



Walk the Talk

Making marketing promises to Hispanic shoppers won't get you anywhere unless you have the right organizational structure and in-store experience to deliver on your words

By Linda Lisanti

Becoming a success story in Hispanic retailing is not just about having the right marketing messages, the right products on the shelves, or the right mix of employees ready to serve, it's first and foremost a matter of having the right organizational structure in place.

Too often, retailers "talk the talk before they're ready to walk the walk," said Terry Soto, a prominent multicultural marketing expert and author. "Many companies continue to have a 'we have to do something' mentality, yet too often, these companies' multicultural efforts are relegated to the 'Lone Rangers' of multicultural marketing. Internal traction is impossible when everyone in the organization isn't vested in the successful outcome."

Soto shared these insights

with a group of nearly 400 retailers, suppliers and other marketing executives who gathered July 28-30 in Miami for the 4th Annual Hispanic Retail 360 Summit, the retail industry's largest informational event focused on understanding and serving the needs of the fast-growing Hispanic consumer segment in the United States.

The three-day conference, produced by Nielsen Business Media's *Convenience Store News* and *Progressive Grocer* media brands, featured an all-

star line-up of the nation's most advanced multicultural marketing and merchandising experts sharing research, insights, best practices and case studies. A guided tour of Miami's leading Hispanic retailers, a robust product showcase and several networking receptions rounded out the event.

The need for multicultural involvement across the entire organization is something keynote speaker Greg Cunningham, director of multicultural marketing for Minneapolis-based Target Stores, stressed as well. Reaching Hispanic consumers, he told Hispanic 360 attendees, re-

quires a strong, integrated business strategy that incorporates relevant messaging, respect and differentiation into every aspect of a brand or company.

"At Target, multicultural marketing is not some niche approach in a corner. It's a fundamental business value that's core to our future growth. It's our business," Cunningham said, advising fellow multicultural marketing directors to find an early win and sell it to everyone in the organization in order to gain widespread support.

Respecting that its Hispanic consumers look through a different lens that mirrors





their world, the retailer is doing several things to connect with the Latino shopper.

Target's "Dream in Color" campaign, a yearlong celebration of culture and heritage, is a way to go beyond designated cultural observances such as Black History Month, Asian Pacific Heritage Month or Hispanic Heritage Month, which the retailer abandoned a few years ago, and instead engage consumers in a dialogue that embraces "commonality." Respect is conveyed to Hispanic consumers via Target's messaging in TV spots that feature

dren's Research Hospital.

Target is optimizing its stores to be more relevant to the Hispanic shopper, too.

"It's one thing to run advertising and say 'we understand and respect you,' but once I walk into the store, it's important to see that play out — in terms of bilingual signage, if that's what a customer needs; and products and brands that consumers expect to find. It means a store really does understand and respect me because they know the types



successful Latinos, including home décor designer Sami Hayek and Emilio Estefan, who share personal stories about their dreams and how they've fulfilled them.

The retailer also illustrates its respect for Hispanic communities through its community relations efforts that assist local schools and not-for-profit groups, as well as its relationship with Target House and the St. Jude Chil-

of things that I am looking for," Cunningham explained. "We know Hispanics make more grocery shopping trips than anyone else, so one of the things we've done in-store is expand the number of our authentic Hispanic food brands, like Herdez, Goya and Nestlé."

The goal isn't to constantly bring in specific Hispanic-targeted brands, it's about focusing on how to best layer in a



Target Stores' Greg Cunningham (above) and The Home Depot's Lyne Castonguay (below right) share best practices at the 2008 Hispanic Retail 360 Summit.

"Hispanic element" into existing programs, he said.

Target also trans-creates all media and publicity outreach to make them relevant for Hispanic media, generating more than 80 million media impressions so far in 2008.

ARE WE THERE YET?

Like Target, home-improvement retailer The Home Depot is marrying its marketing promise to the store experience, as part of its mission to become the leading retailer for diversity, inclusion and multicultural initiatives, said Lyne Castonguay, vice president, multicultural merchandising and marketing, who was joined at Hispanic Retail 360 by the company's first participant in its exchange program

with Home Depot Mexico.

Based on focus groups, Home Depot found its Hispanic shoppers:

- Want employees who speak Spanish;
- Prefer bilingual signage;
- Are inclined toward the "Do It With Me" approach; and
- Show more sensitivity to retail prices.

In response, the company set Hispanic staffing goals for its stores — 30 percent for stores dubbed "emerging" and 50 percent for stores classified as "targeted." The retailer also mandates bilingual signage at all its locations, offers Spanish-language in-store clinics, and is developing a Hispanic Tool Box where Latino shoppers can find bilingual versions of all Home Depot's key consumer communications in one area.



Although Home Depot's Hispanic/multicultural efforts have been ongoing since 2003, Castonguay said in her view, the retailer is still just scratching the surface. "It's a long-term commitment. A lot of people ask 'when are we going to get there?' We're not," she told the audience. "It's a journey, not a destination. There's so much more to be done."

Coca-Cola North America is



another company that recognizes Hispanic retailing is not a means to an end. Brand loyalty to Coke is strong among Hispanics (two times stronger than the general market), yet Coca-Cola continues to ask what more it can do to strengthen its connection with this market, according to Jose Espinoza, director of multicultural commercialization and customer programming, strategic marketing.

"You have to do something to sustain that brand love," he said, adding one out of every four regular sparkling beverages is consumed by a Hispanic individual.

One way the beverage company is sustaining is with its Tienda program, which started in 2004, focusing on small mom-and-pop retailers and then became supermarket-centered. Through Tienda, Coca-Cola provides marketing and sales support, along with promotional materials, which allow businesses to redesign their stores to attract more customers.

Last year, Coca-Cola introduced Tienda 2.0, which specifically targets Hispanic moms, teens and blue-collar males. Program enhancements include customized point-of-sale materials and occasion/channel/con-

sumer specific activation, Espinoza explained.

To date, 2008 is shaping up to be the best year yet for Tienda, he said. The program is currently in 15 markets with a strong Latin presence, including Chicago, Los Angeles, Miami and New York, and covers 66 percent of the U.S. Hispanic population.



Coca-Cola's Jose Espinoza (top) and Si Change Consulting's Gary Berman were featured speakers.

AHEAD OF THE CURVE

To help companies determine how far along they are in successfully marketing and serving Latino shoppers, this year Hispanic Retail 360 partnered with Gary Berman, CEO of Si Change Consulting, and his wife, Valerie Berman, partner in Market Segment Research, to conduct the Hispanic Retailing Best Practices Benchmarking Study, which surveyed 152 retailer and supplier companies and placed them on a Hispanic Experience Curve.

The results of the study were unveiled at the conference. Of the companies surveyed, 15 percent were in the "Checking It Out" phase, 35 percent in the "Trial and Error" phase, 30 percent were "Almost There" and 20 percent were "Getting It Right."

The Bermans outlined several

Convenience Gets Latinized



Nicolas Medina of ExxonMobil discusses hiring and retaining Hispanic workers in the c-store industry.

From adding salsas and pico de gallo to the condiment bar to recruiting top Latino talent, Hispanic retailing has taken hold in the convenience industry. Two leading c-store retailers, BP and ExxonMobil Fuels Marketing, shared with this year's Hispanic Retail 360 Summit attendees their best practices for winning over the Latino convenience shopper.

For BP, the potential for

Hispanic growth is taken into consideration when category planning not only on a localized basis, but on a national scale, said Jon Bratta, proprietary brands development manager for the chain. BP employs an integrated

Hispanic approach across all its merchandising, and every category manager is evaluated according to targets set for Hispanic geared product introductions in their specific categories, he explained.

Based on the retailer's experience thus far, Bratta said they've had to overcome several myths. Some of the perceptions they've found to be untrue are that: Hispanics are only interested in ethnic food and beverages; they're unwilling to try new things; they have less-sophisticated palettes; and authentic Hispanic foods appeal only to a narrow audience.

"We've dabbled in authentic, but there's a lot more opportunity there," Bratta said.

ExxonMobil, meanwhile, focuses a lot of attention in hiring and retaining top Hispanic talent. The company sponsors the national and regional Hispanic Heritage Youth Awards for math and science, and offers internships and sometimes jobs, to the winners, said Nicolas Medina, Speedpass manager, global pricing, for ExxonMobil Fuels Marketing. "We're building the pipeline for the future through our recruiting efforts," he said.

To facilitate the professional growth and career advancement of existing Hispanic employees, ExxonMobil has established the Global Organization for the Advancement of Latinos (GOAL), which spans the entire organization, and where Medina serves as president. GOAL is a year-round effort that among other things, manages an active mentoring program, hosts guest speakers and engages senior management on behalf of its membership.

"This is talent, and you cannot put a price on talent," Medina stated. ■



best practices shared by those “Getting It Right,” to illustrate how companies can move farther along on the curve. They said these businesses:

- Have an organizational structure that supports Hispanic efforts;
- Are more likely to integrate Hispanic efforts into the company’s core business strategies;
- Exhibit strong knowledge of their Hispanic customers;
- Are sufficiently funded and have dedicated budgets for Hispanic initiatives; and
- Plan on increasing their funding for Hispanic market efforts in the future.

To keep customers coming back again and again, though, retailers must foster an emotional attachment to their brand, and to do that, they need to know the culture in



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ISABEL VALDES, AUTHOR

depth, said closing speaker Isabel Valdes, noted author and Hispanic marketing pioneer.

“Cultural programming is a direct line to results. The more I understand the culture, the more I get results,” she said, noting present-day multicultural

(Right) Armando Martin of XL Edge served as master of ceremonies at the conference. (Below) Pat Madden of McLane Co., presents the Hispanic Retail Excellence Award in the c-store category to Angela Carrales and Mark Herron of 7-Eleven as CSNews’ editor-in-chief Don Longo looks on.

markets are composed of consumers in different stages of acculturation. Levels and rates of acculturation vary between sub-ethnic groups, generations, re-



gions and even within families.

Understanding these differences, according to Valdes, allows companies to practice what she refers to as “in-culture marketing,” a method of uncovering cultural elements and using them to develop culturally attuned marketing platforms that connect successfully long-term with Hispanics. An in-culture message conveys emotional significance.

She cited “stressors” as one form of in-culture marketing. Speaking to a specific challenge, or stressor, and emphasizing slow, positive change, provides a unique and powerful hook. An example of this, she said, would be saying, “It’s OK to serve convenience or canned foods. They may taste just like yours and it may also be healthier for the family (no lard)!”

“Touch Hispanic consumers’ emotional buttons,” Valdes urged the group. “Don’t just sell to my head. Don’t just sell to my pocket. Sell to all of me — to my heart.”

Della de Lafuente, who covers the U.S. Hispanic marketplace for Adweek Media, contributed to this report. ■



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