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CASTELLS & ASOCIADOS PROFILE: INTERVIEW WITH LIZ CASTELLS

Revenues

2003- \$6.4MM revenues, expected +22 growth in 2004 to \$7.8MM revenues.

Employees & Services

We provide a range of services with a staff of 48 bilingual, bicultural professionals in the areas of account services, creative, media, production, and administration. Our core services include strategic research and planning, marketing, brand integration, creative, production, media, promotions, PR, direct and field marketing. We also offer support event marketing, in-store operations, training and interactive services.

Length of time in business

My advertising career began 25 years ago in NYC at DDB. My career took me on client side companies like Campbell's Soup Co (an American classic), and Oriflame (an international direct marketing cosmetic firm). I eventually moved to the advertising side in the Hispanic niche and headed up client services at Conill (Saatchi) in NY, and Valdez Zacky in LA. I've worked with hundreds of Fortune 500 clients in diverse categories, including packaged goods, retail, fast food, automotive, supermarkets, banking, health/lifestyle, social services, entertainment and telecommunications.

Why you founded Castells

One of my lifelong goals has been to have my own agency to grow, do the right type of marketing, and constantly educate corporate America on the reality and lucrative nature of the Multicultural markets.

When I was 18, in college, everything looked so clear, and simple. After much travel and some life-changing experiences, I thought I would become an investment banker leveraging my strength with numbers or a lawyer with my affinity to debate. In fact, between college and business school, I worked in investment banking in Geneva, Switzerland, and went for my MBA at Stanford expecting to expand my knowledge of finance and continue on that track.

Preparing my marketing thesis was the Turning Point in My Life, when I knew I was meant for advertising. Interestingly enough, my thesis was a theoretical business case about a new male birth control pill, "Countdown" that is 99.9% effective 45 minutes after male ingestion. What an idea! Countdown would change the responsibility to a shared proposition, but what it did was change my life's career path.

Based on my origin and upbringing, Hispanic marketing was in my heart. But I made the decision to learn the basics in a general market agency (DDB), on the Client side (Campbell's), and then run a few Hispanic agencies. I would then apply the learnings to the burgeoning Hispanic market arena, open my shop and make a difference

Overall size of Hispanic ad market. What is its potential for growth

Currently, major corporations are allocating approximately 3% of their total national budgets to Hispanic advertising. With the lucrative size of this market, corporations should be allocating a minimum of 8% to Hispanic advertising in order to reach maximum effectiveness.

The leading industries in investing in Hispanic marketing are: food and beverage, automotive, packaged goods, QSR, merchandise, banking (checking & savings). The laggards are: pharmaceuticals, U.S. government, health/fitness, retail, travel/entertainment, software, technology, and financial services.

Castells' new business success ratio and why you have done so well at this.

We have won 20 out of 24 new business pitches because we provide quantifiable results so clients' budgets grow. This can be measured in increased client profits, larger presence and market expansion. Our mission is to produce "Business-building ideas with an edge" that result in measurable ROI, while acting as a high energy, strategic partner in our client's business. Our face to face meetings with potential clients always go extremely well not only for the unique insights we present but also because I have assembled a powerhouse team that really cares and really can. Our passion is evident in our work and our style.

In which industries do you see the greatest potential growth for Castells?

We have guided the cable industry growth and we now do half of the Hispanic advertising for this industry. Other industries with potential for growth at Castells include banking, entertainment, & health/fitness.

What do you see in the next 5 years?

I see growth in so many areas, aside from the traditional and viral venues. I see tremendous growth in the bilingual, bicultural target, English-Hispanic advertising (I did my first McDonald's spot in 1989); double ad expenditures; technology surge; more English-Hispanic TV programming, Hispanic online usage, websites and tailored cultural content; targeted messaging and media availability for lifestyle segments; diet and health awareness going from nascent to critical, a new redefined ethnic mainstream that will change how companies and advertising agencies do business, and a lot more competition from General market agencies who will claim to know Hispanic and lead to failed attempts, ultimately leading to the final chapter of Hispanic alliance wars.

What matters to you the most – in terms of achievement?

Aside from being known as a mentor and leader who cares about the quality of the work, employees and clients -- to make a marked contribution in how to effectively market to Multiculturals; empower Hispanics and Blacks through investment/focus on higher education (the equalizer) and acquiring knowledge via the internet; to lead the Latina empowerment movement (like I burned bras for women's lib); to mentor employees and youth, and be considered, respected and used as an intellectual property with a depth of knowledge, facts and passion.