best target this group, view your conventional options last. Seek the right resources such as 'experiential marketing' and interrelate it with the power of online, mobile marketing, downloadable promotions and the few 'appropriate' DJs' and TV program options available.

For more information on how SGMA members can advertise and market to the Hispanic community and make it a part of your overall media and advertising strategy, contact Blue Plate Media Services at 908-918-0202 or visit <http://blueplate.sgma.com>

PRINT THIS ARTICLE

SEND THIS ARTICLE TO A FRIEND

EMAIL QUESTIONS OR COMMENTS ABOUT THIS ARTICLE

CONTACT YOUR MEDIA ADVOCATE AT BLUE PLATE MEDIA SERVICES