

NNPA chairman confronts GM and Ford for lack of Black ads

Written by Hazel Trice Edney, NNPA Editor-in-Chief
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WASHINGTON (NNPA) - It is estimated by the Chicago-based research firm, Target Market News, that African American consumers will have spent \$2.8 billion on new General Motors cars in this year alone.

According to industry statistics, GM's models, which include Chevys, Cadillacs, Saturns, Buicks, Pontiacs, and GMC trucks, represented just above 18 percent of all the new cars purchased by African Americans in just the first seven months of this year.

Yet, published figures from national research sources found that GM spent only \$29.9 million on advertising in Black-oriented media in 2008. That represents a meager 2.4 percent of the \$1.17 billion of all of GM's advertising expenditures.

Market experts are baffled.

"Clearly there is a discrepancy in how GM allocated marketing dollars to target Black consumers," says Ken Smikle, president of Target Market News. "One has to wonder why one of the top five advertisers in the world would not invest more in reaching a segment of customers that represents desperately needed growth. The imbalance between patronage and marketing budgets is especially puzzling in a recession when companies need to be competitive and strategic with every dollar they spend."

This "puzzling" imbalance between Black consumer investments and Black consumer returns from GM, Ford and the automotive industry at large is the reason that Danny Bakewell, chairman of the National Newspaper Publishers Association, says he will lead the federation of more than 200 Black-owned newspapers in a direct confrontation with the automotive industry.

"This is not only unfair, it is unjust, it is malignant, and borders on just being criminal that they're just taking this money out of our community and not having any kind of respect. They wouldn't do this to any other consumer," said Bakewell in a telephone interview. "These are the people who trust us to steer them to the right product. If these people are taking our people for granted; then we're going to steer them to other products. I am declaring that this is not something that we are going to idly sit by and let happen to our people and to our community."

When Bakewell showed up at the Rainbow/PUSH 10th Annual Automotive Summit in Detroit early this month, observers said both GM and Ford representatives got that message clearly.

"He spoke from the audience about, 'What are you going to do for the bottom line?'" recalls Glenda Gill, executive director of Rainbow/PUSH's Automotive Project. The annual summit is the only one of its kind that provides automotive manufacturers an opportunity to dialog with Black and other cultural markets.

The two panelists questioned by Bakewell were Vice President of Global Procurement for General Motors, Bob Sousha and Vice President of Global Procurement for Ford Motor Company Thomas Brown. Neither could be reached for comment.

However, interviews with other GM and Ford representatives revealed that the corporations generally do not chart the specific dollar amounts going to Black-owned or Black-targeted media

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for specific media buys. They mainly work from the federal government definition of “minority” which means any race other than White; plus women-owned businesses.

“I don’t think we break it down by minority per se. It’s not broken down by how many African American suppliers, how many female, how many Hispanic and that kind of thing,” said Dan Flores, GM Corporate Spokesman.

Bakewell said that Ford appears to be making greater strides and greater efforts to respond to the Black community.

“But they still have a ways to go” in relation to Black newspapers, he said.

Armando Ojeda, director of supplier diversity development for Ford, said Ford continues to work to “increase the dollar value we spend with all of our minority suppliers, which includes African-American suppliers through any number of initiatives.”

Ford spokesman Todd Nissen says advertising with Black media, including Black newspapers, is done through UniWorld, the New York-based advertising firm that is the nation's largest Black-owned and operated advertising agency.

However, Ojeda adds that industry trends may be leaning away from newspapers and more toward the Internet.

To circumvent such trends that are largely insensitive to Black communities, Bakewell says he intends to start with top corporate leadership, from which decisions will trickle down.

“I am moving to get a meeting with the CEO and the chief marketing officer for both of these companies because I cannot believe that they are aware of this giant gulf between our loyalty and the disrespect that we’re being given by these companies,” Bakewell said.

Figures from the R. L. Polk Research Company show that African Americans still purchased more than 320,000 new cars between January and July of this year. This represents 7.1 percent of all new cars bought.

The national advertising industry in general takes for granted Black consumers, which spend billions for their goods and products, Bakewell said.

“Instead of using that as a basis for supporting us, they’re using it against us to say, ‘If you’re supporting us at that level, why do we need to support you. We’ve already got the market,’” he said.

NNPA will have help in its pursuit of economic inclusion.

The Rev. Jesse Jackson, founder and CEO of Rainbow/PUSH, said he will work with NNPA to assert pressure from the civil rights side – particularly on those manufacturers – such as GM and Chrysler- that have received billions of dollars in economic bailout money from taxpayers.

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“Now that the government has taken over, it must enforce its own laws of equal opportunity, contract compliance and fairness. These are government-run companies now. And this is a critical moment,” Jackson said. “They cannot ignore affirmative action laws. This applies to jobs, dealership contracts, advertisements and professional services.” He and Bakewell say they will also seek Congressional hearings on advertising discrimination.

Ford was able to survive the economic downturn without bankruptcy or a bailout.

Praising Jackson for “creating the atmosphere for this dialog,” Bakewell said he will form a web of partnerships to work alongside the Black Press of America and is willing to even ask the involvement of NNPA board members and publishers.

“I’m going to ask the board to buy stock in these companies. I’m going to ask to go to their board meetings. If we don’t get some real serious response to this, then this issue – even if we have to bring our 200-plus publishers from across this country and show up on the door steps of General Motors and Ford, we are going to do that. We are going to make this a public issue because it is unethical, it is immoral and it seems to me to be something that would be illegal,” said Bakewell.