

tapping Into New



by Samantha Buford

The American dream of homeownership is alive and well, but changing in ways that the manufactured and modular housing industries need to recognize and adapt to. While the typical Anglo home buyer remains a driving force in the world of manufactured and modular housing, there is a rapidly growing demand for housing by non-Anglo home buyers that needs to be addressed and targeted by the factory-built housing industry. These markets—which include both Latino and Asian markets—are wide open, waiting for manufacturers to address their wants and their needs. By 2015, the Latino market, “will account for 17 percent of the total U.S. population.” Between 1996 and 2050, this population is predicted to grow by an astounding 258 percent! To ignore these potential homebuyers is simply short-sighted, if not downright reckless.

Latino and Asian markets are wide open, waiting for manufacturers

and Expanding Markets

In addition, the Latino population has seen the sharpest increase in disposable income, now estimated at \$17 billion in disposable money. With Latinos treasuring family socialization within the home, they represent an ideal market for the manufactured and modular housing industries, virtually waiting for manufacturers to pursue their business.

Establishing Yourself Within New Markets

How should home manufacturers establish themselves within these markets? Georgia Lacey, president of Geo Advertising, the Tucson, Arizona-based advertising firm that is spearheading the Manufactured Housing Industry of Arizona marketing campaign, notes “To know me is to sell me. Research your market, take a long, hard look at your buying trends, invest in professional analyses, and then, culturally create to that market. This involves more than simply translating a few key documents.”

Maximize your appeal to either the Latino or Asian market by considering how this market likes to be entertained. Both of these cultures still utilize their homes as the main congregation areas for families, oftentimes with up to three generations living under one roof. While the working-age members of the family are out earning a living, the older generations can stay home and look after the youngest generations. Therefore, it is important for homes to offer large living areas, roomy

and workable kitchens and at least three bedrooms. Latinos generally still eat dinner and watch nighttime television as a family, so market your selling points in these directions. Lacey points out, “Many factories allow their employees to listen to radios during the day. This is a culturally targeted and interesting way to reach this market. Know your market, sell your market.” However, Theodore Serrano, also of Geo Advertising, warns, “No matter how tuned in we are to any ethnic market, we are liable to begin to make assumptions that may result in stereotyping. Do your research first, then culturally create to them.”

Cultural Awareness

Remember that not every Spanish-speaking person is the same. This goes for the Asian culture, as well. Just as within the Anglo market, there are varying social mores and codes. Is your area populated with Cubans? Latin Americans? Mexicans? Do you see a trend in your city/county/state of an influx of Guatemalans? Or El Salvadorians? When addressing the Asian market, think...where are the trends? Do we see more Japanese? Taiwanese? Cambodians? Not every Asian is the same, just as every Hispanic or Anglo is not the same. Also, there are vast differences generationally. A smart business must be aware of which generation they are going to focus on, and which area has the greatest growth

potential. The differences are vast and each market comes with its own distinct wants and needs.

Cultural Diversity

First-generation Latinos, for example, are generally first-time home buyers and are slightly older than typical Anglo first-time home buyers. They may have difficulties with financing. Remember, however, that no credit does not equate to bad credit. Many Latinos have had bad experiences with the banks and financial institutions back in their homeland, making them more likely to rely on cash instead of checking accounts. They are also more likely to save significant

Metropolitan areas with the fastest-growing Hispanic population

Increase, 1980-2000

Raleigh, N.C.	1,180%
Atlanta	995%
Greensboro, N.C.	962%
Charlotte, N.C.	932%
Orlando, Fla.	859%
Las Vegas	753%
Nashville, Tenn.	630%
Fort Lauderdale, Fla.	578%
Sarasota, Fla.	538%
Portland, Ore.	437%
Greenville, S.C.	397%
West Palm Beach, Fla.	397%
Washington, D.C.	346%
Indianapolis	338%
Minneapolis-St. Paul	331%
Fort Worth, Texas	328%

to address their wants and their needs.



sums of money for purchasing a home. Spend time thinking and financing creatively. “Have them (potential buyers) bring in receipts for electric bills, rent, things they may typically pay in cash. If a lender or financing company is willing to work with them, they will be loyal customers,” advises Lacey.

Also keep in mind that many sources point out that both Latinos and Asians rely on word-of-mouth advertising from their family and friends. If they have had a good experience with a financial lender or home retailer, they are very likely to generate additional business through referrals.

Creative Financing

Unlike many typical, move-up buyers, Latinos are buyers who are likely to be making a big purchase for the first time. They usually do not want to create for themselves a mountain of debt that they may not be able to afford. Keep this in mind when buying homes for the sales area and establishing price points.

Doug Fowler, a 30-year veteran with

Clayton Homes of Texas, says, “We sell previously-owned homes that are trade in on new homes, along with some repossessions. Anything that we can sell for \$10,000 or less and can deliver to the field, we sell. We can’t keep them in...folks come in and they like the idea of not making loan payments.” Many of these niche markets focus on staying out of debt rather than building debt, so make sure that there are options for home buying that are within their financial reach.

The Vietnamese market that Fran Hirsch, director of public affairs for community-owner and manager Bradenburg, Staedler & Moore, sees in California often pools their money to purchase their homes. What her communities have done to maintain a thriving business within this niche market is to focus on how they can do business in a way that is properly respectful and will make the potential customers comfortable. Her managers have had training sessions with marketing experts who are aware of the cultural differences that

can make or break a sale. Hirsch advises, “Find a good consultant who can educate (you) as to exactly what would be desirable in a home...big kitchens, divisions, open floor plans.”

Advertising to Your Market

These rapidly growing markets need homes, something that they can afford today and tomorrow. With many manufacturers moving towards building bigger homes, Doug Fowler warns, “that’s a whole different market” that may not be suitable for these newer markets. In his position with Clayton Homes in “deep south” Texas, he sees many Latinos who already have land that belongs to their families. This type of market is seeking a home that meets their needs and budget, without risking their land. In this scenario, financing companies will often provide a land-home package.

Clayton Homes’ Texas retail sales operation has taken the lead in this market, having gotten to know their distinct markets and having perfected their advertising. They target the three major broadcast channels in their area for television commercials at specific times of

Hispanic Population Projections

Year	% of U.S. Population
1970	4 percent
1980	6 percent
1990	8 percent
2000	10 percent
2010	14 percent
2020	17 percent
2030	19 percent
2040	22 percent
2050	24 percent

Birth Rates by Ethnic Groups (Fertility Rates per woman ages 15-44)

White - 1.85 Black - 2.02 Amer. Ind. - 1.73 Asian - 1.90 Hispanic - 2.82

the day and night, and also specific times of the year. For instance, they tend to run commercials targeted solely at their Latino market during the summer. They design their inventory around what the market can afford. In their commercials, they use key words that will appeal to their market, such as, "repossessed homes," "used homes," and "trade-ins" to reach their market.

When considering advertising, manufacturers must remember to address not only cultural advertising, but also generational advertising. Focus your advertising outreach on the majority rather

than trying to get a one-size-fits-all approach. "Before you go broader," says Serrano, "you must go narrower."

Once you have established your market, you then must commit to that market, a commitment reflected in your annual marketing plan. Invest money in the advertising for the long-term, and don't think of addressing these niche markets as a short-term tactic. These markets are in for the long haul, and manufacturers need to be as well. Then advertise with a consistency of message and image. Use the images over and over. You want your market to remem-

ber the image that you are delivering to them, so don't overwhelm them by trying to address every market. Finally, build frequency, deliver your message repeatedly. Every market is going to more easily remember your message if you use the same message with the same image delivered over and over again.

While it is of utmost importance to know what is correct when dealing with any niche market, it is also important to remember that you should not be afraid of your market. You must understand it in order to go after it.

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Translating your documents into the appropriate native language of the targeted market is a great first step, but that is not what is going to make them take notice and bring them into the retail sales center. You may want to use images that your market is comfortable with. Georgia Lacey suggests using an image of family for resonance within the Latino market. Ensure that phone messages are available in languages that your markets will understand, have videos available in English as well as the alternative language for your market. "I think that I would create a campaign that would include both the Hispanic and the Hispanic American," says Lacey.

Cultivate relationships with these vastly overlooked markets and ensure that manufactured and modular housing are part of their decision-making process when buying a home. Finally, remember that they are people who, just like anybody else, want a home. They have a different set of financial histories and resources, so the whole pattern of home buying may look different than the traditional market. But, by being proactive with these markets, you can expand your markets and tap into the changing housing market of today's America. ■

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