



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

MARKETING STRATEGIES FOR REACHING MULTICULTURAL PROSPECTS

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March 9, 2005



Why Do Companies Have a Diversity Focus in Marketing?

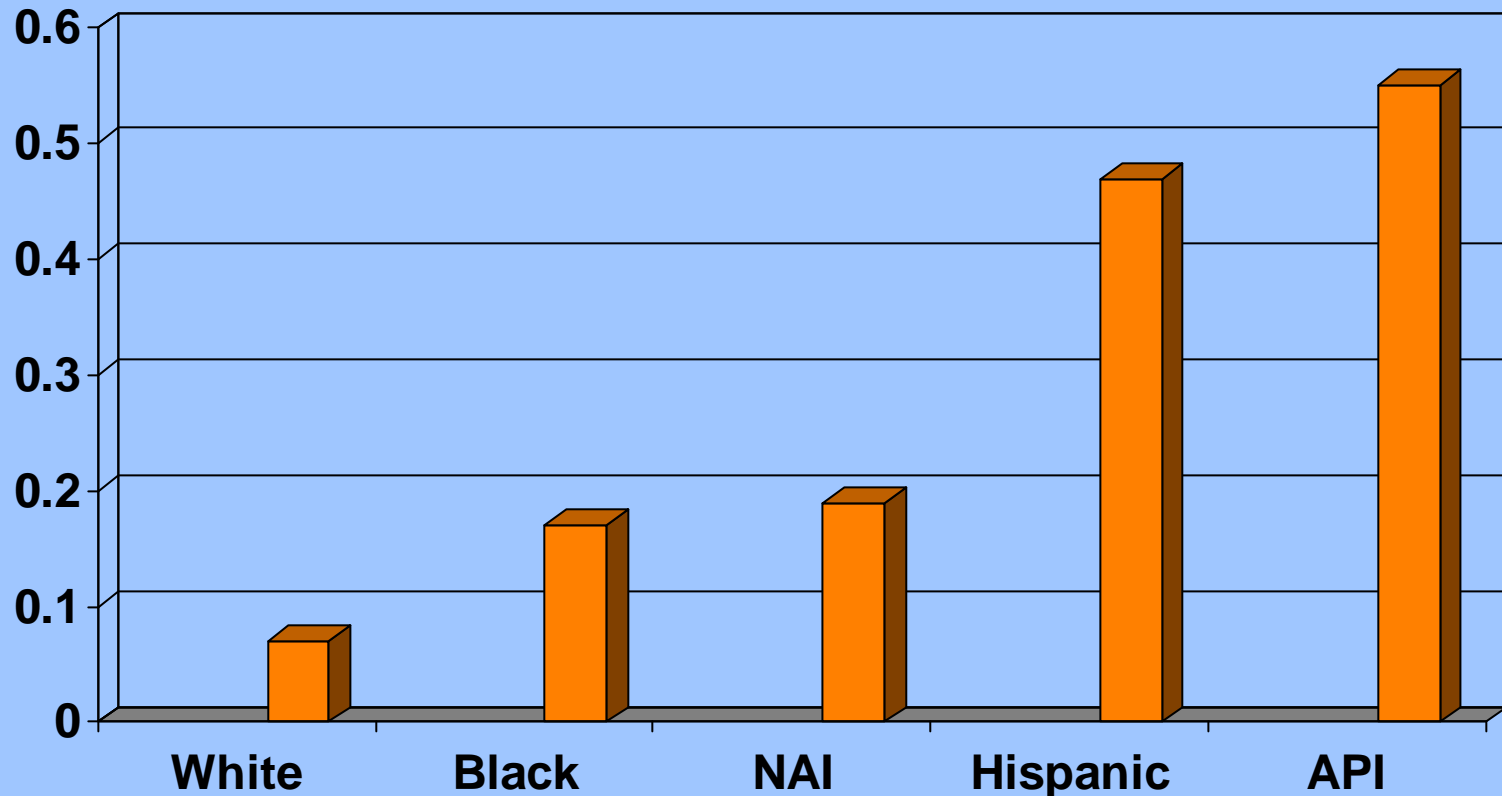
- **Multicultural Marketplace**
- **Diverse Customer Base**
- **Competitive Advantage**
- **Increase Marketshare**
- **Visible Commitment to Diversity**
- **Increase Community Presence**

Time is not on our side. . .



Demographics are changing quickly.

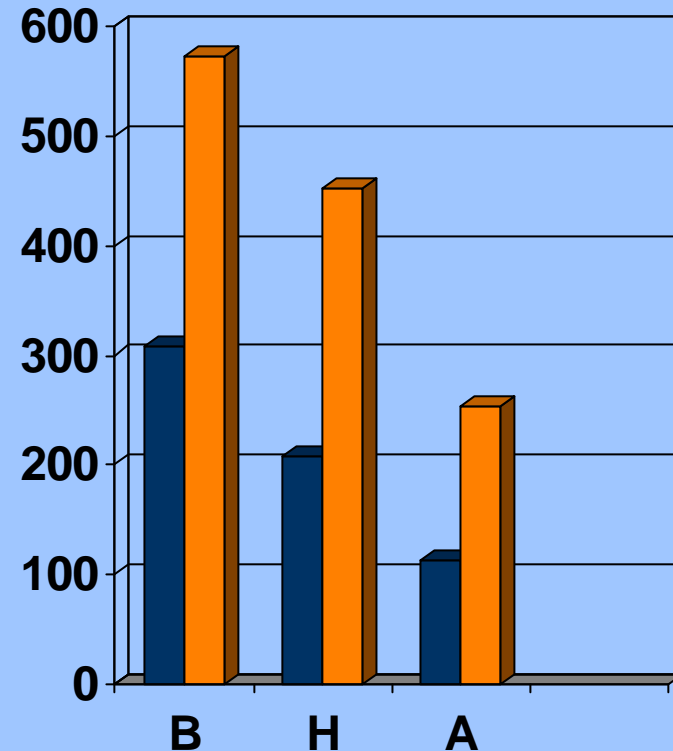
Fastest Growing Populations 1990 - 2000



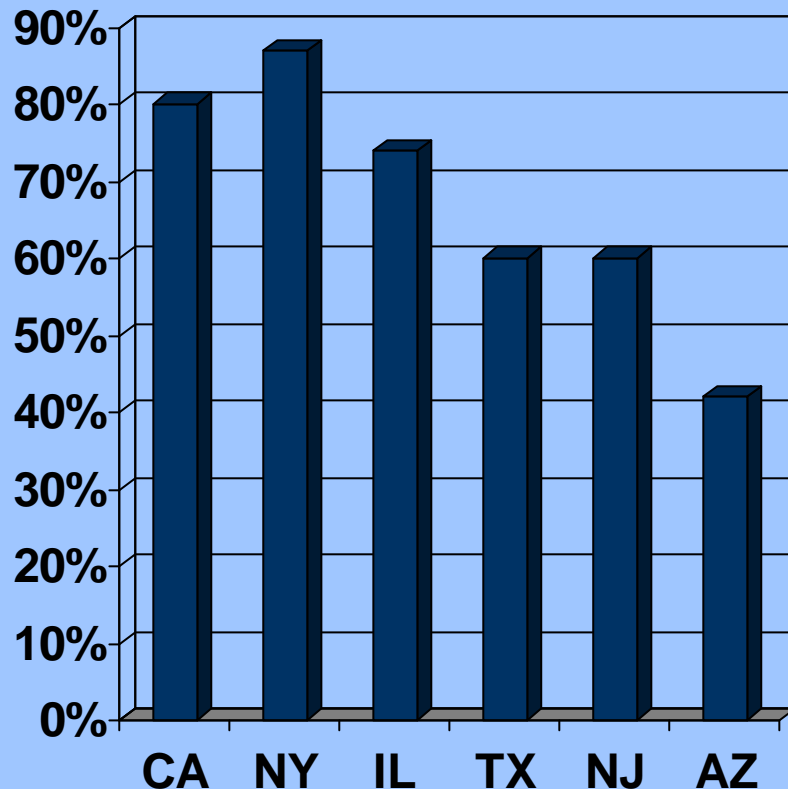
Spending Power 1990 -2001

- **Black** - \$307.8 billion in 1990 to 572.1 billion in 2001
- **Hispanic** – 207.5 billion in 1990 to 452.4 billion in 2001
- **Asian** – 112.9 billion in 1990 to 253.8 billion in 2001

An increase of nearly 125%



THE HISPANIC MARKET – AMERICA'S GROWTH ENGINE



Hispanics represent over 67% of the total population growth in:

- The largest states: CA, NY & IL
- Over 50% in TX, NJ, and PA
- Over 33% in AZ, FL, MA, NM, WA



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NEW OPPORTUNITIES

Between April 2001 and April 2002, the New Hispanic Growth Has Added to the American Economy:

- **2 Million new consumers or over 40% of ALL new U. S. consumers**
- **Over 50 Billion in additional disposable income**
- **Over half a million newly formed households**

“Once acculturated, we are the product of two cultures”



FOUR IMPERATIVES OF LATINO CULTURE

FAMILISMO (Family Unity)

MACHISMO
(Man's Role)

Leads
Provides

MARIANISMO
(Woman's Role)

Keeps Family
Together

CHICOISMO
(Children's Role)

Family Legacy

As Older Hispanics Assimilate and Latino Youth Grow Into Themselves, Family Unity Remains Key But Adapts To Their New Culture and Individual Needs

What Does This Mean To Marketers?

- Latino Youth
- Latina Women
- Household Composition
- Latino Boomers
- Los Grandes

A Holistic Approach to Multicultural Marketing



MAXIMIZING YOUR MARKETING ROI

- **Corporate America is only investing about a fourth of what they should be investing to maximize their share of Hispanic's \$600 billion consumer spending**
- **Leading advertising have only allocated an average of 2.4% of their measured media advertising resources to target Hispanics, through Spanish and bilingual media in the past three years**

LEADING / LAGGING INDUSTRIES

LEADING INDUSTRIES

- Food & Beverage
- Food Services
- General Merchandise
- Telecommunications
- Personal Care
- Insurance

LAGGING INDUSTRIES

- Pharmaceuticals
- Auto Industries
- Travel / Entertainment
- Software
- Computer Makers
- Securities

360 Perspective

- **Proper Resource Allocation of Your \$\$'s**
- **Senior Leadership Responsibility to Shareholders to Capture Growth Segments**
- **Integrating Your Strategy Across Your Entire Organization**
- **Executing in a Way That The Initiative Creates, Communicates, and Delivers Long-Lasting Value Relationships**

6 CRITICAL SUCCESS FACTORS

- **Set clear commitments for long-term adequate levels of investment in the targeted market**
- **Make explicit and public your commitment to increase shareholder value**
- **Foster a corporate culture that not only looks like but thinks like the targeted market**
- **Provide training – diversity / culture**
- **Set realistic objectives and incentive systems closely tied to performance measures**
- **Make “real” changes to the traditional ways of doing business, its systems and processes**



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IT'S ALL ABOUT VISION . . .
AND LEADERSHIP . . .
ADAPTING TO CHANGE . . .
AND LOOKING FORWARD

