

Relaunching Home2u

A chain of home-improvement stores needs a new marketing campaign to attract young Hispanic customers

Background

Home2u is the largest home-improvement retailer in the United States. It has more than 2,000 stores in the US, Puerto Rico, Mexico and Canada. It sells home products that include easy-to-assemble fittings and furnishings, DIY tools and equipment, paint and flooring, as well as garden furniture.

The Hispanic community comprises 15 per cent of the US's population and is the nation's largest ethnic minority. Market research shows that young Hispanic customers are an important target group. It is estimated that the Hispanic population of the US will reach 102.6m by 2050, by which time Hispanics will constitute 24 per cent of the total population.

Home2u recently introduced a cultural marketing campaign specifically designed to appeal to the Hispanic market, with an emphasis on family, watching soccer and salsa music. However, the campaign was seen as too stereotypical and didn't appeal to younger US Hispanics. According to market research, many of them have high aspirations and are interested in new social media and pop culture. Interestingly, many prefer information to be in Spanish or bilingual (English and Spanish). Home2u has decided to relaunch its campaign. The marketing department needs to come up with a new campaign that's edgy and appealing, not patronising to young Hispanics.

Customer survey

Look at this extract from the recent online customer satisfaction survey for Hispanic customers. What are the key findings?

Hispanic customer survey

Comments: *Although the new marketing campaign has had some favourable feedback, many Hispanic customers found it a turn-off.*

		Yes	No
1	I think the latest Home2u marketing campaign is edgy and cool.	4%	91%
2	I prefer reading assembly instructions in Spanish.	60%	33%
3	I think store signs should be bilingual in English and Spanish.	58%	39%
4	I like hearing salsa music being played in the store.	42%	44%
5	Home2u staff are helpful and not patronising.	13%	74%
6	I'd recommend Home2u to my family, co-workers and friends.	24%	54%

Task 1

Brainstorming meeting

You are members of the marketing team at Home2u. You hold a meeting to re-launch the campaign. Look at these suggestions for making your stores and products more appealing to Hispanic customers. Discuss the ideas and brainstorm some of your own.

- Make your home-improvement products more appealing to Hispanic customers
- Improve store layout and make information bilingual
- Install bilingual computers around the store to help customers find products
- Hire more US-Hispanic staff (7 per cent at present)
- Target younger Hispanic customers
- Come up with a Spanish-sounding name for the new marketing campaign

Task 2

Decision-making meeting

You have decided to find a celebrity to endorse the new campaign. Read the four profiles. What are the strengths and weaknesses of each celebrity? Decide who you would choose to endorse the re-launch and why, then present your favourite to the group.

**Eddie Velázquez**

Cuban-born rapper Eddie is very popular with Hispanics between the ages of 25 and 39. He has had cameo parts in a couple of Hollywood films and has recently presented a music programme on Mexican TV, where he has something of a cult following. He is divorced with three children.

**Leona Pedraza**

A Mexican golf player, Leona is a young professional who's on the up and has already been approached by a sportswear brand to endorse their products. At 24, she might be a little young for Home2u's existing market, which currently consists of 30- to 40-somethings. She has a 'girl-next-door' kind of image.

**Elvira Olivas**

Glamorous, successful, Colombian-born actress Elvira has appeared in several action movies as a super-heroine. Popular with teenagers and 20-somethings, she might not appeal to the older market segments. Like many celebrities, Elvira prefers to do advertising and promotional work in markets overseas, where she has featured in an extensive advertising campaign for a low-fat breakfast cereal.

**Vanessa Flores**

Mexican pop singer with international appeal, Vanessa is extremely popular with younger Hispanic women and teenagers. She was recently on the point of signing a sponsorship deal with a mobile company, but it fell through because of her high fees. Famous for her on-off relationship with US musician Kurt Holmes, the couple have reunited again and there is talk of wedding bells.

🔊 **CD1.35** Listen to Jodie, the Marketing Director, talking to Emilio, a recruitment agent, about the availability of celebrities for Home2u's TV commercial. What new information comes to light? Who do they finally choose, and why?

🔊 **CD1.36** Listen to the filming of the TV commercial. Do you think it will be successful? Why? / Why not? Discuss if you still want to go with the same choice.

Task 3

Presentation

Work in pairs or small groups. You are members of the marketing team. Jodie, the Marketing Director, is now on maternity leave. She has asked you to prepare a presentation of your final choice for the product endorsement to management at Home2u. Think of an original way to make an impact at the start and a marketing strapline to end on a high note, then give your presentation. Consider these questions:

- Which media will you use for the marketing campaign, e.g. TV, radio, press, billboards, viral marketing (including social media), online banners and videos, concerts/interviews streamed live on the Internet, etc.?
- What promotional events will you organise, bearing in mind the target market?
- What kind of accompanying publicity and promotional material will you prepare?

Watch the Case study commentary on the **DVD-ROM**.

**Writing**

Write a press release for the product endorsement. Outline the marketing campaign and the media you have chosen.

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