REFRAME THE MARKETPLACE

THE TOTAL MARKET APPROACH TO REACHING THE NEW MAJORITY

A GUIDE FOR BRANDS AND BUSINESSES

JEFFREY L. BOWMAN
WITH JEREMY KATZ

WILEY

REFRAME

THE MARKETPLACE

REFRAME THE MARKETPLACE

THE TOTAL MARKET APPROACH TO REACHING THE NEW MAJORITY

A GUIDE FOR BRANDS AND BUSINESSES

JEFFREY L. BOWMAN
WITH JEREMY KATZ

WILEY

Cover design: Wiley

Published by John Wiley & Sons, Inc., Hoboken, New Jersey.
Published simultaneously in Canada.

ISBN: 978–1–119–10025–6 (cloth); ISBN 978–1–119–10026–3 (ePDF);
ISBN 978–1–119–10027–0 (ePub)

Printed in the United States of America

10 9 8 7 6 5 4 3 2 1

Contents

To my wife, Shewonia, and two daughters, Alston-Simone and Alex-Simone—you made this book possible. You gave up Daddy time and sacrificed moments that should have been yours. And you've done so over the long journey that has brought this work to publication. You've given me more than I could ever have imagined. I hope this book makes you proud of your husband and father.

To my mother, Paulette—you sacrificed your aspirations so that I could grasp at dreams we didn't dare imagine. You made me who I am today, and I thank you for everything.

To my father, Tyrone—thank you for our Saturday morning talks. Your words of encouragement over the years have been the fuel I've used to push for excellence. We caught up enough later in life but not too late for you to become my friend and confidant.

To my grandmothers, Ruth and Hattie Mae; my grandfather, August; and my aunts, Margaret, Renee, and Darlene; my uncles, Paul and Wayne; and my cousins (Bowmans and Striplings).

To Amherst Drive, A Child's Castle, Park Hills Elementary, Spartanburg High School, South Carolina State University, Clark Atlanta University, and everyone who taught me at PepsiCo, MillerCoors, Whirlpool, Dell, Sears, and Ogilvy & Mather ("My Tribe").

And finally, to all of my teachers from the village who gave me the tools to thrive in what we now call the New Marketplace.

Acknowledgments

My journey started in the spring of 1990 when Bobby Hemby, a career counselor at South Carolina State, asked me whether I would like to be an alternate candidate for Pepsi-Cola interviews. Tom Christerphol interviewed me and put me on my way to a great career in marketing, sales, operations, brand management, and corporate strategy. Through them, I gained access to a world I know very well now but not at all then. Through them, I earned a voice in how to build global brands and make a difference in the world. Thank you.

Thank you to Ronald Parker, champion of the diversity effort at Pepsi-Cola. Mr. Parker, your vision for a diverse workplace gave so many of my peers the opportunity of a lifetime. Keep doing what you are doing.

Three books changed my professional life: *Why Should White Guys Have All the Fun?* by Reginald Lewis, *Managing Brand Equity* by David A. Aaker, and *Competitive Strategy* by Michael E. Porter. Each has inspired this book.

None of this would have been possible if it were not for Mr. John Seifert (president and chairman of Ogilvy North America) and Ms. Donna Pedro (chief diversity officer, Ogilvy North America)—two remarkable people who faced the challenge of preparing Ogilvy & Mather for the next 50 years. Who knew a small group of people from Ogilvy's employee resource groups could change the marketing and advertising industry? John, Donna, and the Ogilvy leadership team, you gave us access and a platform to set the agenda for the next generation of marketers and advertisers. We are connected by our ambitions

and unwillingness to continue to show up every day and work in an industry that reflects the past.

One of my biggest advocates while at Ogilvy was the original marketing strategy team led by Charles (Charlie) McKittrick. I came to Charlie's notice by way of Andy Jones, Carol Watson, and Asten Morgan Jr. Thank you for paving the way for me. I thank you all for accepting me as I was and teaching me how to be a "Mad Man" who mixed with McKinsey with jeans.

To the original OgilvyCULTURE team—Lou Aversano, Loren Monroe-Trice, Christine Villanueva, Erin Goldson, Enrique Urquiola, Sean Patrick, Sacha Xavier, Willow Gross, Deborah Balme, Ashley Mackel, Robert Henzi, Aaron Finegold, and Rebecca Clayton—thank you for believing in the vision and jumping on board to change the marketing and communications industry.

Talented super producer Sidra Smith has been with me since the beginning of the Total Market conversation. You produced a roundtable when I was not able to make it back to New York because of a client conflict; you produced the very first Total Market Industry Summit, and despite my flaws in planning, you get things done the right way. Thank you for being you and thank you to the participants in the Cross-Cultural and Total Market Summits over the last four years.

To JL—thank you for being the super agent who is the MJ of the literary industry.

To FCB, Cynthia Augustine, Vita Harris, Keisha Vaughn, Carter Murray, and your team for opening up your office and incubating REFRAME: The Brand. No matter how tough the times got, you stayed with us and continued to bring this movement forward.

To Barbara Lippert, Gregory Canzater, Sidney Haynes, Dara Marshall, Malinda Williams, and Veronica Rodriguez—you gave me your ear and pen in the beginning of this journey.

During the winter of 2012 and spring of 2013, there were a series of breakfast and lunch meetings with a group of individuals who would later become the founding partners and members of REFRAME: The Association (formerly known as The Cross-Cultural Marketing and Communications Association): Madonna Deverson, Jeremy Katz, Cynthia Augustine (FCB), Keisha Vaughn (FCB), Vita Harris (FCB), Javier Farfan (Verizon), Singleton Beato (4A's), Lizette Williams (Kimberly-Clark), Dorinda Walker (Prudential), Lewis Goldman (MetLife), Millward Brown (Cheryl Stallworth-Hooper, Ann Green, Susan Hickey, Ola Mobolade, and David Burgos), James Dix (Wedbush Securities), PR Newswire, *Savoy* magazine, Dara Marshall, Laurel Ritchie, Karen Watson, Cindy Kynard, North Star Media, Unvision, Black Entertainment Television, and *Rolling Out*.

I'd like to acknowledge and thank my advisors in helping me form the Total Market Industry foundation for believing in the vision even where there was nothing there: Cynthia Augustine, Vita Harris, Donna Pedro, ET Franklin, Geraldine Moriba, Javier Farfan, Cheryl Stallworth-Hooper, Colin Mitchell, Julie Halpin, Lizette Williams, Margaret Regan, Singleton Beato, Thomas Bartley, Yolanda Conyers, Lou Aversano, Jeff Yang, Michael Farello, Clarence Mitchell, and the vineyard vacation crew.

The very early, early adopters of the philosophy and approach was the "original 67," who showed up at the 2013 Total Market Summit. Who knew your attendance and support would accelerate the idea and practice that there was and is another option to the way our industry learns and practices? Thank you, original 67, for your patience and belief that we could disrupt the industry: Siyad Abdullahi, Salvador Acevedo, Sophia Aladenoye, Danielle Austen, Denise Byrd, Jarek Carethers, Tina Chen, Donal Conn, Linda Crowder, Connie Cunningham, Afia Ohene-Frempong, Alexandra Galindez, Lewis Goldman, LP Green, Vanessa Henry, Stephanie Herold, Heidi Karlsson, Lisa

La Valle-Finan, Bob Linden, Sue De Lopez, Monique Madara, Shelley Martinez, Jose Mejia, Pepper Miller, Shelly Morrizon, Justina Omokhua, Victor Parada, Allen Payano, Alice Pollard and Red Bean Republic, Caroline Riby, Danielle Robinson, Keith Sherman, Lisa Sorensen, Patricia Taylor, Pauline Warren, Anastasia Williams, Katherine Wilson, Cristian Yancey, and Ashley Zapata.

Our mission at REFRAME: The Brand is "To be the global resource for preparing brands and businesses for the new marketplace through Total Market Enterprise training, education, certification, and advisory services for executives and their teams." As you read this book, I hope you take away solutions for addressing critical gaps within your business.

If you have a burning question about how we can help your brand or business prepare for the New Majority in the United States and globally, please do not hesitate to contact us at www.reframethebrand.com or www.jeffreylbowman.com.

Chapter 1

Separate but Equal

The World's Worst Marketing Challenge

Here's a business and marketing challenge for you: You have a product that's intangible and expensive. It requires monthly payments. If things go well, the money your customer spends on it will be wasted. Both the purchase process and every single payment moment require that your customer confront some of the most uncomfortable truths a person can face. There is no possibility that your customer will ever see any personal, direct benefit from your product.

Sounds a lot harder than selling soda, right?

If you haven't already guessed, the product is term life insurance—the stuff that has no cash value and evaporates once the term is over. Its benefits, however, are significant. It can provide a safety net to your beneficiaries in the event of your death—a safety net that is much larger than you'd be able to afford via a whole life policy (the kind with a defined cash value).

But tens of millions of people in the United States have term life—so it can't be that hard to sell. Although this is true, those existing customers have a culturally mediated understanding of term life insurance and the disposable income needed to make it accessible. For them, it's a plus, not a trade-off.

Naturally, the life insurance industry has long targeted this segment. They're affluent and, for the most part, white. They're a great market, except for one major problem: Because they're already well served, the market isn't growing much now or in the future. This poses a problem for the growth-oriented, publically traded life insurance industry.

There is a woefully underserved market out there, one that has a real need for life insurance and is on a demographic growth spurt. But, naturally, there's a problem there, too. This market has little resemblance to the old stalwarts the industry has long relied on. It is less affluent, more ethnically diverse, and often unfamiliar with—even intimidated by—the concept of life insurance. Reaching this audience means staring that marketing challenge right in the face.

The costs of ignoring this audience are high and growing every day. The challenges in reaching them are vast—and expensive to solve. What's an insurer to do?

The answer is simple. To continue to thrive, life insurance companies must reframe their view of the market for their products, going from a narrow focus on the general market to a broad approach to the Total Market. One company, MetLife, did exactly that, and enjoyed extraordinary results. During the course of a one-year campaign, MetLife saw a *60 percent increase* in premiums, fully 40 percent more than its already ambitious goal.

Impressive? Yes.

Easy? No.

Essential? Absolutely.

From the middle of the last century until now, advertising and marketing has divided itself into two big groupings: the general market and the multicultural market. Or, to be blunt, we split ourselves into white and nonwhite agencies. Sound familiar?

The white, general-market agencies (GMA) spoke to the mass market—which was and still is predominantly white. The nonwhite, multicultural agencies focused on individual ethnic groups. Hispanic agencies spoke to the Hispanic population, black agencies spoke to the black population, Asian agencies spoke to the Asian population . . . you get the picture. Given that advertising and marketing is a business of emotional and rational understanding and persuasion, this approach made sense. If you imbue your advertising with a deep cultural understanding, you're likely to connect better to your audience.

For decades, the system worked to a certain extent. The multicultural agencies really did do a better job of selling to their target consumers than GMAs would have done. The whole system might have continued to thrive were it not for human nature. As you've probably noticed by now, this industry division was just another instance of the infamous separate but equal philosophy—only applied to commercial enterprise instead of education. Predictably, GMAs worked with huge marketing budgets, while multicultural agencies divided up a small ethnic advertising pool. When they needed extra funds, they came out of another multicultural segment, not the overpowering general market. Distasteful though it may be, even that system made a certain degree of commercial (if not moral) sense when the white population really was equivalent to the mass market.

That's not going to be true for much longer. In fact, the era of the majority white population has already faded into history in many parts of the United States. Continuing with a fragmented general market/multicultural approach isn't just shortsighted; it's suicidal. The only way to see, appreciate, and sell to the full panoply of America's diverse new mass market is to do for advertising what we did for education five decades ago.

It's time to integrate. It's time to stop carving up our target markets into ethnic slices and time to start looking at the Total Market. When you do, the math changes—dramatically.

Consider the life insurance industry once more. It's known all along that everyone in the United States is a potential customer. After all, none of us gets out of here alive. But knowing that is one thing; learning how to act on it is something entirely different.

MetLife wanted to try. It knew that over the past seven decades, the U.S. population has doubled to more than 300 million people—and that the number of life insurance policies purchased has dropped by 50 percent in that same time. The industry made up for the volume shortfall by selling ever-larger policies to more affluent customers—a strategy that can work only for so long. Rather than watch the industry grow even more elitist, MetLife wanted to see if it could serve a broader market. To do that, it sought out global advertising agency Ogilvy & Mather, where I led the Cross-Cultural Practice. The MetLife executives already knew the demographic realities. Metlife's core consumers were part of a slow-growing segment of the U.S. population. However, there were many people outside of that traditional segment who would benefit from life insurance. They just didn't have a history of purchasing life insurance or any companies marketing to them.

It seems obvious in this case; sell your product to anyone. Everyone dies, so why discriminate with life insurance? But the reality is more complex than that. Educating a new customer base about your product is a major task. It's expensive and time-consuming, but it is a walk in the park compared with educating that new customer base about your *whole product category.* And that's what MetLife had to do. When it looked at the size of the Asian, Hispanic, or black markets in isolation and through the lens of its current product offerings, that kind of investment didn't seem to pay off.

But we helped MetLife reframe how it looked at its market by showing it just how large its market could be. First we urged it to stop looking at the minority segments in isolation. They seem small when viewed on their own, but they become quite a powerhouse when you look at them all together. Now you're looking at a huge and growing demographic.

Second, we added another piece: There is no intrinsic reason why life insurance is affordable only for those who earn more than $100,000 a year. In fact, innovative life insurance policies are affordable even by those with household incomes less than $35,000 a year.

Once MetLife reframed the market that way, the true scope of the opportunity came into focus. There are more than 24 million uninsured or underserved minority households in the United States. That represents a *$15 billion* market opportunity.

Suddenly, a major investment in tapping that market seems worthwhile. But the old ways would not work. MetLife had sized the market as a whole. Now it had to sell to it that way, too.

We knew that selling life insurance had always been what we call a *rational sell.* Imagine your friendly life insurance salesperson saying to you, "And all this protection for your children is only $14 a month. Why, that's less than what you spend on coffee!" There's an emotional component there, too—an appeal to family—but that part was an afterthought. The real meat of the message is the amount of the protection and the price it costs you. Moreover, most life insurance companies depicted white, nuclear families in their advertising.

Rational selling approaches work only when your market is already sold on the need for your product. Appeals to family work only when the family is relatable. Fourteen dollars a month for something vague, uncomfortable, and poorly understood to benefit a family that looks nothing like yours. No wonder life insurance hadn't connected.

If MetLife wanted to sell to today's families, it needed to understand how family looks and acts today. Norman Rockwell's famous illustrations will always be lovely, but they're no longer representative. Today's family is often multigenerational, multiethnic, and gay or straight. It's focused on strongly held traditions and radically new ideas, and it's reflective of culture. Hispanics may find that family obligations transcend generations and borders while blacks are often in female-led, multigenerational groupings of mutual support. Asians have held a firm grip on traditional marriage, the veneration of elders, and broad family interest.

As different as all those family traditions are, one thing unites them: a notion that family isn't some idealized, Norman Rockwell–like concept. It is instead a broad circle of concern. The narrow circle of concern that defined the white, nuclear family has been replaced by an explosion of diversity. As Brian Powell, professor of sociology at Indiana University, has said, "Americans are focusing less on the structure of family per se and instead . . . focusing on the *functions* of family. Families take care of each other. Families help each other. They love each other. As long as Americans have a signal out there that a living arrangement is doing that, then they accept it as a family."[1]

The life insurance category hasn't caught up to this reality, though. The vast majority of life insurance advertising imagery still looks more like *Father Knows Best* than *Modern Family.* MetLife stepped out of that constraint, and like the family of today, it broadened its own circle of concern, speaking to all kind of families—all races, all incomes, and all sexual orientations—at once. It focused most of its attention on the areas of greatest opportunity—the middle market of households earning less than $75,000 a year and the multicultural market—and set ambitious goals. And as stated previously—it blew those goals away.

The Total Market approach and industry has arrived. Unfortunately, most folks haven't gotten the memo.

Like any industry, advertising has its share of conferences and associations. The largest and most influential of all of these is the Association of National Advertisers (ANA), established in 1910.