

Communications – Creative Media Ethnic Marketing Campaign

Summary of the Initiative

So, you want to market your affordable home mortgage loans to minority homebuyers, many of whom are non-English speaking. You hire a translator, send them your English brochures, have them translated, print them up, and presto – you’re marketing to minority populations. Right?

Wrong.

It turns out there’s more to it than that. To reach minority consumers successfully, you need to go beyond mere translations and *communicate with them in culturally relevant ways*.

This is what MassHousing learned as it undertook a comprehensive campaign to reach new homebuyers in emerging markets. While the Agency had continued to increase the number of loans it was making to minority borrowers, it was not increasing that business fast enough to keep pace with lending to non-minorities. So, in 2009, after a competitive bidding process, MassHousing hired a marketing partner to help reach minority borrowers who have historically been underserved by the conventional market.

With the assistance of Bauza & Associates Hispanic Marketing Inc., MassHousing launched an advertising and marketing effort that went beyond translations and instead “*trans-created*” ads, websites and brochures to appeal to certain ethnic cultures, most notably Latinos but also African-Americans and Asian-Americans. The Agency also undertook an aggressive public relations campaign to reach minority media outlets and developed detailed training materials and an all-day training for partner lenders, to help *them* help *MassHousing* reach more minority borrowers.

The so-called trans-creation of marketing materials is the most innovative and compelling piece of the campaign. Using their expertise, particularly with Hispanic audiences, along with research obtained using focus groups, Bauza & Associates developed new marketing materials designed to appeal to minority borrowers. A major focus was using language that spoke to people’s desire to “attain the dream” of homeownership. The theme of the ads is **Nada como la emoción de tener tu primer hogar** – *Nothing compares to the excitement of your first home*. MassHousing learned that for many minority borrowers, this aspirational goal of homeownership and the joy of owning one’s own home was markedly more important than, say, the financial benefits of “having equity” which often appeal to non-minority borrowers. The Agency also introduced slightly different graphics and colors, to achieve a vibrancy that would resonate more with cultures of many recent immigrants. Getting to know the mindset of minority customers was also the main focus of the training for lenders and the 20-page booklet MassHousing produced, titled *Better Communications, Better results: Working with Diverse Populations*.

Is it innovative?

The idea of translating marketing materials is not new. But the idea of *trans-creating* marketing materials so that they resonate with a particular segment of the population is new. It involves

getting to know those communities better and understanding their feelings toward homebuying and homeownership, views that are often slightly different than those of the majority. Producing a detailed, well-researched training manual for lenders, and providing them an all-day training on how to reach emerging markets is also a new and different approach. While the hands-on work of this effort was completed by MassHousing's business partner, Bauza & Associates, this does not diminish the innovation. Sometimes, to be successful in achieving a goal, you must "know what you don't know". This was the case for MassHousing in the area of minority marketing. In this highly specialized field – to really have an impact – you have to go to the experts – and then work closely with them to achieve your desired result.

Is it replicable?

Absolutely! All that is required is a modest commitment of funds and a marketing communications partner skilled at creating messages for minority consumers as well as a desire to go beyond simple translations. There were no elements of the campaign that were unique to MassHousing or Massachusetts.

Did it reach targeted audiences?

Most certainly. The advertisements were strategically placed with newspapers, TV stations, radio stations and websites that cater to minority audiences, especially Spanish and Portuguese, but also African-American and Asian populations. The same occurred with public relations, where the Agency pitched stories in minority media outlets. The lender training and booklets were given directly to more than 200 staff from partner lenders.

Did it achieve measurable results?

Yes. The results have been very strong. First, the total number of loans made to customers who self-identified as minorities (they are not required to disclose their race) rose from 331 in FY 2008, to 345 in FY 2009 to 367 in FY 2010. There have also been increases in the number of borrowers in key Massachusetts cities and towns where minority borrowers make up a large part of the population:

City/Town	FY 2009 Market Share	FY 2010 Market Share
Boston	7.39%	11.58%
Brockton	6.11%	8.92%
New Bedford	4.65%	17.17%
Springfield	5.03%	8.68%
Worcester	9.14%	12.01%
Chelsea	5.24%	8.70%
Chicopee	5.28%	10.19%
Fall River	10.35%	16.33%
Lowell	5.25%	10.67%
Revere	3.15%	10.34%

There are now an average of 229 visitors per week to MassHousing's Spanish website www.mimasshousing.com; to date the Agency has had a combined total of 55 newspaper articles

and appearances by MassHousing marketing staff on ethnic radio stations and more than 200 partner lender staff are more aware and better equipped to reach minority homebuyers.

Do the benefits outweigh costs?

Without question. Reaching low- and moderate-income buyers is the core mission of MassHousing and HFAs, and minority buyers have been disproportionately targeted by predatory lending in the past. Making them aware of MassHousing's safe and affordable mortgage products, and speaking to them in a way they can understand and appreciate helps to build a lasting customer relationship. The additional loan volume that the Agency expects to generate will clearly make up for the initial outlay of funds.

Is it an effective use of resources?

Yes. The budget for the campaign was assembled from two sources – the “cost of issuance” associated with bonds and also from the Agency's Mortgage Insurance Fund, which has been a profitable business line for MassHousing. As a result there was no need to budget from the working capital fund or any other limited resources. The campaign is extremely efficient in that all of the advertisements are placed in highly targeted media outlets where the viewers/listeners are minorities, and public relations pitches are made only to outlets with minority audiences.

Did it achieve strategic objectives?

Yes. The campaign, while still evolving, is achieving its objectives of delivering culturally relevant – not just translated – marketing materials and messages to minority audiences via well-known and well-established TV stations, radio stations, newspapers and websites. The website and collateral have been trans-created and is getting into the hands of potential borrowers via lending partners and MassHousing's own business development staff. Most importantly, a measurable increase in the number of loans made to minority borrowers in key neighborhoods has been seen.