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Ron Nota, vice president, Marketing, Coca-Cola Bottling Company of Chicago, says attention to the growing Hispanic market is good business.

Chicago rebuilds Hispanic loyalty

By David Henry
Features Editor

CHICAGO, IL — "For every dollar we placed into Hispanic programs last year," says Ron Nota, vice president of Marketing, Coca-Cola Bottling Company of Chicago, "we received back \$10 in incremental sales."

Good business? Yes, Nota says, and more. The impressive figures also show that, in less than two years, Coca-Cola has regained its role as the leading soft drink among Chicago's Spanish-speaking consumers.

That segment, the company learned, is a rapidly growing opportunity for new sales. In fact, Chicago's market planners did a double-take when the 1980 census revealed an exploding Hispanic population in their own back yard.

"When the census came out, we realized we had a lot more Hispanic consumers in Chicago than we ever imagined," Nota explains. "Today, the estimated 1,250,000 documented and undocumented Hispanics in Chicago represent 15.6% of the total population."

This population segment had nearly tripled in 10 years, but sales of Coke to Hispanics were not keeping pace with this growth. In major independent Hispanic outlets, Coke trailed two competitors in primary footage.

Determined to reverse the situation, the bottling company revamped its entire Hispanic marketing plan in 1982. What evolved was an aggressive, three-pronged strategy to buy more media, participate in Hispanic cultural events and strengthen promotion and marketing efforts.

"We knew we needed to improve our service to Hispanics, and we found an almost overwhelming potential for programs to increase sales," Nota says. "Sales of Coca-Cola jumped 13% in Hispanic markets last year, and diet Coke is our No. 2 seller, up 51%."

These gains in one year appear even more significant over the long haul, he points out.

"Chicago is a key entry point into the U.S. for Hispanics, and they are already loyal consumers of Coca-Cola," says Nota. "As they assimilate into American culture and move to other cities, we want them to keep that loyalty."

Reaching Hispanic communities

The Chicago company delivers its sales and community programs through its Central Branch distribution center, located in the heart of the Hispanic business area. Hispanic retailers, leading citizens and politicians attended the grand opening last year.

John Rosales, Central Branch district manager, notes that community involvement and good service combine to increase sales in Hispanic outlets.

"Because so many Hispanic retailers are involved in community affairs sponsored by the bottling company, they respect our interest in their community and their business, and that helps us succeed in the long term," he says. "And,



Typical of small Hispanic outlets in Chicago, Imelda's Super Mercado caters to consumers with ethnic food staples and Coca-Cola.

we help Hispanic dealers overcome their space problems and explain that Coke gives a faster return on investment, which allows them to be more competitive."

At communitywide festivals, the company markets cans of Coke in disposable wax coolers to as many as 50 vendors who sell tacos, burritos and enchiladas.

When Julio Iglesias appeared in concert last August, the bottling company awarded concert tickets over radio and television and sponsored a Julio Iglesias television special before the concert, complete with a live drawing for concert tickets.

"We made 2.5 million direct impressions for Coke on consumers last year, based on documented attendance at community activities the company sponsored," says Rosales. "And, while the three major sub-populations of Hispanic consumers — Mexican, Puerto Rican and Cuban — have much in common, culturally they are different. We take great care to plan activities

view," Nota says, "and once a month we have an uninterrupted 'commercial' for Coke in the schools when we award the bicycles. The goodwill this program builds opens the door for us to place product in the schools."

Service sells dealers

Chicago's salespeople began working more closely with retailers to position Coca-Cola for increased sales volume.

The bottler mounted an aggressive resetting program to gain shelf space and placed open-top coolers, dump bins, racks, can vendors, and floor displays in outlets.

Larry Gonzalez, route salesperson from the Central Branch, knows that building personal friendships with dealers through good service is just good business.

"The rapport we develop with dealers helps us stay No. 1," Gonzalez says. "We get to know dealers by name and learn more about them. They appreciate that."

To improve the bottling com-



Route salesperson Larry Gonzalez, left, and route assistant Greg Murphy, right, take time to talk with retailer Mario Rodriguez about a display for Coke. Rodriguez gives a free six-pack of Coke to regular customers who purchase at least \$25 worth of goods.

pany's service to the Hispanic trade, Spanish-speaking drivers are assigned when possible to conventional sales routes serving Hispanic accounts, from mom and pops to large independent chains.

Route drivers place Spanish-language soft sheets and shelf talkers and work with dealers to maximize space to sales and avoid low-stock conditions.

Attentive service by drivers tells retailers that Coke is a good product to promote, says Jose Jimenez, owner of Jimenez Foods, a large independent chain.

"Chainwide, sales are almost double this year over last because we feature Coke in our promotions on television and in newspapers," Jimenez says. "We keep Coca-Cola competitively priced because our consumers prefer Coke over other soft drinks."

At another Jimenez store, manager Pat Bedolle says, "One reason our volume of Coke increased so much over last year is that the drivers visit often, place POS and stock displays."

"That kind of service is how we decide what product to feature in our weekly promotions. I work with the drivers from the Coca-Cola bottling company because they work with me. Because they do a good job with service, I promote their product." □

"Teenagers are very important to us from a consumption point of

George L. San Jose President & Chief Creative Officer of The San Jose Group a Multicultural Advertising Agency

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