

THE INAUGURAL STATE OF THE TOTAL MARKET INDUSTRY VERTICAL:

ACCELERATING MARKETPLACE CHANGE AND
GROWTH WHILE BUILDING INCLUSIVE CUSTOMER
EXPERIENCES AT SCALE

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[INTRODUCTION]



I can remember like it was yesterday. It was February 2009. John Seifert, current chairman and CEO of Ogilvy & Mather Worldwide was then president of North American operations. John, along with Ogilvy & Mather’s global chief diversity officer, Donna Pedro, posed the question: How do we, as a company, prepare for the next 50 years? Respected visionaries, John and Donna knew Ogilvy needed to shift from the idea of being a “General Market” agency to a new type of cross-cultural agency in order to be increasingly relevant to brands and consumers moving forward, implementing an inside-outside strategy.

Given the age of acceleration that we are living in and the dramatic population shift that is rapidly building toward a racially-, ethnically-, religiously- and gender-diverse majority, it is the one question every brand should be asking about its marketplace and workplace. The Total Market approach will help to ensure that the needs of the New Majority marketplace and workplace will be served and organizations remain on a growth trajectory into the future.

At REFRAME: The [Brand]™, we wanted to share our point of view about where the Total Market industry vertical is today and where it is heading. Since January 2016 my team has been interviewing thought leaders and practitioners across several channels, including marketing and communications, talent, diversity and inclusion, corporate communications, and learning and development. This report provides insights into the maturity of the Total Market industry vertical and explores its complex history, examining what it is and what it is not, areas of change that are impacting brands and businesses, those brands that are doing it well, and best practices for implementing marketplace and workplace change.

A handwritten signature in black ink that reads "Jeffrey L. Bowman". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

JEFFREY L. BOWMAN
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[FOREWORD]



Jeffrey and I met several years ago when we worked with former employers. We both had aspirations of shifting corporate and workplace practices in our organizations. His focus was the marketplace and my focus was people and culture. He had just reintroduced the topic of Total Market and I was fascinated by the business implications of developing a deeper understanding of multicultural audiences and building inclusive talent strategies.



To see Total Market strategies evolve to become an industry conversation is a reflection of Jeffrey's perseverance and his commitment to make the world a better place for the next generation of executive leaders. I had the chance to review earlier versions of the approach and appreciate the more mature perspective on this emerging industry vertical. Here's what you will take away from the report for your brand or enterprise organization:

1. Clarity as to what this new industry vertical is and is not
2. Understanding of your organization's readiness relative to the industry
3. Examples and best practices of enterprise organizations starting to get this right
4. Last, thoughts about what's next and how to position your brand or enterprise organization

What I've learned from Jeffrey is that the Total Market industry vertical is a result of a "macro" shift and that diversity and inclusion practitioners have a role to play in helping our clients and partners become comfortable with the New Majority marketplace and workplace. How we "reframe" our thinking and our organizations will impact the next 50 years of employees, consumers and customers. I hope you walk away with both answers and questions about how to advance the emerging Total Market industry vertical.

Sincerely,

A handwritten signature in black ink, appearing to read 'Daisy Auger-Dominguez'.

Daisy Auger-Dominguez
Director, Global Diversity and Inclusion Strategy
Google

WHY NOW?

THE TOTAL MARKET IMPERATIVE: [WHY NOW?]

Over the past several years, a great amount of attention has been focused on Total Market — what it is, what it is not, and how it impacts brands and agencies moving forward. Overall, the concept remains cloudy and misunderstood, with considerable misinterpretation and misuse of its theory and practice.

Jeffrey L. Bowman, while at Ogilvy & Mather (a general market agency), reintroduced the topic of Total Marketing in 2010 at an advertising and communications conference (1), among a membership made up of brand marketers with agency partners. Because of this, the interpretation from attendees and the rest of the industry was that the object of a Total Market approach was an advertising outcome. This created confusion among brands, who believed they were investing in an advertising solution, rather than a systemized business growth strategy that embraces the new marketplace and the new workforce.

To set the record straight: Total Market was derived from an idea that was presented in 1964 by McKinsey & Company (2), a management consultancy that facilitates change management and has no affiliation with the advertising industry. Forty-six years later, Jeffrey expanded on this business concept, developing insight, systemization and tools for organizations, so they could achieve marketplace and workplace readiness. Despite countless attempts to clarify the intent and execution of Total Market, gross misinterpretations of the approach continued to exist.

As a result, the first wave of companies that pursued Total Market, from 2011 to 2013, often failed. Many abandoned the idea because they didn't start by putting in place the infrastructure to support the deep changes that Total Market demands. Their focus was on how to acquire ethnic and female consumers rather than how to engage with and retain them in the marketplace and workplace. These companies often viewed Total Market as a way to create efficiencies and reduce costs, rather than to drive equitable connections, relevant content and make their messaging more effective.

Brands that don't embrace the New Majority reality will fade. For this reason, Total Market cannot be an afterthought or executed in a haphazard way. It must be the foundation of your thinking at the inception of a campaign or strategy and it must carry through the entire strategic process. An example of a company that got it right is Toyota. As the first wave of companies that embraced Total Market floundered, Toyota, in 2013, announced a new approach, dubbed "Total Toyota," (3) that hit the correct note.

Previously, Toyota used a standard, linear approach where its agency, Saatchi & Saatchi, primarily set strategy for the General Market, while three other agencies handled the African American, Asian and Hispanic advertising. Saatchi's General Market strategy flowed down to the ethnic agencies who would then work in relative isolation. With Total Toyota, all four agencies work collaboratively from the start to develop the focus, purpose, model and proposition of their Total Market campaigns and strategy. While previous marketing efforts were aimed at finding differences between the various ethnic cultural segments, the Total Market approach uncovered similarities and nuances.

The result has been more cross-cultural messaging; creative that is intertwined with cultural cues; greater media impact; and deeper connection with customers. This succeeded because Toyota did a remarkable job developing what we call a cross-cultural communication platform, as well as changed their procurement structure to be in line with the Total Market approach, which meant opening up to agencies and professional service providers with cross-cultural-led insights, rather than siloed expertise.

Admittedly, this approach can require some tough adjustments. For example, an agency that in the past was responsible for, say, the entire United States Hispanics (USH) African American budget, might find that it no longer handles the entire production of TV ads aimed at that segment. Ultimately, though, Total Market does away with agencies competing for production dollars, and mandates collaboration on the “big idea” so they work together to use client dollars most effectively.

To reach this point, companies and the agencies they use must think differently, they must act differently, and speak differently. If an agency still uses terms like “general market,” “multicultural” or “ethnic” marketing, they are employing outdated thinking that relegates the New Majority to a smaller, niche segment, which it no longer is. If a marketer’s response to Total Market is to boost the marketing budget devoted to an ethnic segment from 10% to 15%, they do not understand the deeper ramifications of a New World Order.

The New Majority requires disruptive changes. At the same time, too many companies still think of Total Market in terms of whether they “get it” or “don’t get it” – a black-and-white conception of a complex situation, which doesn’t help anyone.

**Total Market
is a journey for
brands, with key
milestones along
the way**

- Select the partners and advisors who truly understand the transformation that is underway and embrace the new reality.
- Understand this topic carries a lot of layers, and become open to different ways of thinking about workplace readiness and market readiness.
- Make investments in training your organization to think about and approach Total Market in a new way.
- Collect data that captures the full interests, preferences and cultural backgrounds of your consumer targets – most companies are woefully lacking in such rich information.

We are entering an age when the workplace already encompasses people who came to adulthood having had a multiracial president for a third of their lifetimes. Times have long since changed, and the rate of change will only become more profound. To be ready for the future, companies and marketers will need to tear down old structures and thinking that are rooted in an America that no longer exists.

THE TOTAL MARKET INDUSTRY EVOLUTION: [A TIMELINE]

The two things that C-Suite executives, marketers, agencies and practitioners within talent, diversity and inclusion, and corporate communications struggle with is the history of the Total Market space and language. We pulled together a timeline on the topic along with a glossary of terms to firmly ground you.

1964 ○ McKinsey & Company introduce the Total Market topic in a white paper, alerting executives about the wave of upwardly mobile and educated black consumers that were beginning to amass buying power through better jobs, home ownership and the acquisition of post-secondary degrees. It was largely ignored because of the scope of opportunity for executives. America was a monocultural society. The 1960 and 1970 Census shows black segments made up less than 8% of the U.S. population (4). Large companies could not grasp the concept of Total Market when there was one dominant majority-minority, namely Black Americans. Thus, the topic of Total Market went away.

1964 to 1969 ○ The height of the modern U.S. Civil Rights Movement. Beyond the headlines about marches, protests and controversies surrounding affirmative action, there was another story that foreshadowed the necessity of a C-level approach to the multicultural workplace. Black employees at Xerox protested, demanding equal pay for performing the same job functions as their white counterparts. This was a wake-up call for Xerox CEO Joseph Wilson, who recognized that as more people from diverse backgrounds entered big business, there would be a much greater need to address racial and cultural differences. This inspired him to lead the charge to create the first employee resource group (ERG) structure; later, he would champion the initiative for other enterprise organizations.

1972 ○ Chicago-based Johnson Publishing Company is selected as “Magazine Publisher of the Year” by the Magazine Publishers Association, due to the success of Ebony, as well as the company’s other media properties. Two years earlier, another powerful black-focused magazine, Essence, launches in New York and quickly grows into a media empire (5). These media companies represent the pervasive marketing landscape in place. Brands would hire “ethnic” or “multicultural” agencies to buy targeted media and create siloed approaches specifically for minority markets. Separate agencies would be hired to focus on the general, or mass, market, which was a primarily white audience.

1994 ○ A representative survey of large companies in the New York City metropolitan area (Miller 1994) reveals that the majority of the 312 companies interviewed still treat workforce diversity as an affirmative action mandate or as compliance with employment legislation. Except for programs that address skill deficiencies or the needs of part-time workers, fewer than 10% of companies surveyed link the management of diversity to productivity (6).

2000 ○ A telling sign of things to come. A major change to the U.S. Census questionnaire is the addition of a new instruction: “Mark [X] next to ‘one or more races’ to indicate what this person considers himself/herself to be.” Just 10 years earlier, the 1990 question instructed respondents to “Fill ONE circle for the race that the person considers himself/herself to be.” The U.S. Census Bureau, in 2015, would predict that the “two or more races” population will be the fastest-growing population over the next 46 years (7).

2010 ○ Jeffrey L. Bowman, while at Ogilvy & Mather (a general market agency), reintroduces the topic of Total Marketing in 2010 at an advertising and communications conference, among a membership made up of brand marketers with agency partners. Because the topic is reintroduced at a marketing conference, the interpretation from attendees and the rest of the industry was that the outcome of Total Market was an advertising outcome. This gross misinterpretation of the Total Market industry approach creates confusion among brands, who believe they are investing in an advertising approach, rather than in change management to prepare organizations for the new marketplace and new workplace.

2011 ○ One of the largest global agencies, Ogilvy & Mather Worldwide, forms a unit, OgilvyCulture, that specializes in cross-cultural marketing (8). British Airways and IKEA are among the initial clients of the unit, which also provided consulting services to advertisers like Eastman Kodak, Kimberly-Clark and Unilever.

Walmart makes headlines, announcing the elimination of its siloed, multicultural marketing team and making multicultural marketing a business imperative for everyone at the company. Two years later, marketers adopt this strategy under its re-born name: Total Market (9).

2013 ○ Five big names on Madison Avenue join forces to start the Cross Cultural Marketing and Communications Association, an organization devoted to promoting cross-cultural marketing, which aims toward a general market whose demographic makeup is becoming much more diverse (10). “The industry says you have to be in the general market box or in the multicultural marketing box,” says Jeffrey L. Bowman, the founder of the new organization. “Cross-cultural (or Total Market) is inclusive of both boxes.” The organization is introduced at the Total Market Industry Conference that year.

2015 ○ *REFRAME The Marketplace: The Total Market Approach to Reaching the New Majority* was authored by Jeffrey L. Bowman and published by Wiley.

2016 ○ In the bestselling book *Thank You For Being Late: An Optimist’s Guide to Thriving in the Age of Accelerations*, author Thomas Friedman outlines the macro events that occurred from 2000 to 2007, which led up to the Great Recession. What he and other thought leaders fail to mention is one of the biggest shifts going on – the people are changing. America and the world, from a racial, ethnic, gender, religious and intergenerational perspective, is becoming the most diverse population that has ever been documented in human history. Despite this striking shift, many brands continue to deploy the workplace models and procure marketplace services within industry verticals in the same way as they did in the 1960s and 1970s.

2016 ○ The confusion about Total Market as an advertising approach versus a business growth strategy comes to the forefront. At the ANA 2016 Multicultural Marketing and Diversity Conference, Lizette Williams, multicultural marketing leader at Kimberly-Clark, attempts to clarify what Total Market is and is not when she says, “Total Market strategy has been largely misunderstood. Total Market strategy was never intended to be a cost-cutting measure to drive efficiencies. It was actually quite the opposite. It was designed to drive inclusivity and effectiveness of messaging (11).”

THE TOTAL MARKET INDUSTRY VERTICAL [GLOSSARY]

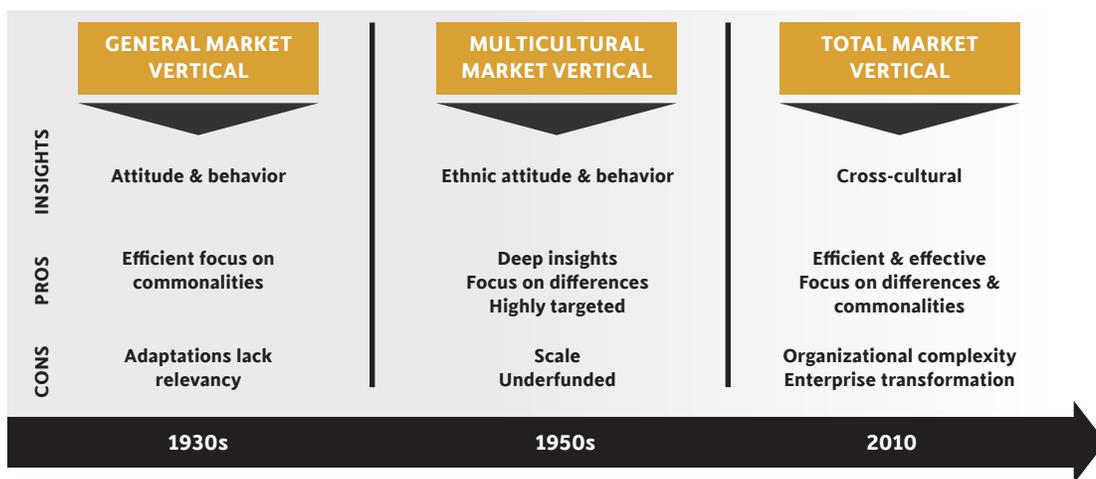
Over the last seven years, there's been a lot of language introduced on the topic that never had any legs. Below is a glossary of terms to use when looking to understand and practice the innovative change process.

TERM	DEFINITION
Total Market	A term introduced in the late 1960s used to describe how businesses address a total addressable market
Total Market Approach	A marketplace approach within an emerging industry vertical where goods and services reflect the total addressable market
General Market	An approach and industry vertical introduced in the 1930s that looks to address a brand's mass consumer
Multicultural	Emerged in the 1960s an approach and industry vertical that looks to address a brand's ethnic/racial consumers (i.e. Hispanic, Black and/or Asian)
Cross-Cultural	Emerged in theory in the 1930s and an approach within social sciences concerned with the exchange beyond the boundaries of the nation or cultural groups
Polycultural	A term for the assertion that ALL of the world's cultures are interrelated
Transcultural	A term for the identity, attitude and behaviors involved in transitioning culturally and seeing "oneself in the other"
Hispanic	Includes Spanish, Hispanic or Latino origin of any race
Total Market Enterprise™ (TME)	A workplace term and approach introduced in 2013 that describes a business transformation process that assesses and accelerates an organization's maturation and New Majority readiness
Total Market Enterprise™ (TME) Maturation	A proprietary organization assessment used to determine the level of enterprise mastery and capabilities within the areas of Structure, Segments, Strategy, Systems and Solutions
Total Market Enterprise™ (TME) Transformation	A change management process for scaling New Majority behavioral change beyond marketing and communications (i.e. Innovation, R&D, Finance, Talent)

ESTABLISHING A TOTAL MARKET [INDUSTRY VERTICAL]

So how can we prepare brands and agencies to remain relevant and competitive for the next 50 years amidst an increasingly diverse, boundary-pushing population? It requires innovation and a structural change for most enterprise organizations. For starters, there has to be a new industry vertical formed.

A vertical market is one in which vendors offer goods and services specific to an industry, trade, profession, or another group of customers with specialized needs. An example could be software that specifically manages services for the hospitality industry, a phone with enlarged buttons aimed at the senior market, or a magazine that caters to the interests of people who own sailboats and enjoy sailing.



The Total Market industry vertical is one in which goods and services reflect the marketplace (see above). It sounds simple. The “general” (or mass) market vertical and the “multicultural” (or ethnic) market vertical do not not reflect how the marketplace lives. Up until now, agencies and other professional service providers have been forced to offer siloed services — either in the General Market (for the masses) or the Multicultural Market (for specific ethnic/ racial/religious segments). Combined brands invest more than \$350 billion dollars procuring goods and services, based on a segregated approach with only two industry verticals from which to choose.

Now, what is a horizontal market? A horizontal market is able to sell its goods and services across one or more industry verticals and is therefore focused on a wider range of business segments.



Why is this important? Total Market essentially establishes a new industry vertical for brands and businesses to procure goods and services that reflect today's marketplace and workplace. It opens the doors to more ways of sourcing ideas, and new partners get a fair shake for the resources, allowing brands to get the best and brightest solutions for the marketplace of today.

TOTAL MARKET INDUSTRY REPORT: [METHODOLOGY AND APPROACH]

Our intent is to share meaningful perspective on the Total Market industry landscape. The report is compiled from interviews, articles, brand engagements and data across six years of working within the Total Market industry. The report findings and report out is structured based on the proprietary assessment by **REFRAME: The [Brand]**[™], which evaluates the maturity of the “5S’s” as outlined below:

STRUCTURE	Seek to understand organizational design for unlocking new marketplace and workplace value.
SEGMENTS	Explore how brands size the total addressable market and understand their methodology for the marketplace and workplace segmentation.
STRATEGIC ALIGNMENT	Seek to understand if an organization has a point of view on high-growth segments and the extent of alignment across the organization.
SYSTEMS	Understand what types of tools and processes exist to activate scalable growth at national and regional levels.
SOLUTIONS	Evaluate procurement and performance of partners and vendors to understand if they are providing outcomes reflective of the new marketplace and workplace.

Based on responses and findings, we then assigned a maturation score to companies that align with the 5S’s. A score of 1 is the lowest end of the spectrum and 5 is the highest. Criteria for scoring consisted of the following:

TME SCORE OF 1: FORMING

No/Low awareness of change required and approach to take. Lack enterprise systems, structure, segments, strategic alignment and solutions.

TME SCORE OF 2: GROWING

Mid/High-level awareness of change required and approach to take. Has structure but lacks alignment around the segments, strategy, systems and solutions.

TME SCORE OF 3: PRACTICING

Mid/High-level awareness of change required and approach to take. Has structure, segments and systems but lack strategic alignment and solutions.

TME SCORE OF 4: LEADING

High-level awareness of change required and approach to take. Has a structure, segments, systems and solutions but not yet “best in class.”

TME SCORE OF 5: MASTERY

Master level, considered by industry peers as top performers in changing their organization informed by evidence-based outcomes.

We spoke with industry thought leaders, brand leaders, planners and associations members about the emerging industry. Brands represented and findings reflected in the report out include, but are not limited to:



TOTAL MARKET INDUSTRY REPORT: [EXECUTIVE SUMMARY]

The executive summary below captures key takeaways from the landscape analysis and one-on-one interviews of participants in the report. Detailed sections within the report capture findings on the Total Market industry vertical, within the areas of **STRUCTURE**, **SEGMENTS**, **STRATEGY**, **SYSTEMS** and **SOLUTIONS** (5S's).

■ STRUCTURE

The consistent theme from the interviews, observations and literature is that brands and businesses are struggling to figure out the right internal structure for implementing the marketplace model, or the Total Market Approach. Some members within the Association of National Advertisers (ANA), American Association of Advertising Agencies (4A's) and Association of Hispanic Advertising Agencies (AHAA) choose to operationalize the meaning of Total Market as "Total and Targeted," which takes into account the total addressable market and the targeted ethnic segments. The pervasive feeling is that many brands were missing the targeted application of the Total Market Approach, using the approach merely as a method to operationalize efficiency or eliminate multicultural-focused shops.

Key Takeaway: The Total Market Approach has to be embedded as an organizational competency versus executed within a separate functional group that exists within an organization. It is everyone's responsibility to understand the wants, needs, attitudes and behaviors of the total addressable audience, which sometimes requires targeted, nuanced segments.

■ SEGMENTS

A hefty percentage of Fortune 500 brands rely on secondary resources like MRI to understand consumer segments. Some organizations have made the investment to develop and maintain their own primary consumer segmentation. Because research organizations mainly provide research services horizontally (see "Establishing a Total Market Industry Vertical" — page 13), there is no incentive to build a knowledge base of ethnic consumer insights or have partners sample ethnic consumer segments in depth. We've found this to be concerning given the accelerated growth of consumers who self-identify with two or more ethnicities and races.

Key Takeaway: The definition of multicultural as a consumer segment is now much broader and more complex than ever before. It should be a mandate that every major Fortune 500 brand invest in custom research and oversample ethnic consumer segments within their segmentation.

■ STRATEGY

Many organizations with 1,000+ employees are beginning to understand what the Total Market opportunity is; however, they struggle with understanding what to do, when to do it — and how. Strategic alignment around the new marketplace and workplace is still forming because of legacy systems and the institutionalization of risk aversion. Information is lacking: Many Fortune 500 brands have sparse data on Millennials and Generation Z populations, and limited primary data on the most diverse generation in history. Moving too quickly to seize the Total Market opportunity without that knowledge in hand can be perceived as both overwhelming and risky.

Key Takeaway: The vital need to address the new marketplace and workplace and prioritization is still misunderstood, underfunded, and not prioritized within large and midsize organizations.

■ SYSTEMS

If you were to speak with any CIO or CTO, they would tell you that the adoption of technology to accelerate productivity is moving at an all-time speed, but what is lacking is the integration of disparate systems and cross-functional teams, resulting in inconsistent procedures and performance across the organization. Similarly, in most large and midsize organizations, the capabilities exist to enable and accelerate new marketplace and workplace outcomes; however, there is a lack of integration and collaboration across decision-makers in core functional areas, such as marketing, finance/revenue, operations, communications, HR/talent/diversity and corporate social responsibility.

Key Takeaway: For the Total Market approach to be fully realized across large and midsize companies, investments need to be made in strengthening alignment, communication, infrastructure and accountability across teams.

■ SOLUTIONS

For the marketing and communications industry, this is the area open to the greatest misinterpretation: What is the right marketplace approach and what is not? This is difficult for procurement managers at large and midsize organizations because there is a level of compliance embedded in the conversation. Most Fortune 300 companies are incentivized to hire and procure women and minority-owned businesses. Within advertising, brands also hire women and minority-owned businesses and the assumption is that those minority vendors are delivering services that are consistent with their ethnic, racial or gender identities. (Most procurement and brand officers will never say that, of course.) This perception can limit resources and scale for service providers within the Multicultural Market vertical. Most General Market service providers are awarded “agency of record” (AOR) business and because of the inequity, the revenues of General Market vertical services providers account for more than 90% of the \$350+ billion dollars within the industry.

Key Takeaway: Most vendors and partners competing for contracts from large and midsize brand meet the “idea” of the Total Market industry vertical, and the new marketplace and workplace approach, with enthusiasm. However, the approach has not been well executed by the brands, often causing disruption to the procurement model, whereby women/minority-owned firms are most impacted.

FULL REPORT

The next few sections within the State of the Total Market Industry Report dive deeper into this subject matter through one-on-one interviews, qualitative observations and articles. Using our TME methodology for assessing the industry, we've given a maturation score for each of the 5S's for brands and business to begin to evaluate where they are on the TME maturation curve.

SECTION 1: TOTAL MARKET INDUSTRY – [STRUCTURE]

Total Market Enterprise™ (TME) Maturation Score – 3 out of 5

Key Takeaway: The new marketplace and workplace approach has to be embedded as an organizational competency versus a separate functional group that exists within an organization.

The industry is at the very beginning of the Total Market industry marketplace and workplace journey. Within the General Market and Multicultural industry verticals, we've had more than 80 years of innovating, benchmarking and establishing best practices for marketplace and workplace outcomes.

It is now everyone's responsibility to understand the wants, needs, attitudes and behaviors of the total addressable audience and that targeting nuanced segments is also sometimes required.

- The Total Market approach for the marketplace was initially viewed as an efficiency outcome with inclusive representation in marketing programs.
- Integrated thinking was not embedded into standardizing within operating processes.

Large and midsize organizations have to transform their organizations into a marketplace and workplace that goes to market in a multicultural society from end to end.

Key themes that came from interviews and observations:

- “We shut down the multicultural structure and removed resources”
- “Had to retrain the organization to standardize the workflow and importance of multicultural segments”
- “As a group of one, sometimes it does not feel like I have support from senior leadership”
- “We've shifted the structure to become a center of excellence for training and educating brands”
- “The industry has a long way to go”

SECTION 2: TOTAL MARKET INDUSTRY - [SEGMENTS]

Total Market Enterprise™ (TME) Maturation Score – 2 out of 5

Key Takeaway: The definition of multicultural as a consumer segment is now much broader and more complex than ever before.

It should be a requirement that every major Fortune 500 brand invest in custom research and oversample ethnic consumer segments within their segmentation. Marketers and stewards of brands have to more than ever listen with their ears, eyes and heart in order to understand the nuances within the new culture.

- Segmentations used today are usually binary and thus do not often consider the importance of multicultural segments.
- The cultural shift is accelerating faster than brands can keep up.
- For brands to get this right, they have to seek richer insights and adapt the mindset of the new majority marketplace within the workplace.

Key themes that came from interviews and observations:

- “The cultural shift is happening at a phenomenal speed but brands are not able to keep up”
- “The traditional model for insight development was based on generality”
- “When you think about multicultural segments, stop thinking about ethnic and be more cross-cultural”
- “Insights development is often confused with targeting, a consumer insight requires deeper understanding of the consumer and translating of the insight in a meaningful way for the brand”

SECTION 3: TOTAL MARKET INDUSTRY – [STRATEGY]

Total Market Enterprise™ (TME) Maturation Score – 3 out of 5

Key Takeaway: The strategic alignments on new marketplace and workplace resource requirements and prioritization within large and midsize enterprise organizations are still misunderstood and underfunded.

There is still no alignment on the true future of how the New Majority will impact brands.

- Historically brands do not have a holistic approach to the marketplace.
- It is difficult for brands to make the right marketplace decision when their leadership does not reflect the marketplace they serve.
- The brands that remain “open” and invest in culture will be the organizations that attract the best talent and in doing so secure the future of their business.

Key themes that came from interviews and observations:

- “There is a shift toward insights and moving away from general market and multicultural to a cross-cultural or polycultural organization”
- “Moving toward a cross-cultural or polycultural approach can make brands lazy and focused on a ‘human truth versus an insight’ ”
- “Brands that have meaning and purpose will be on the forefront of consumers’ minds”
- “The C-Suite gets it, but we’re stuck in the middle”

SECTION 4: TOTAL MARKET INDUSTRY – [SYSTEMS]

Total Market Enterprise™ (TME) Maturation Score – 3 out of 5

Key Takeaway: The level of maturation for enterprise systems operationalizing the approach in large and midsize companies has yet to be fully realized across the industry. The future of brands will be dependent on how they organize and better connect with the multicultural audience.

- Brands are increasingly making internal changes in the way they structure.
- Tied to multicultural is diversity and inclusion; it is a tough nut to crack for the industry given new requirements on talent and structure.
- The Association of National Advertisers (ANA), a member-driven organization made of marketers, has formed a committee, the Association of Inclusive and Multicultural Marketing (AIMM), a coalition designed to “build a community of multicultural champions, advocates and experts.”

Key themes that came from interviews and observations:

- “The world is more complicated because the USH segment has grown and now there are second- and third-generation consumers”
- “Brands are making structural changes and embedding multicultural sensibilities throughout the organization”
- “The topic of diversity is the most important topic facing the industry today”
- “There has to be a consideration for how you will build this approach for everyone and not just a specific group”

SECTION 5: TOTAL MARKET INDUSTRY – [SOLUTIONS]

Total Market Enterprise™ (TME) Maturation Score – 3 out of 5

Key Takeaway: The “idea” of the Total Market industry vertical and the new marketplace and workplace approach are met with enthusiasm from most large and midsize brands and their vendors. However, the approach has not been well executed by the brands and as such it is causing disruption within the procurement model. Women/minority-owned firms are most negatively impacted. As the market matures, brands will identify which approach is best for their organization and partners.

- The initial reaction to operationalizing the company was to eliminate multicultural agencies.
- Several years removed from the introduction of the approach, brands are now more thoughtful in their design of a new marketplace and workplace approach.
- Change is difficult and brands will have to work really hard to have the right people who understand the multicultural marketplace.

Key themes that came from interviews and observations:

- “Perception initially was that Total Market was defined to exclude multicultural agencies and today it feel more inclusive”
- “We will not have scratched the surface until marketers are bold enough to assign a ‘multicultural’ agency of record for a brand”
- “Specialization is still required because some consumers prefer targeted and in-culture across platforms (i.e. weChat, Vibr)”
- “We all know there is not a one-size-fits-all approach to the marketplace”

SECTION 6: BRAND RANKINGS AND BENCHMARKS

As with any emerging industry vertical or category, there are always going to be a share of early adopters and visionary organizations. The REFRAME: The [Brand]™ team generated a list of those early adopters of the new vision, which encompasses the Total Market approach to the new marketplace and the Total Market Enterprise™ (TME) approach for the new workforce.

At the early stage of industry vertical development, understandably, many enterprise organizations were “making things up” in absence of benchmarks. They had little choice. However, for the TME rankings, we were able to generate key benchmarks for evaluating large and midsize enterprise organizations. These benchmarks provide insight into what we’ve learned over the past six years and where companies are in their TME maturation cycle.

BRAND	INDUSTRY	OVERALL RANK	STRUCTURE	SEGMENTS	STRATEGY	SYSTEMS	SOLUTIONS
	Automotive	22					
	Technology	18					
	Quick-Service Restaurant	18					
	Retail	18					
	Financial Services	18					
	CPG/Paper	17					
	CPG/Food	17					
	CPG/Beverage	16					
	Retail	15					
	CPG/Home and Health & Beauty	12					
	Technology	11					
	CPG/Beverage	10					



We developed a questionnaire and conducted one-on-one interviews with most of the brands listed below. For those that we were unable to speak with directly, we spoke with their trusted partners, as well as other credible external resources. Our analyst team rated, scored and ranked brands using the McKinsey qualitative analysis methodology. This list is based on qualitative findings. In Fall 2017, we will provide a ranking of brands by category, and by 2018, it is our ambition to have quantitative data and illustrate those findings with detailed brand examples.

TME ASSESSMENT	BRAND	COMMENTS
STRUCTURE		Toyota, Kimberly-Clark and Coca-Cola all had multiple iterations of an organizational structure before landing on a shared service model with a commitment to ongoing executive education.
SEGMENTS		Verizon most recently conducted a best-in-class customer segmentation. Multicultural audience segments were oversampled, which can be used to develop national, regional and local programs and to measure impact.
STRATEGIC ALIGNMENT		Toyota and McDonald's both have a long-standing history of change management and traditional multicultural marketing within their leadership. Thus, they have an existing system in place for enterprise change management as they usher in the Total Market era.
SYSTEMS		Systems is an area where there was no shortage of best-in-class contenders. Operating systems were in place to size and measure multicultural audience segments, but sometimes lacked integration and talent and executed in a more traditional multicultural marketing approach.
SOLUTIONS		Toyota challenged their agency partners to go on the Total Market journey with them. Five years later, agency partners may not agree on everything about their new process for creative and marketing, but they feel like they are in a better place and providing relevant work to reach the total addressable marketplace.

SECTION 7: BEST PRACTICES

A common request from brands and colleagues is to share Total Market best practices. At the very first Total Market Industry Summit in 2013, Mr. Bowman framed up the state of the industry at the beginning of the congress of attendees. There was little evidence to share at the time; however, since then, there are brands who now have outcomes that we consider to be best practices.

The compiled list of best practices below is organized in a consistent manner to the research, analysis and findings.

■ STRUCTURE

- Scale modernization of the organization by developing a learning program (including content and re-education).
- Develop a centralized team, with budget to fund/reward brands that exceed ethnic segment growth plans.
- Re-evaluate agency partners based on their willingness/ability to move from an ethnic-based approach (Gen/Multi) to a cross-cultural approach (TMA).
- Develop a cross-functional task force, with C-Suite sponsorship. Best not to have all of the organization's ethnic leadership on the task force.
- Test new model with one brand before expanding.

■ SEGMENTS

- Develop segment-wide consumer/customer segmentation to understand consumer behavior and macro category drivers.
- If consumer segmentation exists, revisit to ensure methodology accounts for oversampling of multicultural segments (i.e. Black, Hispanic and Asian).
- For organizations with regional/local differences, provide segmentation break-out and manage accordingly, based on differences.
- Create internal roadshow to share segmentation findings. Emphasize findings that identify similarities across all segments; nuances specific to ethnic segments; and disparities nationally and locally.

■ STRATEGY

- At the C-level, identify a champion of the project. Hold an enterprise-wide kick-off event to communicate the prioritization of this effort.
- During the annual planning process, earmark the New Majority as an enterprise ambition. Mandate that brand plans address their contribution to forwarding this ambition.
- Track "ambition" progress with scorecard reporting results weekly, monthly, quarterly and annually.
- Within procurement and diversity and inclusion benchmarks, assign criteria for hiring strategic partners that mirror your new approach to multicultural audiences.
- Leadership team should develop a three- to five-year plan to transform the organization and mirror multicultural audience segments across the marketing organization.

■ SYSTEMS

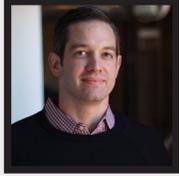
- Develop a standardized briefing process that includes cultural insights to be embedded across all segments. Make sure it informs all aspects of brand plans.
- Think globally but act locally, with insights that reflect the marketplace.
- Require a Statement of Work (SoW), with success measures for cross-cultural alignment (GM and MC). Measure and report performance across all partners.
- Role of multicultural partners' capability shifts to strategic advisor, insights development, and executives.
- Develop a scorecard at national and local market levels. Demonstrate how brands align with performance within all markets.

■ SOLUTIONS

- Re-evaluate agency partners based on criteria of going from an ethnic-based organization to cross-cultural.
- Revisit insight development practices; make sure research partners' capabilities include multicultural audience insights and a properly sampled audience which includes multicultural segments.
- Develop a cross-functional task force with the C-Suite sponsor. Do not have all of the ethnic leadership on the task force.
- Test the approach with one brand with 100% of the new model before expanding.

If you have additional methods that are proving successful that you'd like to share, please email us at contact@reframethebrand.com.

SECTION 8: INDUSTRY PERSPECTIVE: MILLERCOORS



Ben Feeney



In August 2016, MillerCoors issued what is believed by many to be the first official RFP for helping them modernize their workplace for the future marketplace. That, in and of itself, is validating – a strong indicator of the acceptance and acceleration of Total Market adoption. While MillerCoors has not yet achieved full end-to-end transformation, it is moving aggressively in that direction. We interviewed Ben Feeney, Director, Foresights and Design, at MillerCoors, who talked about MillerCoors’ impetus for change, outlook for the future and the journey along the way.

Why the change in approach?

MillerCoors shifted from a Multicultural to a Total Market marketing model because we saw the world around us changing. Rather than just the open inclusion of various cultures, as reflected by the use of a Multicultural marketing model, we saw people exchanging beyond cultural boundaries. That is, people continued to be very proud of how they identified but also wanted to learn why and how others identified. This type of marketplace really needed to be supported with a more modern marketing model like Total Market.

Where was MillerCoors prior to the change journey?

MillerCoors was using a Multicultural marketing model, but as people and culture evolved we needed to evolve our marketing model. Currently, we operate with a Total Market model. Our approach is to build brands with purpose, resonate that purpose across culture, and then target the message for growth.

What are the learnings organizationally and how will this drive marketplace change?

We are always learning, and must always be adapting to be ahead of marketplace needs. We live in a time when people, and the marketplace as a whole, are more dynamic than ever. It’s our mission to transform what marketing means at MillerCoors and what it means to be a marketer at MillerCoors. We have and will continue to do this through identifying clear roles for our portfolio in the category; understanding the people who enjoy our brands even more; grounding each brand strategy in a differentiated purpose; and bringing our messages to life via a variety of modern platforms.

Where do you see the topic going?

For now, at MillerCoors, we will continue to transform our marketing and drive growth through Total Market, but we are also seeing shifts indicating the marketplace is changing yet again. To future-proof MillerCoors on the shifts we are seeing, and the ones that are yet to be seen, we formed HX@MC – the Human Experience team at MillerCoors. It's a foresight team within the Consumer Insights & Engagement group. As we build out a new marketing model, all I can say right now is it will be based in polyculturalism. This means we are seeing people move from exchanging beyond cultural boundaries – the basis for Total Market – and into the intertwining of multiple cultures. As people and culture become even more dynamic, our marketing model must as well.

Can you share more about Human Experience (HX)?

HX is a team we built from the ground up over the past few months. The focus of HX is to truly understand people as people – their multiple dimensions and full identities. We operate well beyond marketing labels in order to optimize empathy within the MillerCoors marketing department, modernize our approach to marketing, and create competitive advantages in the marketplace. The short version? We humanize for growth.

Who is getting HX right today?

Establishing the HX team, and, more importantly, creating a platform to enable brand teams to anticipate and capitalize on current and future growth opportunities, wasn't about following others. It was, and is, about future-proofing MillerCoors and creating ways of working to meet future-state market needs. We are setting our own course and doing so inclusively, by collaborating with others who also believe human understanding can unlock transformative growth.

Where do you see the topic in the next five years?

The same – but different. I think the structure of Total Market will hold, the idea of total and targeted, but a layer of personalization will be added. Where and how is yet to be determined but that's what we are working on.

SECTION 9: TOTAL MARKET INDUSTRY [MATURATION]

Based on our findings, since the formation of the Total Market industry, our overall Total Market Enterprise™ (TME) Maturation Score of the Industry is 2.8 out of 5.0.

To be sure, the industry is still in its formative stages and there are few evidenced-based master-level brands or organizations at this time. For brands and businesses there are two core areas that lack organizational maturation: Structure and Strategy, most notably in the area of strategic alignment.

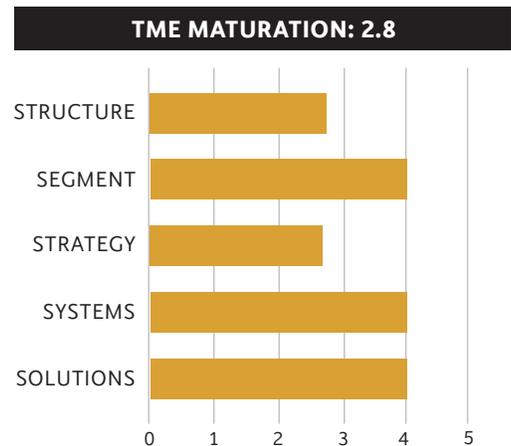
Large and midsize companies face structural hindrances that impede growth and slow plans to capture the new marketplace and workplace. Committing resources and collapsing internal organizations are highly challenging, take time to implement and require a degree of cultural competency.

Early movers are beginning to practice the approach across their organizations. Brands have formed, or are forming, their perspective on the Total Market industry vertical, approach and potential implications.

Within the areas of Segments, Systems and Solutions, brands have made the most headway. Technology advancements enable them to develop robust segmentation that is inclusive of all audience segments, achieved with relatively small incremental investment. Systems usually exist within organizations and require only a slight pivot. However, most organizations do not have an overarching system for change management, which poses some obstacles.

In the area of talent, some brands are mandating talent quotas for General Market (vertical) solution providers (12). In our opinion, this takes organizations back to an era that does not reflect the new, fully diversified marketplace and workplace. The Association for National Advertisers (ANA) is exploring ways to address the industry challenge. The ANA recently formed a new coalition within the ANA called the Association of Inclusive and Multicultural Marketing (AIMM). When they explained the coalition's goals, they said, "...we intend to elevate the conversation and bring it to corporate C-Suites so that multicultural and inclusive marketing becomes the business imperative that it deserves to be."

Words like "diversity" in practice for the workplace and "multicultural" marketing in practice for marketing are worrisome; the practice of both words has been around since the 1950s and 1960s and does not fully address the opportunity. The language alone suggests a vested interest in holding on to the remnants of the past and a reluctance to embrace the realities of the new marketplace and workplace of the very near future.



SECTION 10: CONCLUSIONS AND FORECASTS

In some ways, there are more questions than answers about the Total Market industry vertical at the moment. Unlike most industry analyses and reports, which have the benefit of mounds of anecdotal evidence and reams of historical data, we are watching this market rapidly grow from infancy and mature right in front of us. We are only six years into the formation of the Total Market industry vertical, which is in sharp contrast to the General Market and Multicultural verticals that developed over the course of 80+ years.

Over the next 12 months, our prediction is that more brands and businesses will begin to adopt the marketplace practice of the Total Market Approach (TMA) and the workplace practice of Total Market Enterprise™ (TME) approach. Additional thought leaders and service providers will enter the conversation about the Total Market industry vertical, each with a point of view. Organizations will begin to share their stories of transformation. These factors will help fuel the shift to Total Market, entrenching its ethos deeply within organizations.

With the desire to accelerate the process, we do see large and midsize organizations looking to take short cuts, “leapfrogging” over the hard work necessary to prepare their enterprises for the new marketplace and workplace. Some organization will choose to be led only by data. In the past seven years, as the Total Market vertical has emerged, there are those who have attempted to bypass a systematic approach, only to “crash and burn” on the road to the new marketplace and workplace readiness. Those that have been successful have often made significant investments in planning, training, and advisory services to help drive the process and navigate the enterprise transformation effort.

While we see progress in the short term, we also see stagnation. The annual industry events and awards will most likely continue to acknowledge great work using hyper-segregated General Market and Multicultural models. The time during which we believe there will be a noticeable uptick in acceptance and adoption is immediately before and following the 2020 U.S. Census. Unlike previous Census reporting, this will be the first time headlines will be less about siloed ethnic/racial groups and more about the “Age of Two or More Races.” It will confirm what most marketers and organizations — and most American workers and consumers — already know: The U.S. population is well on its way to becoming a cross-cultural nation.

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Jeffrey L. Bowman is an author, founder and chairman of the REFRAME: The [Brand][™] - the “McKinsey of Culture,” an organization dedicated to preparing executives for the New Majority. The organization provides Total Market Enterprise[™] advisory, education and training through a SaaS platform. Jeffrey has grown the organization, launched in 2015, to include brands MillerCoors, Verizon, Wyndham, Prudential, United and PBS.

As a former senior partner and managing director at Ogilvy & Mather, one of the world’s largest advertising and communications agencies, Jeffrey pioneered a new communications model that bridged the general market and multicultural marketing communications approach. Today, he leads the industry charge in transforming brands and businesses for the New Majority.

Author of the highly acclaimed *The Cross-Cultural Report* and the *Brand Cross-Cultural Index*, two firsts for the industry, Jeffrey has become advertising’s most recognized pioneering thought leader on and practitioner of the Total Market approach. This new industry category challenges the antiquated approach to marketing and advertising developed in the 1950s and taps into all the new and emerging consumer segments that are currently transforming the world’s population.

Jeffrey’s book *REFRAME The Marketplace: The Total Market Approach to Reaching the New Majority* serves as the first industry guide for businesses eager to take advantage of the New Majority opportunity using the Total Market approach. The guide highlights ways brands and business are able to systematize the Total Market Enterprise[™] process and shares best practices required for teaching organizations, marketers, and education leaders how to connect with and profit from the New Majority.

A true strategist and pioneer, Jeffrey is known for change management and marketing effectiveness work with global brands British Petroleum (BP), British Airways, Coca-Cola, Campbell’s, GAP, IKEA, Kimberly-Clark, S.C. Johnson, MassMutual, MetLife, PepsiCo, Unilever, United Airlines, Verizon and Wyndham, among others. His pioneering work in reframing the marketplace has been covered in *The New York Times*, *Advertising Age* and *The Economist*.

Jeffrey lives in New York City with his wife and two daughters.



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