



IFA's 45th Annual International Franchise Convention
March 6-9, 2005 ▪ WESTIN DIPLOMAT RESORT & SPA ▪ HOLLYWOOD, FL

ETHNIC MARKETS

Smart Marketing

Presentation





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Ethnic Markets, Smart Marketing

Introduction

I am an immigrant

I live in a country of immigrants

**The place I live is starting to look
just like me...**

Gorge Ramos

Anchor, Univision



Ethnic Markets

Who They Are

- ◆ African Americans
- ◆ Asian American
- ◆ Latinos

Why You Should Consider This Market

Tremendous Buying Power

- ◆ Ethnic Americans have economic clout
- ◆ Spending power has doubled in the past decade and is now over \$1 trillion dollars
- ◆ Rapidly starting businesses, buying homes, going to college and living the American dream at a pace of 350% of mainstream white Americans

Dramatic Demographic Changes

- ◆ By 2005, people of color will represent 1 in 3 Americans
- ◆ By 2050, they will represent 55% of the total US population
- ◆ Ethnic Americans are increasing in population 7X faster than non-ethnic majority

The Basics

Understand Your Ethnic Market

- ◆ Research
- ◆ Strategy
- ◆ Implementation
- ◆ Measurement

The Basics

Understand Your Ethnic Market

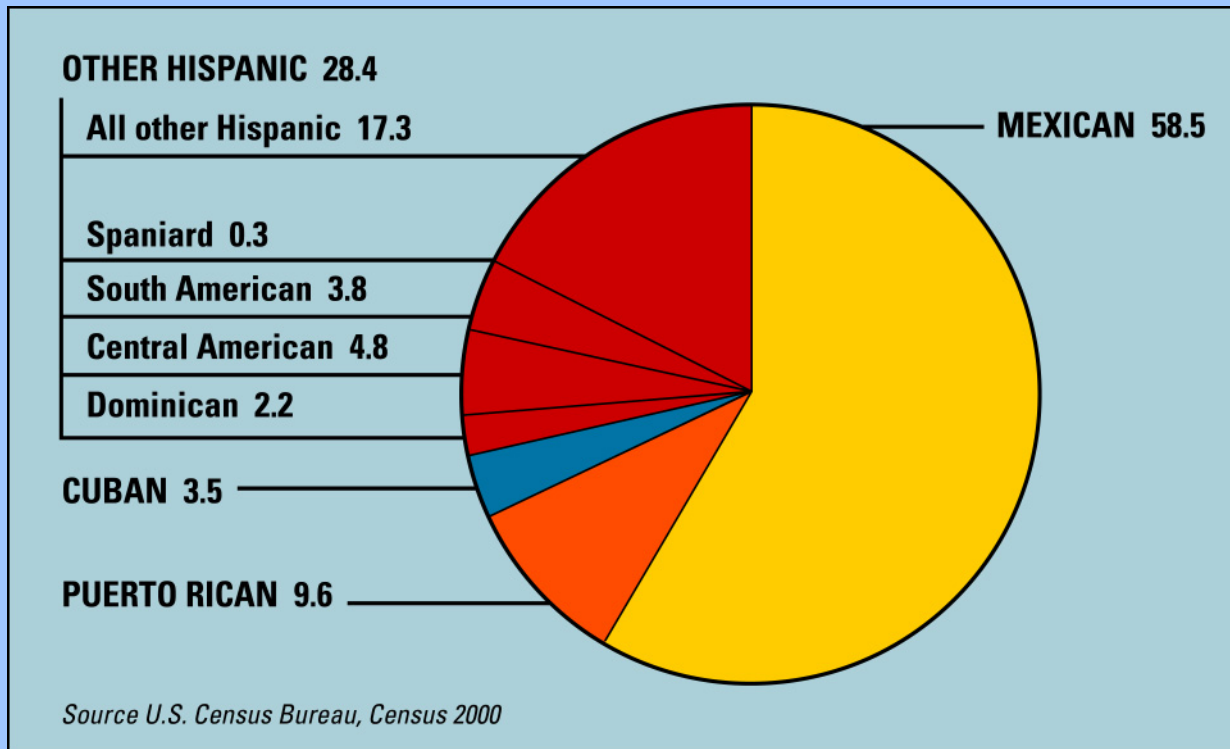
- ◆ Who is buying your product today?
- ◆ Who will buy it tomorrow?
- ◆ What are you doing today to prepare for tomorrow's sales?
- ◆ What kind of thinking is needed?

Latinos

Who They Are

- ◆ Mexican American
- ◆ Central and South Americans
- ◆ Caribbeans: Puerto Rico, Cuba, Dominicans
- ◆ Other Spanish speaking countries

The US 2000 census recorded 35.5 million Latinos, or 12.5% of total US population. They represent over 19 Spanish speaking countries and are distributed by ethnicity as follows:



US Latino Buying Power

US LATINO BUYING POWER <i>(in billions)</i>			
	1990	1999	% CHANGE
TOTAL US LATINO	\$208	\$383	84.1%
TOTAL LATINO SHARE	5.0%	5.9%	
MICHIGAN LATINO	\$2.1	\$3.8	80.9%
MICHIGAN LATINO SHARE	1.4%	1.7%	

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis (revised on July 27, 1999),
Selig Center of Economic Growth, Terry College of Business, The University of Georgia, August, 2000

US Latinos

What do they buy?

- ◆ Apparel
- ◆ Food consumed at home
- ◆ Housing
- ◆ Personal care products
- ◆ Services
- ◆ Telephone services

Latinos – A Market Profile

- ◆ Are the largest ethnic group in the US
- ◆ 25% projected growth over the next ten years vs. white American growth rate of negative 14.6%
- ◆ Have larger households, are younger, average age 26 vs. 33 for non-Latinos
- ◆ 40% of Latinos now earn over \$35,000 annually
- ◆ 54% of households are renters vs. 36% non-Latino

Language and Culture

Key Considerations to Marketing to Latinos

- ◆ Family is pivotal to Latinos
- ◆ Families are larger and multi-generational
- ◆ Sense of identity is linked to birth origin (or parent's) and what language they speak
- ◆ Nine out of 10 Latinos speak Spanish at home, 6 in 10 speak it at work
- ◆ Distinct identity is extremely strong and tied to cultural heritage

Latinos

Where Do They Live?

- ◆ 55% in just two states: CA, NY
- ◆ 75% in four: CA, NY, TX and FL
- ◆ 32% in two cities. Los Angeles and New York
- ◆ 60% live in 11 cities:

Brownsville

Chicago

Dallas

Houston

Los Angeles

McAllen

Miami

San Antonio

San Diego

San Francisco

New York

So What Does All This Mean For Business?

- ◆ Market opportunities
- ◆ Changing organizations
- ◆ More diverse communities

Market Opportunities

Business Will Be Able To . . .

- ◆ Generate potential for sales growth
- ◆ Build brand awareness and loyalty early, retain customers longer
- ◆ Increase market share

Changing Organizations

The Diversity Factor

- ◆ Become the employer of choice
- ◆ Preferred brand for a larger and more diverse audience
- ◆ More competitive and attuned to what's happening in the marketplace
- ◆ Ability to grow and prosper is dependent on recruitment, training, development and mentoring of a multi-racial workforce

How To Capitalize on the Opportunities

- ◆ Develop a marketing strategy
- ◆ Develop a plan for strategy
- ◆ Get started with execution



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First Rule To Understand and Accept Is. . .

***“There are no shortcuts to creating
a solid marketing plan.”***

Ana L. Ramirez-Saenz



Understanding Your Ethnic Customer by...

- ◆ Talking to them
- ◆ Going to them
- ◆ Knowing how they relate to your product or service
- ◆ Testing your product or service in their community
- ◆ Learning everything you can about their culture

Understand Your Media Options

- ◆ TV
- ◆ Print
- ◆ Radio
- ◆ Internet

Key Assumptions

- ◆ Assume the ethnic market you are pursuing doesn't share the same general or mainstream view of your product or service
- ◆ Assume that ethnic markets make buying decisions very differently than mainstream audiences.
- ◆ Assume that "Dustbin logic" doesn't work in the ethnic marketplace.

The Big “C” Word

In any ethnic marketing effort, I'd counsel starting out by taking a somewhat unusual step and asking, “how committed is your organization to this ethnic marketing campaign?”

...too often, ethnic marketing is an afterthought.

Dr. Andrew Erlick, President
Erlick Trans

Case Studies

- ◆ **Media Examples**
- ◆ **Print**
- ◆ **TV**