

## **BUSINESS**



# Minorities Slice the Advertising Pie

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

# Insight

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## REAGAN'S MILITARY

**BILLIONS, BILLIONS  
EVERYWHERE,  
BUT NOT THAT MUCH  
TO SHOW**



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**T**he catchy Kentucky Fried Chicken jingle "We do chicken right" floats from television sets into living rooms across the country. Wendy's commercials for Crispy Chicken Nuggets urge consumers to "celebrate good times" with the fast food, using Kool & the Gang's raucous anthem "Celebration" to drive the message home.

Typical television ads, right? For the most part, yes, but with one important distinction. Both commercials were specifically produced by black advertising agencies for the black consumer market. They worked so well that Lockhart & Pettus's Wendy's ads were chosen for the product's entire campaign, and Kentucky Fried Chicken Corp. used Mingo-Jones's tag line for all its advertising.

Such crossovers are still the exception rather than the rule for most minority advertising firms, although fast food, fast

cars, beverages and a host of other products are touted for the minority marketplace by black, Hispanic and Asian ad agencies whose communication abilities are pulling in the consumers. "Courting the minority market share is like asking a wallflower to dance," says Lionel Sosa, president of the San Antonio, Texas-based Sosa & Associates, the fastest-growing Hispanic ad agency in the country. "Nobody asks her. So, when somebody finally notices her and asks, she'll always say yes and she'll never forget you."

In a marketplace that until recently had been primarily trying to reach an amorphous general population with advertising that tried to be all things to all people, large advertisers found that sales were stabilizing — a development that brings fear into the eyes of marketing executives. Industries such as tobacco and liquor, whose advertising campaigns had been limited by legal

restrictions, were among the first to quit looking at the market as a whole and focus instead on some of its parts: blacks, Hispanics and Asians.

Though statistical research on the minority consumer market has yet to be done on a comprehensive basis, the gross numbers make a persuasive case. According to the Population Reference Bureau, there were approximately 29.1 million blacks, 17 million Hispanics and 5.1 million Asians living in the United States at the end of 1985. Not counting illegal aliens, these groups make up 21 percent of the U.S. population and should reach 25 percent by the year 2000.

"As the world gets more complex, you'll have to necessarily bite off smaller chunks to deal with it," says Tom Burrell, chairman of Chicago's Burrell Advertising Inc., the largest minority advertising agency. "All you have to do to see segments in the marketplace is go look at a magazine rack."

The commercials used by fast-food behemoth McDonald's Corp. show segmented marketing in a microcosm. The restaurant chain has commissioned commercials using black themes and actors, entered the Hispanic and Asian markets with a vengeance and addressed other segments as well. One shows two teenagers using sign language, another portrays a senior citizen's first day at work under the Golden Arches.

Such segmented marketing seems to be the wave of the future, according to Ken Smikle, a free-lance writer specializing in marketing and media.

"The notion you can get all consumers by using the general market media is just ridiculous," he says. "And the people who are accustomed to, and have experience in, selling to the black and Hispanic market understand market segmentation at a level the majors don't."

Admittedly, these small entrepreneurial advertising firms are no threat to the huge agencies. Burrell Advertising billed \$62 million last year, a showing that placed it 124th in overall size.

But research statistics say blacks and Hispanics spend a total of about \$300 billion every year. For the Hispanic market, according to Hispanic Business magazine, advertisers' commitment to Hispanic advertising rose 17 percent to \$333.5 million in 1985, while spending for the general ad market rose 7.9 percent.

While such businesses as Eastman Kodak Co. and Campbell Soup Co. are committed to segmented marketing, other firms treat the minority marketplace like a distant



Burrell sees a complex world forcing advertisers to aim at smaller segments.

BURRELL ADVERTISING



LOCKHART & PETTUS

**EL ARMY LO LLAMA "CARTOGRAPHY" EL LO LLAMA EL COMIENZO DE UNA PROFESION.**

Para S/4 Mario Canedo, el entrenamiento especial del Army en "cartography" le ayuda a encontrar su carrera. Al principio, Mario no sabía cual profesión quería. Su padre siempre le preguntó que iba hacer con su vida. No tenía meta para su futuro. Empezó el entrenamiento del Army le permitieron enfocar en sus habilidades y en lo que él más le gusta. Ahora él es un Cartógrafo del Army. Él crea mapas para la infantería y artillería que muestran los contornos y características del terreno tales como montañas, valles, lagos y ríos. Mario tiene bastante experiencia para convertirlo en una profesión si quiere. Además, su padre está muy orgulloso de lo que él ha logrado. La experiencia del Army dejó que Mario se sienta más seguro de su futuro. Y puede ayudarlo a usted o a algún amigo a hacer lo mismo. El Army ofrece la oportunidad de explorar cualquiera de los muchos oficios técnicos. Para más información, visite a un reclutador del Army. o llame gratis al 1-800-USA-ARMY.

**ARMY. SEA TODO LO QUE PUEDE SER.**



SOSA & ASSOCIATES

**Ads directed at specific minority markets are becoming common.**

relation. "They have been getting the black consumers as a bonus baby all these years, so why change it?" asks Keith Lockhart, partner in one of the hottest black agencies, New York's Lockhart & Pettus Inc., whose clients include, in addition to Wendy's International Inc., Canadian Club, Dark & Lovely (made by Carson Products) and the U.S. Army.

Although his agency billed \$15 million last year and consistently pulls incremental increases in sales from the black marketplace, he feels most companies trust the larger general agencies to reach minority consumers. "You throw a black model in

the commercial and for them, that's segmented marketing. How is somebody living in Greenwich Village or the East Side going to have a feeling for what's going on in a Watts or in a Harlem or in the minds and hearts of black people who came from those areas and now live elsewhere?"

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Minority agencies have the bigger general market agencies to contend with as well. Some giants, such as Batten, Barton, Durstine & Osborn Inc., better known as BBDO, have formed in-house teams or groups to handle "special markets." According to Doug Alligood, vice president for special markets, the agency saw accounts leaving because specialty markets were not being considered. "If you put special markets work through the same corporate channels as general ad work you're going to get basically white work. All this market takes is common sense and sensitivity. Now we're seeing agencies get accounts based on market need and recognition of an opportunity as opposed to coercing them or making them feel guilty."

Advertisers also are getting the message that a stereotyped or condescending commercial is often worse than no commercial at all. Minority agency executives can tick off the horror stories with the ease of a seasoned storyteller: A newspaper ad for Playboy magazine's Chinese-language edition used four Chinese characters to say "Happy New Year," and they ended up placed upside down in the copy. Chicken mogul Frank Perdue's tag line, "It takes a tough man to make a tender chicken," when mistranslated into Spanish said, "It takes a sexually excited man to make a chick affectionate." Budweiser has been marketed to Hispanics as "the queen of beers," and another brand stated, "filling; less delicious."

Though blacks share a common language with the general market, the messages that some advertisers send them can be just as poorly thought out. Alligood chuckles remembering a commercial for a consumer electronics company that portrayed a football team without one black player. "They used a white running back, and ironically the referee beat the guy to the end zone."

Frank Mingo, president of Mingo-Jones Advertising Inc., says he has yet to attend a strategy session for targeting young black males at which the theme of a basketball game did not come up in the conversation. "Is that stereotyping?" he asks. "Not consciously. It's just that their minds don't stretch beyond that."

Lockhart's view is blunt: "Let [blacks] know you view them from a more elevated place. When's the last time you saw a commercial with a black pilot? You never see a black skier schuss up to the camera and say something about Wheaties. Why a basketball player? It turns black youth off — here's the man telling him 'This is what you're all about.' I just made a commercial where I made the guy a Marine captain. They don't all have to be swabs."

Veronica Escala, a Chilean-born consultant to BBDO's special markets group, points out that ads tailored to Hispanics and Asians have the same pitfalls, plus the added burden of audiences whose culture is markedly different from the general market.

According to Eduardo Bermudez, chief operating officer of Los Angeles-based Bermudez & Associates, most of the Hispanic advertising is written and designed using nonspecific Spanish. The campaign is then fine-tuned for the particular Hispanic market. In this way, products can be presented to New York's Puerto Rican population, San Antonio's Mexican populace or Miami's Cuban citizens with little confusion.

One indication that segmentation may be the wave of the future is Lorimar-Telepictures Corp.'s investment in Caroline Jones Advertising, owned by a former partner in Mingo-Jones. The media company, which also owns the ad agency Bozell, Jacobs, Kenyon & Eckhardt Inc. and USAdvertising Inc., apparently sees that minority firms are on the cutting edge of segmented marketing.

To Ken Smikle, the minority agencies are in the catbird seat: "Bigger does not mean better. Mega-mergers have not set well with some clients, and smaller shops with a hands-on attitude are going to be in a better position to attract new business — be it black, Hispanic, Asians, women, seniors or whatever." While many large ad agencies are teaching global marketing, Smikle says the real classroom is right here at home. "How are we going to sell products to 100 million Indonesians if you can't sell a product to a few million blacks in Chicago?"

— John Wall