

# Sales & Marketing eBulletin

A quarterly eBulletin from the people who bring you the Sales & Marketing Executive MindXchange

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“Tell me and I forget. Teach me and I may remember. Involve me and I learn.” — Benjamin Franklin

## Hispanic Marketing: Evolving From Niche to Mainstream

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According to the US Census Bureau, the US Hispanic population totaled more than 45.5M as of July 1, 2007. This is a growth on more than 1 million in just a single year. With \$1 trillion in 2006, Hispanic spending power is also growing rapidly. As Hispanics emerge as the largest minority in the U.S., Hispanic marketing is evolving from targeting a niche customer segment to a mainstream customer segment. However, to truly transform into an essential part of our go-to-market mix and campaign plans, Hispanic marketing efforts must include measurable return on investment standards comparable to general market activities.

To achieve this, we need to shift our current mindset from a *traditional* marketing approach to a *total* marketing force. Traditional marketing primarily considers the homogeneous general audience and sometimes includes niche campaigns to emerging markets. In doing this, companies are likely to miss millions and millions of prospective buyers for their products and services. Total marketing seeks to expand reach and promotes efficiencies by beginning with premise that efforts must target both the general and emerging audiences. This is not a simple challenge, especially as we are discovering that new emerging customers are more bound together by affinity and shared interests than by default broadcast schedules. But, as the cost and efficiency of reaching these new emerging customers falls, these new markets will become a cultural and economic force to be reckoned with.

Once we shift our thinking and aim our marketing programs at the total market – general markets plus emerging markets -- we expand our total addressable market. HP continued success is founded in this approach. We look beyond the printer market (general) and include the printed page market (emerging), which can be books, catalogs, marketing collateral, wine labels, or photographs. With this approach, we unleash the total addressable market for our printers, and add millions and millions of new potential customers.

An important measure of mindshift change to total marketing is the allocation of budget dollars. While many companies acknowledge the growing influence of Hispanic consumers, many also think a separate budget is needed to fund a self-contained Hispanic effort. While that might sound like an ideal scenario, the budgets often ascribed to Hispanic marketing pale in comparison to the size of the market opportunity that this segment represents. And, worse, often these budgets are inconsistent from quarter to quarter dependent on how the general market programs are performing. In other companies, it's a zero-sum game -- where you need to trade off one set of budget dollars for another.

Recognizing that marketing dollars are finite, one approach is to begin with areas where the Hispanic population represents a significant portion of the overall marketplace. In their TV viewing, a significant portion of those Hispanic consumers will rarely tune to mainstay English-language stations. An all-English-language station buy would include few Hispanic viewers and therefore unintentionally lower total market reach potential while delivering a higher frequency among those who are reached. By adding Hispanic stations to a buy, the likelihood is an expanded total addressable audience that includes Hispanic consumers. By shaving off a small portion – and I would recommend 5-10% as a starting point -- of what may, admittedly, already be limited general-market resources, you can effectively weave Hispanic impressions into your go-to-market markets, without jeopardizing the effectiveness of your general market reach.

Finally, remember that transitioning to total marketing is about approach and expectations. Many of the new emerging customers have had less exposure to our marketing messages than the general market audiences we've been targeting for years. Because of that, you can't very well say "here I am, now buy my product" on their first, or even tenth exposure. Short-term expectations must be to cultivate this market so that you can reap growing returns in the medium-term.