



BREAKTHROUGH MULTICULTURAL ENGAGEMENT

*Unlocking significant and sustainable growth
in untapped markets*

Summary

PROBLEM

A major consumer healthcare company's "best-in-class" multicultural engagement strategy was returning only incremental gains.

SOLUTION

Together we developed an MCE platform that transformed the company's strategy from one based on tactics to strategic insight-driven engagement.

RESULTS

The MCE platform was endorsed by the U.S. Executive Committee and realized a 2 to 1 ROI against similar non-ethnic initiatives.

A leading consumer healthcare company deployed a number of multicultural engagement (MCE) initiatives that were deemed "best-in-class" by several industry publications. However, this view wasn't shared within the company. Executives were concerned that, despite a substantial investment, the MCE initiatives were only realizing incremental gains. Though the company was recognized with numerous prestigious awards for its multicultural health marketing efforts, these efforts did not generate a corresponding growth in business. In early 2016, the company approached Clarkston to diagnose their stalled MCE initiatives and develop a new MCE strategy that generated a differentiated experience for diverse consumers and drove top line sales.

The Rise of MCE

Fifty years ago, multicultural engagement programs were relegated to the periphery. Today, most major companies have embraced some level of multicultural engagement. According to a poll by the Chief Marketing Officer Council and Geoscape, two-thirds of respondents said multicultural initiatives were supported by their CMO. What caused the transition? In 2011, a possible explanation was published in marketing trade journal *Ad Age*. It argued that changing demographics, new media, better consumer measurement, more corporate experience, and increased cultural awareness made MCE a major opportunity for growth. Half a decade later it is clear that MCE is no longer just an opportunity but a necessity. To reflect that, we've streamlined and updated the original drivers to reflect the major trends affecting businesses today.

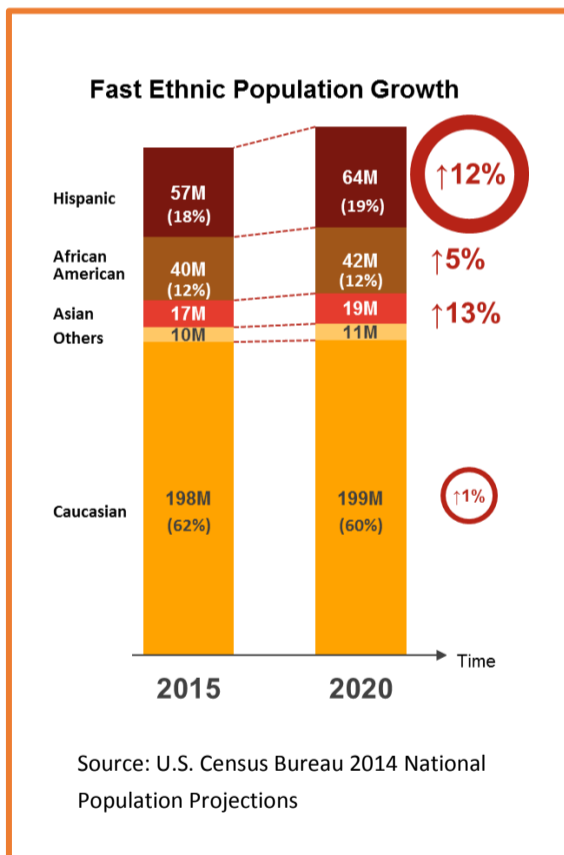
Demographics: It's no secret that the American population is changing. According to the U.S. Census Bureau, the U.S. population is projected to increase from 319 to 417 million between 2014 and 2060. "The bulk of the growth," the agency said in their 2014 analysis, "will be done in minority groups." Today, Hispanics account for about 17 percent of the U.S. population. In 2060, that percentage will rise to almost 30 percent. This growth trend is consistent across nearly all minority groups. The Asian population is projected to increase 128 percent, Black Americans by 42 percent, and Pacific

Islanders by 63 percent. Meanwhile, the non-Hispanic White population is expected to fall from over 50 percent share to 44 percent.

Emerging Multicultural Ecosystem: There is now a substantial ecosystem to reach, connect, and measure engagement within multicultural markets. In the last few decades, media companies like Univision and BET have risen to prominence by developing networks that explicitly cater to multicultural audiences. Companies and consumer research firms applied existing marketing competencies to these networks to reach the new customers and create measurement programs. Today, any person or company looking to start multicultural engagement programs can tap into an established ecosystem for rapid results.

Executive Imperative: For the most part, conventional techniques have squeezed every ounce of growth out of established markets; the low hanging fruit is gone. Given the rise of a relatively new multicultural ecosystem and the demographic shifts occurring in the country, most executives realize that substantial growth may only be found in multicultural markets.

In our experience, achieving substantial and sustainable growth through MCE requires new insights and innovative approaches.



Tactics vs. Insight-driven Multicultural Engagement

We have found that typical MCE programs feature higher returns than traditional campaigns. While a higher ROI is great, we believe that leaders are ignoring a huge amount of untapped growth by focusing on tactics rather than insight-driven ethnic engagement. Successful MCE campaigns cannot be defined as translating documents into another language and offering a culturally-relevant spokesperson; that is simply applying traditional marketing tactics to new markets. A truly successful MCE campaign is one built upon a genuine understanding of your audience's needs and preferences that goes deeper than language.

First-to-World Hispanic Insights

We worked with our client to develop a Hispanic engagement strategy based on insights rather than applying existing techniques to an untapped market. The Hispanic market is one of the largest and most diverse in America, comprised of about 55 million people and projected to rise to 119 million by 2060. Recently, Nielsen estimated the Hispanic market's buying power at about \$1.5 trillion a year. Our research revealed that successful Hispanic MCE campaigns are primarily driven by *Authentic Engagement* through three pillars: *Family First*, *Invisible Influencers*, and *Celebrating Identity*.

► AUTHENTIC ENGAGEMENT

Culturally relevant and nuance-driven marketing creates engagement

Nearly all great MCE campaigns address the Hispanic demographic through culture, but this doesn't mean just speaking their language in the markets where they speak it. It means developing campaigns that authentically engage the market. Toyota found that Hispanics often viewed their automobile as an extension of their family—even going so far as to name the vehicle.

[Tide's] marketing campaign centered on the idea that many Hispanics do not approach laundry as a chore, but as a time for social interaction. Studies showed that nearly 60 percent of Hispanics did their laundry at a laundromat—meaning that many planned it as a social outing.

Toyota ran a social media campaign “Más Que Un Auto” (“More Than A Car”) where people posted pictures of their metal family member and posted them online. They then received a customized car nametag *in the Toyota style*. The campaign generated nearly twice the anticipated orders and affirmed research that showed in-culture advertisements increase engagement by 2.5x. A few years ago, Tide took this type of authentic engagement to a new level.

In 2012, Tide released Tide Pods, a single-serve laundry solution featuring detergent, stain remover, and brightener in one easy-to-use pouch. It was immediately viewed as a much needed jolt to the laundry industry. The launch was deemed a success by nearly every measure. Sales neared \$325 million in the first year alone. *Ad Age* called it “a textbook example of the power of innovation.” While Tide’s overall marketing strategy was clearly innovative, perhaps the more powerful factor/element/story here is how they managed to reach Hispanic consumers through effective authentic engagement.

The marketing campaign centered on the idea that many Hispanics do not approach laundry as a chore but as a time for social interaction. Studies showed that nearly 60 percent of Hispanics did their laundry at a laundromat—meaning that many planned it as a social outing. Appealing to this insight took both research and execution. They worked with a popular Hispanic daytime novella heartthrob to develop a truly organic-feeling campaign. First, he appeared on a popular daytime talk show. During the introduction, he spilled coffee on his shirt and innocently asked the audience if someone would help him do his laundry. The next day he showed up unannounced in a Miami laundromat with Tide Pods. He was recognized almost immediately and the crowd swarmed the star to take pictures. He encouraged them to post the pictures online, gave away free samples, and repeated the stunt at a similar laundromat in Los Angeles.

This campaign did not work just because Tide used a hunky celebrity, social media, and in-person events. The most important factor that contributed to the campaign’s overall success was its authenticity. The stunt was not done in studio but at a typical Hispanic meeting place. This made people want to share the experience with their friends through their own social networks. At the end of the day, the combination of a TV appearance, live (surprise) events, and social media engagement proved a formidable formula for Tide and translated to impressive ROI. In 2014, the overall campaign reached 59,403,720 people on Facebook and 4,116,000 people on Twitter.

► **FAMILY FIRST**

Family is at the core of the Hispanic individual and family dynamics largely impact this population’s behaviors

Hispanics place a high emphasis on family. According to Pew Research, 75 percent of Hispanic respondents would like a physician to discuss a medical diagnosis with a family member first. 84 percent value relatives more than friends and 70 percent believe it is better for an adult child to live with their parents until marriage. This impacts a family unit’s decision making in surprising ways. Allstate was one of the first companies to take this insight to market.

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\$1.2 trillion

The estimated buying power of the Hispanic market

Mothers & Millennials have an outsized influence on purchasing decisions

The company began by conducting intensive market research, which revealed that Hispanic insurance decisions were often made by the collective household. They found that Hispanic customers lacked general knowledge of the American insurance industry and that they preferred in-person communication in a language preference that varied by age. Lastly, insurance was not viewed as a way to protect their possessions but as a way to protect their family.

Armed with these insights, Allstate built two websites. The English version was centered around individual retirement, while the Hispanic website focused on the family. Even better, both websites permitted users to seamlessly switch between Spanish and English—while maintaining the original focus. Adults could now begin a family’s insurance search at a Spanish-language website with educational content targeted towards Hispanics. When it came time to share the decision making process, potential customers could seamlessly switch to an English-language website. This allowed the younger family members to join the process in the language that Allstate’s research showed they preferred. The website was supported by a “quote your way” model, which allowed customers to get a quote based on a variety of methods—online, in-person, or over the phone.

► INVISIBLE INFLUENCERS

Seemingly invisible, but incredibly powerful, millennials and mothers have a special ability to influence the Hispanic community much more than a traditional celebrity

Millennials and mothers have a disproportionate impact on purchasing decisions within the Hispanic market. The millennial population is booming with nearly 6 out of 10 Hispanics 33 years old or younger. This generation is predominantly U.S. born and speaks English proficiently. They’re often viewed as a bridge between the Hispanic family’s heritage and future. In total, the Hispanic market has an annual buying power of approximately \$1.2 trillion. According to Nielsen, when it comes to purchases, 86 percent of Hispanic women consider themselves the primary decision makers in their household. It’s not hard to see why both Hispanic moms and millennials are incredibly important for the demographic and the economy at large—they are invisible influencers. Two firms have understood their importance and developed innovative multicultural marketing campaigns to grow their business.

Mothers: In 2011 Nestle launched “El Mejor Nido” (“The Best Nest”) an online portal that combines recipes, menu ideas, cooking techniques, and nutrition advice for a Hispanic audience. The portal not only offers professionally produced instructional videos, it tailors the content to allow Hispanics to embrace both their American and Latin heritage. Recipes are available for both Latin and American cultural events—users can find traditional “Dia De Los Muertos” (“Day of the Dead”) meals along with Latin versions of Super Bowl entrees. During Christmastime, home chefs can search classic Latin Christmas entrees, traditional American Christmas entrees, or even dishes that combine the two. The web portal was supported by a television campaign and in-store contests for “Fiesta Packs”—a prize that feature products, recipes, and supplies for themed parties.

Millennials: In early 2015, Minneapolis-based retail giant Target launched *#SinTraducción* (“*#WithoutTranslation*”), a marketing campaign explicitly aimed at millennial Hispanic Americans. The 30-second spots featured Spanish words without direct English translations. For example, one depicted a *sobremesa*, a Latin custom of hanging around with friends and family after a meal. To close the commercial, a young English speaking female narrator tells the viewer, “There will always be a part of you that simply doesn’t translate.” To attract millennial Hispanics, the advertisements were filmed with a young aesthetic and supported by a digital campaign. “We led with digital, mobile and social,” Rick Gomez, SVP of Marketing at Target, told a trade publication, “because we knew [these channels are where] this guest would best engage with Target.” This approach is supported by research from Google, who found that Hispanics pay attention to online ads by almost 20 percentage points more than the overall online population. Today around 54 percent of Latino shoppers see Target as their favorite store.

► CELEBRATE IDENTITY

Embrace ethnic uniqueness, but do not assume

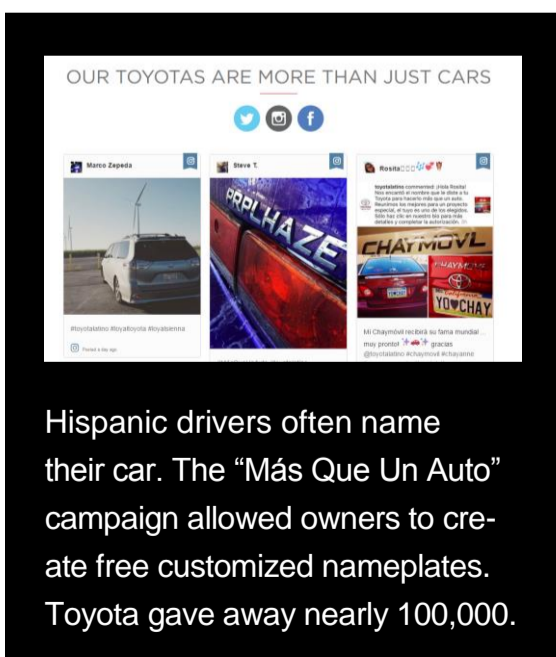
No demographic wants to be put inside a box. Companies that have been successful with multicultural marketing create campaigns and tools that allow their target demographic to celebrate and associate their identity within a familiar environment. These feelings are often universal and translate to the general populace.

By the end of the 2014 World Cup, JCPenney’s “*Soccer for Girls*” campaign increased awareness among Latinas by 49 percent. Its strategy was deceptively simple. Knowing that Hispanic women tend to dress up for sporting events, the television advertisements offered fashion forward clothes in the traditional colors of Latin American teams. Women could now look good while supporting their team. The campaign celebrated Hispanic women’s pride toward their heritage and love of soccer—accented by a social media outreach *#JCPFanaticas*. This translated across American backgrounds and nationalities. The campaign saw a 116 percent increase in awareness with the general female population and generated over 17 million impressions on social media.

Creating Authentic Engagement

Companies that embrace insight-driven multicultural engagement will find themselves better positioned than their tactical competitors. They will use meaningful market research to develop strategic campaigns from the bottom up rather than translating existing methods to new markets. This approach is forward looking and often sacrifices short term ROI for long term commitment. It allows companies to shift from transactional interactions to **Authentic Engagement**.

No company better encompasses this approach than Toyota. Starting at the turn of the millennium, Toyota began actively building inroads into the Hispanic market. To capture the **Family First** ethos, the previously mentioned “*Más Que Un Auto*” was designed for the family but targeted at the individual car owner. In 2010 it evolved beyond transactional exercises to **Celebrate Identity** with the “*Somos muchos Toyotas*”, campaign. Toyota gave away over a quarter of a million car decals highlighting the owner’s heritage.





Toyota celebrated Hispanic heritage by giving away nearly ¼ of a million free decals in their “Somos muchos Toyotas” campaign.

It focused on **Invisible Influencers** when it became one of the first companies to feature a bilingual advertisement during the Super Bowl. Hispanic Millennials are one of the fastest-growing audiences for professional football. *Ad Age* credited the campaign with increasing Camry sales by 32 percent.

In 2013, Toyota executives formalized their commitment to the Hispanic market by creating the Hispanic Business Strategy Group, a fully integrated strategic business and communications department for the Toyota and Lexus brands. The group is tasked with maintaining and expanding Toyota’s impressive multicultural market results. In 2014, Toyota had the highest share of all automakers in the Hispanic market with the group responsible for nearly one quarter of all Corollas and one fifth of every Lexus IS sold in America. Two years later 35percent of Toyota’s total sales came from multicultural markets.

Building long term authentic engagement

Alongside our client we analyzed over 100 companies that drove loyalty and advocacy amongst a multicultural consumer base. Instead of applying traditional marketing techniques to a new demographic, we developed an insight-driven Hispanic platform backed by historical results. Three distinct programs were developed—all intended to scale by integrating with the existing emerging multicultural ecosystem. Each were designed to celebrate Hispanic culture, appeal to the family, and resonate with Invisible Influencers. Armed with an MCE program built from insights, the client is well on their way to authentic engagement.

For More on Innovation Through Clarkston

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