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## An Expanding Business for an Expanding Market

Owner of fast-growing La Verdad seeking financing to take company to next level

Business Courier of Cincinnati - September 7, 2007 by [Lisa Blank Fasig](#) Staff Reporter

With the U.S. Latino population approaching \$1 trillion in spending power, and with such large corporations as Toyota Motor Corp. and Wal-Mart Stores knocking at its door, marketing firm La Verdad is seeking financing to expand its already rapidly growing business.

The Montgomery-based firm, which sells market research to help companies win a greater share of ethnic markets, has experienced triple-digit growth since its founding in September 2002. It is on track to generate sales of \$2 million in the next six to 12 months.

La Verdad can thank its gift of timing for the rise. The techniques it uses -- consumer research, brand collaborations and events marketing -- all have vastly expanded in the past several years, as has the market it targets.

A full 20 percent of babies born in the United States are Latino, said Mike Robinson, founder and CEO of La Verdad. In Cincinnati alone, the Hispanic and Latino markets have grown by about 5,000 people a year up to 2006, according to the Hispanic Chamber Cincinnati USA. Robinson estimates its spending power locally at almost \$500 million.

"As baby boomers move into retirement, the industry has to start looking into new consumer bases," he said, "or they have to reinvent themselves."

But La Verdad's work is not just local; about 75 percent of its business is generated by national firms. It represents about three dozen brands worth \$1 billion. Companies from Procter & Gamble Co. to Fifth Third Bank call on the firm to handle in-store research, qualitative analysis and to study consumers within their homes.

More recently, Toyota has committed to developing La Verdad as a supplier, Robinson said, and Wal-Mart a few months ago asked the company to register as a diversity supplier.

So Robinson, a third-generation Mexican-American, is seeking financing to expand his facilities and work force. With 30 employees, his firm is bumping against the walls at his office. He will need more people to handle the expansion.

And Robinson anticipates much growth. The biggest mistake companies can make, other than ignoring the need to reach out to ethnic markets, is approaching them based on anecdotes or perceptions, he said. Robinson regularly sees misspellings in the Spanish advertisements in the newspaper, for instance.

He refers to the expanding number of Latino babies born to the United States. That is a giant market for cereal companies, yet no cereals in the mainstream grocery store carry bilingual packaging. That's a entire industry that hasn't spotted an opportunity, and Robinson is reaching out to them.



Photos by Mark Bowen  
Mike Robinson, founder and CEO of La Verdad Marketing & Media, said sales have grown by triple digits since the company was founded in 2002.  
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"Mike is a great strategic thinker," said Ed Owens, senior vice president and director of community affairs at Fifth Third, which has used La Verdad for diversity training. "He's been very effective in identifying a strategy to better help us penetrate the Latino market."

A testimony to the effectiveness of ethnic marketing is the extent to which some of La Verdad's clients have grown since hiring its services. Ernest Almanza, agency owner for Allstate Insurance, hired La Verdad three years ago and was immediately advised to sponsor a booth at the annual Cincy-Cinco Latin Festival. In the first year, Almanza's office generated more than 1,000 potential customers through events raffles. Since then, Almanza expanded to three office locations from one, and he added nine staff members, for a total of 11, four of whom are multilingual.

"I was able to increase sales within the Hispanic community easily by 50 percent," Almanza said. "He can do an analysis of where you are, where you can go and how to take you."

Many of La Verdad's suggestions may seem obvious but are easily overlooked. The firm advised Mercy Hospital Fairfield, for instance, to install bilingual signs on its campus. The hospital also began to participate in events, setting up a booth at the Su Casa Festival and offering free glucose testing, since there is a high susceptibility to diabetes among Latinos.

"It's been valuable to make us more culturally astute, (knowing) what is important for Latino and Hispanic patients and their families when they enter a hospital environment," said Greg Ossmann, director of marketing at Mercy.

While La Verdad is best known as a firm that helps companies reach the Latino marketplace, about 40 percent of its business is dedicated to market research of other ethnic groups, including Asian and African-Americans, and of the general market. Robinson's focus, in fact, is to grow awareness of La Verdad's ability to conduct general market research.

So he is seeking the financing to expand his infrastructure. It could be through venture capital or a traditional loan, but Robinson is confident the financing will come together. Many of his best clients are banks that have recently expanded their Latino market base.

As he put it: "We planned that out very well."

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