

# Defining and Developing Your Total Market Strategy

Amidst the rapidly shifting demographics of our nation, the concept of Multicultural Marketing is being phased out in favor of marketing to a truly Multicultural Nation. Leading companies from Coca-Cola, to General Mills, to McDonald's, to Chrysler, have recognized that 100% of the U.S. population growth in the next 10 years will come from Hispanics. As a result, they are implementing a Total Market Strategy by organizing themselves from the top down to match their marketing strategies to this new American reality.

But just what do we mean by Total Market Strategy, and how can it be implemented at your company to maintain and increase share? In essence, Total Market Strategy means integrating Hispanic into every step of your business planning process – from strategy development, to research, to product development, to packaging design, to creative briefs, to media planning, all the way to in-store execution.

In the past, Hispanics were seen as a separate market, with a separate budget, managed by a separate team. But now, companies are beginning to see Hispanics through a new lens and have recognized that they are part of the “General Market.” These companies are selling to one market via a single, integrated business strategy. Walmart's SVP of Marketing Tony Rogers said it best at a recent conference: “There is no longer a General Market without Hispanics.”

So how can your company implement a Total Market Strategy and keep pace with the shifting demographics of our nation? We have created a roadmap to answer some common questions and concerns.

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## TOTAL MARKET STRATEGY ROADMAP

### 1. Size the Opportunity and the Size of Ignoring It

Understanding the size of the opportunity in your category – and, in turn, the potential lost revenue that would result if you ignored that opportunity – is the best way to rally the organization and leadership team to make Hispanic a priority. It speaks to the bottom line. Once the size of the prize is defined, Hispanic moves from an “if” to a “how.” At this point it is essential to resource your Hispanic strategy with the right funding levels and talented, cross-discipline staff that are held accountable for success.

### 2. Leverage Consumer Research to Define Your Strategy

Our experience has shown that, in the vast majority of instances, brands can use the same marketing strategy for both markets. A brand should stand for the same equity in consumers' minds, be they Hispanic or not. However, if category penetration, brand awareness, habits or practices are different between Hispanic and non-Hispanic consumers, you need to consider a different communication strategy. In some cases, brands may need to go back to their introductory strategies to “launch” the brand to Hispanics as they would entering a new market.

The key here is that you need to leverage consumer insight to define your strategy and have all Hispanics represented in your research.

### 3. Ensure Product, Packaging and Services are Relevant to Hispanics

This does not mean that you need heritage brands or products created specifically for Hispanics. In fact, it means just the opposite. It is best to have a single innovation stream that addresses Hispanics along with your non-Hispanic consumers. This will allow you to develop products, packaging and services that are equally relevant to your diverse consumer base. In fact, many brands are finding that they can benefit from Hispanic-inspired product innovation (e.g. flavors, sizes, fragrances, ingredients) to delight not only Hispanics, but all consumers.

## 4. Develop Culturally Relevant Creative

Ads developed or adapted with Hispanics in mind, rather than a simple translation of English-language ads, generate higher enjoyment, believability and persuasion with Hispanics. The best way to engage and connect with Hispanics is with “in-culture” messages in contextually relevant environments.

There are many ways to do this, including touching on Hispanic passion points like music and food, driving emotional benefits as opposed to only functional ones, and emphasizing cultural values such as family, hard work and the American Dream. Taking the time to tailor your message to these consumers will generate greater brand loyalty and affinity in the long term.

If you integrate Hispanic insights into your creative brief from the start, you will save time, effort and money in developing an entirely new commercial. Many brands today are making slight but important modifications to their non-Hispanic creative to drive relevance and engagement at a fraction of the cost.

## 5. Support Concurrent Efforts with Sufficient and Consistent Funding

In the past, Hispanic marketing budgets were often “LIFO” (Last In, First Out). Given the growth potential of Hispanics, this should no longer be the case. Total Market Strategy suggests that your media plan be reflective of the Hispanic contribution to your overall sales. So, if 18% of your sales come from Hispanics, 18% of your marketing budget should be devoted to reaching this consumer. Additionally, consistently supporting your Hispanic messaging is essential to building a long-term relationship with these valuable consumers. Ideally, you should mirror your English language reach/frequency and weeks on air with your Hispanic plan. When it comes to new product or service introductions, make sure you are launching your Hispanic efforts concurrently to maximize the trial and awareness lift.

## 6. Customize Retail Distribution, Assortment and Services

Whether shopping for groceries or a car, Hispanic consumers need to feel welcome at your point of purchase. If you are serious about winning with Hispanics, you must take a holistic approach that includes targeted distribution of the most relevant Hispanic SKUs, basic bilingual support services (e.g. website, brochures, point of purchase, warranties) and signage. Investing in shopper insights is another important step to ensure that your brand remains relevant to these consumers throughout the path to purchase.

## 7. Define and Track Success Metrics Across Disciplines

Ineffective or inaccurate measurement of results is a common reason for cutting multicultural budgets and subsequent loss of Hispanic market share. In a Total Market Strategy, senior management must hold all functional and business leaders fully accountable for Hispanic results, not just the Multicultural manager(s). It is also important to benchmark against your competition, and to look beyond short-term ROI to gauge success. Metrics such as category/brand growth coming from Hispanics, category incidence and purchase frequency gaps, regional and national Hispanic market shares, and trial and equity trends must all be considered when measuring success and adjusting your Hispanic strategy.

Most importantly, you should never accept short-term reasons for exiting the market. To win in the U.S. long term, you simply must win with Hispanics.

We believe that a Total Market Strategy is an essential component to continued business growth. With the U.S. on track to become a “minority-majority” nation by 2050, companies that are ahead of the curve in developing such a strategy will have an invaluable competitive advantage.

