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MULTICULTURAL INCLUSION AT THE FOREFRONT OF TOTAL MARKET STRATEGY A HAA Releases Second-Phase Findings on Emergence of “Total Market” Approach

Fairfax, VA, February 26, 2014 – In response to continuous demographic shifts, marketing professionals have been experimenting with multicultural marketing models and adopting a “Total Market” strategy to realize greater synergy and marketing impact aimed at the new American mainstream. While there are different definitions of Total Market and a lack of standardization, **A HAA: The Voice of Hispanic Marketing**, in collaboration with a broad coalition of advertisers and general market and cultural marketing associations, has found that marketing firms, as well as clients, are equally clear that the time has come to place multicultural segments at the center of growth strategies, rather than as an add-on or parallel effort.

Yesterday, during an industry-wide webinar, A HAA revealed a preliminary draft of a Total Market definition, based on the results from its online benchmark survey of client-side and agency marketing professionals:

An internal-external mindset and practice, which aims to enhance growth effectiveness by actively integrating diverse segments – from the campaign inception through the entire strategic process and execution. This could lead to one fully integrated cross-cultural approach, individual segment approaches, or both, but always aligned under one overarching strategy.

“Total Market is here to stay as a natural evolution of multicultural marketing,” said Aldo Quevedo, chair of A HAA and principal/creative director of Richards/Lerma. “It reflects the new mainstream, which agencies – and clients – are ready for, despite concerns around efficiencies and unclear implementation.”

A new paradigm

In the early 2000’s, Hispanic and multicultural efforts were an afterthought in budgetary resources and supportive – but rarely central – to the business strategy. Today, in response to the booming demographics of multicultural segments, a new paradigm has emerged that sets out to integrate segment preferences and insights into marketing, communications and holistic client strategies, enhancing overall brand growth.

In fact, both agency and client executives share the following tenets for a Total Market approach:

- Inclusion of all segments from the inception and throughout the strategic and execution process
- Reflective of the diversity of U.S. and the impact of multiculturalism on America’s new “total” culture
- Leveraging cultural nuances and elements that come from the experiences of different ethnic groups
- Showcasing diverse talent

- Drawing on universal truths that can span across segments
- Intent on achieving increased marketing effectiveness than 'siloes' or General Market only approaches

The Total Market impact on agencies

Of those surveyed, agencies implementing total market strategies are concentrated in media, creative and digital with 22 percent in ad messaging, 20 percent in media buying and 17 percent in media buying. Digital and public relations/communications follow with 14 percent and 10 percent respectively.

Nearly 75 percent of agencies have reported increased results through Total Market – and these results have not impacted agency head count. However, 55 percent of agencies have reported increased responsibilities to deliver clients' expectations for increased marketing effectiveness. AHAA expects that clients will take on the bulk of restructuring to manage Total Market efforts.

Who leads Total Market efforts?

The leading role often varies among agencies in a Total Market approach. Of the brands and agencies surveyed, nearly a quarter of the efforts are led by general market agencies. 23 percent reported that the agencies rotate in the leadership role; but, closely behind at 22 percent, the client is taking the lead. Only 15 percent reported that Total Market is tackled as a team.

Nearly 60 percent of clients report that, when implementing a Total Market approach, they brief all agencies at the same time and secure segments' input into the process from the beginning. Logistical implementation is an area that AHAA will examine closely in the coming months and reveal the results this April.

Agencies and clients clamor for a clear definition

While clients and agencies agree that there must be a new marketing strategy to capture America's new mainstream, many are using "Total Market" as a catchphrase for various marketing strategies. A number of advertisers see Total Market as a version of general market advertising that includes segmented cultural nuances to expand its appeal for greater impact. At the same time, as part of a Total Market approach, advertisers would also incorporate segment-specific efforts based on the current and potential source of growth for each brand. However, others fall short and may exclude segment efforts, opting for English-only campaigns that have broad appeal to a "multicultural nation."

Without a clear industry-wide definition, more than half of agencies, compared to 38 percent of advertisers, are unsure if Total Market is a ubiquitous success formula without risks – to them, client internal alignment with market execution makes a huge difference. While advertisers predicate "marketing effectiveness" as the primary reason for a total market approach, agencies on the frontlines of implementation are less likely to see it that way. Agencies are experiencing significant client focus on delivering efficiencies, even though the stated goal has been effectiveness.

Conclusions

Total Market strategies will become the norm in the near future, and already agencies and clients are restructuring to a new mainstream audience, inclusive of individual cultural segments. Client marketers agree that Total Market strategies will lead to more effective marketing with efficiency an important

component – agencies also agree but are concerned that these strategies may be implemented improperly.

As clients look into expanding and moving forward with Total Market strategies, agencies must set in place effective best practices to avoid pitfalls. To that end, AHAA will continue to lead an industry-wide fact-based process to facilitate the discussion in clarifying the criteria and successful applications of this evolving formula for growth. At its **Annual “Thinking Under the Influence” Conference** this April, AHAA will have a session devoted to sharing the final results of this research – and a final definition of Total Market - with a roundtable of clients and agencies featuring marketing leaders from **Kimberly-Clark, Clorox, Dunkin Brands, Kellogg’s** and **Wells Fargo** to discuss best practices and share their vision of this evolution.

For more information on this study, please visit <http://ahaa.org> and engage in the conversation on Facebook and Twitter using the hashtag #ahaaresearch.

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About AHAA:

Founded in 1996, AHAA: The Voice of Hispanic Marketing is the national trade organization of all marketing, communications and media firms with trusted Hispanic expertise.