AHAA Total Market Benchmark Study
Advertisers Preliminary Findings
November 4, 2013 - ANA Multicultural & Diversity Conference
Context

Marketing strategies are under great scrutiny in response to the explosive growth of Multicultural populations.

As many companies seek to reconcile and recalibrate efforts toward multiple market segments, questions arise with regards to the potential of defining and addressing a “Total Market.”
AHAA: The Voice of Hispanic Marketing will conduct benchmark research on the Total Market approach and how companies are executing it.

AHAA’s goal is to collaboratively determine learnings and best practices for advertisers and marketing services firms.

Online survey among 321 marketing professionals from client-side, general and multicultural specialized ad agencies, media buying agencies, p-r and consulting firms.

This preliminary report only reflects Advertisers (n=116) sample.

Agencies and combined insights will be reported at a later time.
Getting Total Market Right

Overall AHAA Platform Phases

1. TM Benchmark
   - Learn broad trends
   - Share Prelimi Advertiser Findings
   - Launch @ ANA M/C Nov ‘13

2. Best Practices Roundtable
   - Coalesce/explore deeper learnings to Identify Best Practices
   - Share Best Practices @ AHAA April ‘14

3. Education
   - Disseminate & develop education platforms
   - Webinars, Videos
   - Summer–Fall ‘14

IMPROVE Marketing Outcomes
Most Advertisers Are Familiar with Term Total Market Strategy

Q1: Are you familiar with the term “Total Market Strategy” referring to a marketing approach? (n=116)
Q2: What does a “Total Market Strategy” mean to you? (open ended)
Unaided Definitions Cover a Very Wide Spectrum

Consumers

Market

Ability Access Active Address American Applying Approach Asian Assessment Audiences Basde Base Brand Bring Budget Business Buyers Campaigns Capture

Category Client Commodity Company Comprehensive

Distribution Diverse Drive Effectively Elements Encompasses English Entire Ethnic Execution Exist General Groups Growth Hispanic Identifiable Includes

Inclusion Innovation Insights Integrating Interest Language Learn

Multicultural Nation Opportunity Part Plans Point Population Potential Present Process Product Program Reach Relevant Research Resonates Rtm Segments

Spanish Speaks Specific Strategic Strategy Successful Target Tie Total Truths Tv Type Understanding Unified Universal Voice Work 360
Total Market Strategy is in the eyes of the beholder; no standard exists

**Integration v. Adaptation**

- **Integrating** Multicultural into every step of the business process and marketing execution to fully take advantage of growth potential across Hispanic, Multicultural, Millennial & Caucasian.

- Everything comes out of one pie—the same idea is adapted to different audiences; the same budget is used to reach all the segments; some say English only is enough to effectively reach nearly all.

**Addressing Nuances v. Appeal to a multicultural nation**

- **Understanding upfront** the market in totality as well as segment specific to ensure that nuanced needs & opportunities are effectively addressed across 360 strategies-tactics.

- Less targeting to particular ethnic consumers, MORE leveraging broader strategies that will appeal to all in new multicultural marketplace.

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Q2: What does a “Total Market Strategy” mean to you? (open ended)
Directors to C-Suite Execs Share Common Ground of What *TM Strategy* Should Be

- Inclusive of Caucasian, Hispanic, African American, Asian American and LGBT
- Reflective of the diversity of US and impact of multiculturalism on America’s new ‘total’ culture
- Use cultural cues and elements that come from the experiences of different ethnic groups
- Use diverse talent
- Draw on universal truths that can span across segments
- Lead to efficiencies and increased effectiveness
Q3: What do you believe is the primary purpose of a Total Market Strategy? (n=80)
Q4: Do you believe there is a secondary benefit to a Total Market strategy? (n=74)

9 in 10 believe the Primary Purpose of a Total Market Strategy revolves around...

- **Effectiveness**: Budget effectiveness 36%
- **Efficiency**: Communication efficiencies 19%

Half emphasize Budgets, Half emphasize Marcom.
The Jury Is Out for Advertisers – Half Believe TM Strategy will be Positive

While more than half believe TM Strategy will ultimately benefit their company, 44% are concerned about implementation.

- **53%**: A positive thing that will ultimately benefit my company
- **36%**: Can be good or bad based on how it is each client executes it
- **8%**: A nice idea but not realistic in implementation

Q32: Do you believe that Total Market strategy is... (n=53)
About Half Of Advertisers Say They Are Practicing Some Level of TM Strategy
About Half Are Applying **Total Market** Strategy Across Whole Company

Another half employ TM at a department level

- **3%** Adv only
- **22%** > Mktg Dept
- **27%** Mktg Dept only
- **49%** Across the whole company

Q5: Does your company currently practice a Total Market strategy? (n=71)
Q13: If select (a) in Q5… Select the statement that applies best: (n=37)
Almost Half Don’t Practice Total Market Strategy

There appears to be quite a bit of uncertainty when it comes to practicing TM strategy.

Q5: Does your company currently practice a Total Market strategy? (n=71)
Q6: If no to Q5, please select the statement that applies best to your company... (n= 33)
Q14: If select (a) in Q5... Within marketing and/or advertising, select all areas where Total Market has been implemented (n=37)

**Total Market Strategy Tends to be Implemented in Tiers**

3 Tiers of Implementation

- **Promotion: Consumer**: 65%
- **Ad spending: Media Planning**: 65%
- **Ad messaging**: 78%
- **Digital**: 46%
- **PR/Communications**: 46%
- **Promotion: Trade**: 43%
- **Other**: 14%
Q15: If select (a) in Q5... My company employs a Total Market strategy... (n=37)

**TM Strategy Tends to be Employed for Select Brands; Not Across All**

- For one test brand, 14%
- Across all company brands, 35%
- For a few select brands, 54%
Org Structures Vary Widely

2 in 3 rely on Champion or Center Of Excellence

Q17: If select (a) in Q5… How does your company structure to address Hispanic marketing in particular? (n=36)
Q37: Have you or your company experienced any positive Total Market business results to-date (check all that apply: n=32)

- Yes, increased market share: 25%
- Yes, increased efficiency: 22%
- Yes, revenue growth: 16%
- Yes, increased ROI: 9%
- Yes, increased distribution: 6%
- No, no measurable results to date…: 6%
- Yes, and TM is closely monitored along with other major corporate initiatives: 3%
- No, no measurable results to date… TM may not be impacting business metrics: 66%
Most Expect to Expand Total Market Initiatives

- Slightly expanding initiatives: 54%
- Caution: Test in progress: 27%
- Still measuring & testing
- Other: 17%
- Scaling back and re-strategizing: 2%

Q36: One year from now do you believe? (n=41)
Findings Conclusions

• Multicultural Marketing has evolved
  – Total Market Approaches have emerged and are expanding among half of advertisers
    – mostly driven by messaging, media and bottom line efficiencies
  – In proper environments, TM often leads advertisers to
    – incremental topline growth and marketing impact
• Org structures abound but most maintain COE/Champion
• Distinct nearly opposite perspectives are evident
  – from leveraging growth optimizing nuances to single common denominators
Implications

• **TM** can lead to superior corporate performance

• Currently, **TM** is largely misunderstood and confusing

• **TM** ought to be defined more uniformly

• There is tremendous need for learning and sharing guidelines and criteria for proper implementation
We invite you to join the conversation and visit AHAA’s website Research page at 
http://ahaa.org/default.asp?contentID=27
where you may:

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