

REACHING NEW AUDIENCES THROUGH MULTICULTURAL MARKETING

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Summary

KeySpan Energy Delivery's corporate values include a commitment to respecting diversity and appreciating the differences within the company as well as in the communities where KeySpan serves. As the major natural gas provider to the greater Boston area, both the existing and prospective customer bases include diverse ethnic groups. This paper will detail the steps necessary to target, design and implement multicultural marketing activities from the ground up by walking you through the challenges and accomplishments of KeySpan's multicultural marketing team.

In April of 2004 KeySpan Energy Delivery New England (KED NE) formed a multicultural marketing team to address opportunities in markets of color. By aligning corporate initiatives with integrated, internal competencies, the team found immediate opportunities to engage diverse communities in a variety of programs ranging from human resources to energy efficiency. Over the past year the team's efforts have included recruiting employee candidates with diverse backgrounds, sponsoring and participating in community events and cultural festivals, increasing awareness and respect for cultural diversity internally, as well as developing multi-lingual advertising and culturally responsive marketing material. The KeySpan team was able to initially develop, plan and implement many marketing activities and is now partnering with an outside agency to identify the next level of engagement. This cost-effective initial effort established the foundation for a broader multicultural effort within the Company. This paper will identify for others the appropriate steps for creating a strong, dynamic team, building institutional support, and creating an immediate impact.

Background

KeySpan Energy Delivery (KED) comprises all the regulated assets of KeySpan including the delivery of gas to New York, Long Island, Massachusetts and New Hampshire, as well as generating and managing the delivery of electricity on Long Island. KED is the largest gas distribution company in the Northeast with a service territory of over 4,300 square miles, providing gas service to over 2.6 million customers. This paper will focus on the activity comprised within KeySpan Energy Delivery New England, (KED NE). The KED NE territory consists of 900,000 customers across 164 communities in Massachusetts and New Hampshire.

KeySpan Energy Delivery's corporate values include a commitment to respecting diversity and appreciating the differences within the company as well as in the communities where KeySpan serves. The Company's vision is to create corporate environment in which diversity is fully evident, valued and managed as a resource in attaining our corporate vision to become the premier energy company in the northeast. We will deliver on KeySpan's brand promise by

fostering an inclusive corporate culture that leverages the individual and collective talent and experience of all KeySpan employees and business partners resulting in the attaining of KeySpan's stated business objectives.

In April of 2004 KeySpan Energy Delivery New England (KED NE) formed a multicultural marketing team to begin to address the Company's commitment to diversity as well as the opportunities in multicultural markets or markets of color. The initial multicultural team consisted of eight KeySpan employees, six Caucasians, one Latino and one Asian American. The team's professional expertise drew from marketing and public and media relations backgrounds. There was a limited amount of experience among the team marketing products internationally but ethnic or multicultural marketing was a new area for the entire team. While the team's inexperience with this area presented some exciting challenges it also created obstacles they would need to quickly overcome.

As a group we agreed the most effective way to implement the initiative was to provide the staff with appropriate training, conduct research that analyzed the market, identified both consumer and buying patterns, and uncovered attitudes and purchasing motives of the target audience. After the research we would begin implementing changes in the way we market and sell. We would need to make changes and infrastructure and resources to ensure customers could be serviced through the sales or customer service cycles. It was also thought to be beneficial if some employees at key touch points represented the target market. While the team thought this initial approach was reasonable, the timeline was not consistent with senior management's expectations. The real challenge set for the team was to engage in a multicultural marketing effort now.

Understanding the immediacy required for implementation, the team developed a short-term strategy utilizing their limited resources and longer-term goals for the effort. The basic premise of the short term strategy was to identify the immediate targets, leverage internal and external resources and relationships, and engage in opportunities that would parallel existing marketing efforts regardless of multicultural make up.

Assessing the Opportunity

The multicultural marketplace has reached critical mass and it continues to grow. Hispanic, African-American and Asian-American markets are growing faster than the mainstream population in size and purchasing power.

- The buying power of African-Americans in the US is expected to increase nearly 30% to \$682 billion in the next five years, according to a research report.
- By 2005, Hispanics are likely to be the largest minority in the country. More than 1 million Hispanics in the US report annual incomes exceeding \$75,000.
- Asian-American households have a nearly 30% higher median income than the general population (\$53,553 vs. \$41,400). Asian-Americans also have the highest education of all U.S. racial groups — including whites — with a 65% college graduation rate.

Continued population growth will drive the size of the market. The average income of the minority groups will continue to increase, closing the gap in the general population. As a result firms that fail to address the markets of color will limit their customer base. Effective companies will create multicultural programs to reach potential customers missed by their general marketing efforts. "Mainstream businesses need to stop worrying about making mistakes and begin talking to minority customers," according to a partner at one diversity marketing firm.

Sizing the Market

A review of demographic profiles produced by the Massachusetts Department of Housing and Community Development, Massachusetts Metropolitan Area Planning Council and the City of Boston Department of Neighborhood Development provided the foundation for identifying target communities for the Multicultural Marketing Pilot. The data from all three sources was taken from the 2000 US Census and supplemented with the respective group's own research. Using the data from the Metropolitan Area Planning Council, an initial screen of our service territory focused on cities and towns where the minorities represented at least 20% of the total population. This initial screen eliminated all towns in the Colonial Cape and Energy North service territories. While the City of Boston as a whole has almost a 50% minority population, this screening criterion also eliminated some underrepresented neighborhoods. This initial analysis produced 25 target communities composed of 14 cities and towns and 11 Boston neighborhoods.

The second criterion used to identify target communities was the percentage of home ownership since ownership is a key requirement to making and implementing energy-related decisions. This allowed us to identify the communities with the largest population of minority homeowners (Table I) and those communities with the highest percentage of minority homeowners (Table II). Results of secondary research led us to believe that homeownership among markets of color was relatively equal to the mainstream homeownership.

Table I

Community	Population	Community	Population
1. Lowell*	21,916	6. Lynn	7,381
2. Dorchester	13,456	7. Newton	6,510
3. Roxbury	12,565	8. Malden	5,361
4. Mattapan	9,243	9. Hyde Park	4,347
5. Quincy	7,900	10. Chelsea	4,147

** Assumes MA averages of 60% home ownership. Actual %'s for Lowell are unavailable.*

Table II

Community	Percentage	Community	Percentage
1. Mattapan	94.45%	6. Chelsea	34.93%
2. Roxbury	92.34%	7. East Boston	29.05%
3. Dorchester	54.76%	8. Roslindale	28.33%
4. Hyde Park	45.63%	9. Malden	22.30%
5. South End	40.69%	10. Central Boston	18.95%

Based on the analysis, the team determined they would focus on 5 cities Lynn, Lowell, Malden, Newton and Quincy and 5 Boston Neighborhoods, Chelsea, Dorchester, East Boston, Mattapan, and Roxbury. Although Hyde Park meets the criteria for having both a minority population as well as high percentage of homeowners it is the only Boston neighborhood not served by KeySpan.

Once target communities were identified, the team also reviewed current sales and program participation data. Although these territories did not appear to be under-served it was unclear if the customers being serviced were from a market of color.

Identifying Community Partners

Since the team had limited ties within these communities, the first task was to identify all of the already established organizations in each target area. The team divided the territories and began developing an inventory of organizations that served these markets. Included in the inventory was a limited amount of research on each organization that defined how many people the organization served, their mission, the resources they had available or provided and how the organization aligned with the core business at KED NE. This research included a large amount of secondary research and was supplemented by interviews with our community relations’ team.

The team identified a significant number of groups that serviced these markets. There were several groups the Company already had some relationship with and others that were not even on our radar. Key organizations in each community were interviewed by phone and many received visits from members of the multicultural team to further establish if there was a logical fit with our efforts. Developing new relationships with these groups presented us with an endless list of opportunities for advertising, sponsorships and memberships but not all of them made sense. It was clear we needed some rules of engagement.

Deciding Where to Start

Should we hand out kites at Boston’s kite festival or was displaying at the 3rd Annual Conference for 21st Century Black Massachusetts going to help us reach our audience? While we couldn’t be sure, we identified and tried to assess opportunities and began efforts with one initial guideline. We would participate in events or partnerships that would help us reach our target markets of color, Black, Latino and Asian. It was often difficult to determine if we were crossing the line between marketing and community relations. These events were not generating

leads or increasing program participation but were they helping to build brand awareness in the community.

After a barrage of requests from organizations for support, the team made a critical decision to further define the guidelines and focus on one aspect of their short term strategy, engage in opportunities that would parallel existing marketing efforts regardless of multicultural make up. With this focus in mind the team agreed that unless they had additional resources they could only commit to developing programs, campaigns or participating in events that both served markets of color and aligned with the Company's goals for sales or energy efficiency.

Our First Marketing Initiative

The review of service organizations identified a common offering and key opportunity for a KeySpan partnership, first time home buying seminars. Home buying seminars aligned well with our mission for several reasons:

- Most major home improvements are made during the first five years of home ownership.
- The energy use in a home is a major expense for new homeowners in the greater Boston market.
- Homeowners may have the opportunity to incorporate energy efficiency into their homes during renovations.
- The network of agencies providing these seminars existed in our target communities and served a diverse population.
- Seminars were most often provided in English but some communities have opportunities for Spanish, Cantonese and Mandarin.

The team developed a 20-minute presentation about KeySpan, that focused on natural gas as an energy source, how gas is used in a home, opportunities to implement energy efficiency and the contact information for many of the Company's programs including options for new customers, energy efficiency, and financial tools. In the fall of 2004 the team recruited organizations to participate in a pilot where a KeySpan representative would deliver the presentation at the final class in each home buying program. With support from the delivering agencies, a pilot consisting of 12 home buying seminars ran between September and December of 2004.

Immediately following the presentations, a member of the team, other than the presenter, followed up with the delivering agency to get first hand feedback. The pilot team also evaluated each home buying presentation and delivery agency to ensure that we were reaching the appropriate audience, the message was appropriate for the audience and the delivery agency was supportive of our outreach. Both the feedback from the agencies and the team's evaluations were overwhelmingly positive which resulted in a recommendation to continue with the seminars moving forward.

In January of 2005 the team identified the steps necessary to expand the home buying speaker's bureau and develop a way to track any leads that would result. The entire Multicultural Marketing team was recruited and trained to provide the presentations. With the assistance of an outside agency the presentation was translated and adapted for delivery in Spanish. Finally a reply postcard was developed to help identify information requests that were a direct result of the

home buying seminars in English and Spanish. Our first grass roots marketing effort was underway. Over the course of 2005 the team will have delivered approximately 50 presentations to 15 to 50 participants at each seminar.

While a major delivery component was the new home buyer seminars, the team also participated in a number of other activities throughout 2004 which included training on diversity at the Boston Public Library and Hispanic Marketing at the American Marketing Association Conference, as well as participation at the 21st Century Black Massachusetts Conference and Hong Kong Dragon Boat Festival. KED NE also was a corporate sponsor for Boston Rental Property Association, serving primarily diverse communities and multicultural property owners.

Building Internal Support

Over the past year and half the team has worked to leverage internal resources whenever possible. KeySpan's commitment to diversity encourages the formation and existence of affinity groups. Black Leadership at KeySpan, (BLAK), Hispanic Leadership Organization (HLO), and Women Empowered (WE) are active groups that support and encourage the advancement of its members at KeySpan and in the community. In recruiting staff for events and building support in the community, the team is in constant communication with these organizations. These organizations have also been instrumental in identifying opportunities for the team and helping to create awareness for cultural diversity at KeySpan. The affinity groups have been responsible for bringing a Soul Food Festival, Hispanic Heritage Celebration and recognition for Women's History Month to the KeySpan community.

Late in 2004 the team identified that there was no Asian affinity group and no one was formally supporting the formation of such a group at KeySpan. A member of the team, and new employee at KeySpan, worked with another Asian American employee to bring a Chinese New Year Celebration to the Company. Later in the year these same team members rallied support for the formation of an Asian Affinity Group in New England, which has been launched.

In addition to the affinity groups, KeySpan's commitment to diversity is reflected with a corporate wide Executive Diversity Council and at a local level with New England members serving on the Diversity Action Committee. Both groups help to define and local strategy for incorporating diversity into the culture at KeySpan.

Developing Additional Resources

While the team focused on trying to attain immediate results, we were clamoring for something we knew we were missing, expertise in multicultural marketing. The lean Marketing and Energy Management groups had pre-existing goals and expectations that may have aligned with this team's efforts but there was little time to stop and learn. Initially it was determined that an additional marketing staff person would be able to take on this responsibility and lead this effort. A business case was developed and a position was approved to serve this market. There were different opinions on the qualifications needed for this role. Some hoped there would be a person with connections to power brokers in the community who could provide KeySpan with

direct rapport. Others expected a lengthy process of learning about the cultures and gradually entering the market. A job description was developed, which read as follows:

Research & Planning:

- Assess and identify ethnic market potential, including coordination of market research and analyzing demographics for target markets.
- Perform appropriate background market research to learn about buying patterns/purchase motivation and attitudes towards KED and natural gas for target markets.
- Assist with market research/competitive analysis and creating reports to track return on investment.
- Further develop and implement all aspects of Multicultural Marketing in target territory
- Provides consulting expertise by identifying business needs, evaluating alternatives, recommending solutions and leading their implementation.
- Develop sales GPM targets/goals.

Relationship Building & Teamwork:

- Work with ethnic marketing team to develop ethnic programs, opportunities, and outreach for each audience.
- Focus on securing strategic partnerships with an emphasis on ethnically diverse communities.
- Identify channels to reach target ethnic audiences including identification and outreach to minority affairs personnel in key cities to coordinate on joint opportunities.
- Serve as a representative for multicultural outreach liaison/grassroots organizer for the company.
- Reach out to internal KED multicultural and diversity groups and Community/Corporate Affairs to leverage expertise, understanding and contacts within ethnic communities to develop effect programs.

Marketing & Sales:

- Market products to ethnic segments to generate leads.
- Work with sales to increase the number of sales opportunities in ethnically diverse communities.
- Monitor ethnic sales, motivate staff and provide training as needed to close multicultural sales.
- Develop and implement pilot programs to reach target markets.
- Multicultural sales/marketing staff to oversee programs (providing familiarity with minority characteristics, skills within culture and a business/social relationship network).

Collateral, Events & Campaigns:

- Assist in the development of ethnic collateral, evaluation and selection of media and creation of direct response advertising campaigns (direct mail, radio, print, grassroots marketing).
- Develop, schedule and staff special events for promotion of products with the goal of generating sales leads.
- Ensure that multicultural audiences can be served through the sales process: review touch-points effecting audiences and develop solutions to make interaction with KED effective.
- Work to make additional sales tools, resources, advertising, and marketing collateral available in Spanish or other languages as necessary.

A full-scale recruiting effort with a significant number of interviews led us to believe that there were many strong candidates in the market who could bring a single facet or dimension to the position. However no one was identified who could fully present all of the necessary requirements to the role. As a result of this recruiting effort, another position in our marketing group was filled with a diverse candidate but their role was primarily focused on traditional marketing efforts. Unable to identify a suitable candidate, we determined that this level of knowledge and expertise might not exist in one individual but collectively by a firm. Thus, we began our quest for a multicultural marketing consultant.

Multicultural Agency Search

KeySpan set out on a search to identify and hire an external agency to assist with multicultural marketing. Firms were compared on several dimensions including years of experience serving the multicultural market place, personnel representative of the markets of color, personal connections within the greater Boston community and expertise in multicultural marketing overall. Six agencies were invited to submit proposals and were interviewed. Evaluation began immediately as we met with the firms, explained what we had accomplished and began to set goals for work with an agency. We relied on the expertise of the professionals that we interviewed to help forge goals and priorities for the team. We needed a partner who could be strategic and tactical in helping to identify opportunities and connections but also assist us in successfully implementing efforts in markets that were new to us.

All six of the firms considered had strong backgrounds but two stood out against our criteria specifically in having exceptional connections in the community as well as extensive experience and expertise in both strategy and implementation. Other firms were stronger on general marketing communications, considered too small to effectively handle our work or too large and general to guide us specifically on multicultural efforts. After several meetings with the two finalists, who both had excellent credentials, KeySpan chose the candidate with significantly more experience, over 20 years, and a solid track record and reputation in the Boston area. The runner up also had strong skills but came from a diversity recruiting background with less of a proven record. The Company determined that it could not risk an initiative as important as this with a fledgling firm.

Retaining Expertise

Colette Philips Communications (CPC) was hired in 2005. CPC was getting its clients to invest marketing dollars in the growing ethnic markets nearly twenty years ago, before multicultural marketing was a buzzword. Behind CPC, is its namesake, Colette A.M. Phillips, President and CEO, who is known for building business alliances that help her clients grow their market share and bottom line among the region's fastest growing consumer groups--Women, Blacks, Hispanics and Asians. CPC was brought on to spearhead and organize local grassroots efforts in New England. Once a contract was signed, CPC met regularly with the multicultural marketing team as well as the Vice President of Sales and Marketing.

Goals were strategic as well as practical as opportunities with markets of color were identified, strategies to effectively reach them were set and efforts were implemented. Developing personal connections with key power brokers in the markets were also a key priority. Community focused grass roots efforts continued to be a major aspect of the multicultural strategy as KeySpan worked to establish a presence in Asian, Black and Hispanic markets. Phillips brings her expertise and contacts to provide relationship- and brand-building opportunities for KeySpan within communities of color in Massachusetts through various avenues, including local event sponsorships, small business networking forums, and community events.

Building Momentum in 2005

We began the year by exhibiting at a Chinese New Year festival in Quincy and expanding our efforts to train internal staff on this important Asian holiday through a breakfast training featuring a Lion Dance performance and traditional cuisine. We also participated in the Oak Street Fair in Boston's Chinatown in the spring.

Shortly after CPC was hired KeySpan Corporate Marketing hired an agency, Admerasia to develop an in-language Chinese direct mail, which followed these community efforts and dovetailed with them. Admerasia provides clients with the foundation for success through firsthand understanding of the vast diversity of Asian cultures. Advertising veteran Joseph Liu founded Admerasia in 1993. The firm offers marketing solutions to assist KeySpan in establishing our products and services in these lucrative communities.

The first Chinese advertising campaign launched in the summer of 2005. Direct mail in the Chinese language went to 1,325 low-use Chinese customers in Metro Boston in July. It followed print advertising in the Chinese newspapers, World Journal and Sing Tao Daily and radio advertising which began in June. Chinese-language customer service reps responded to customer inquiries. Advertising that the firm developed for KeySpan, won the Creative of the Year award from the Asian American Ad Foundation.

A second campaign launched in fall. It included Chinese print ads in major Chinese newspapers in New York and Boston. The ad creatively brought readers into the feeling of winter and creates a sense of urgency. The headline is translated as "Don't risk your home sweet home becoming an ice box this winter." The supporting direct mail to low use homeowners dropped in early October. The colorful piece uses the creative from both print ads thus the timing coincides well with the introduction of the second print ad in the latter half of the campaign.

As part of diversity recruiting, KeySpan had hired an Asian market planner who spoke Chinese shortly before. In addition to being exceptionally well qualified and bringing a wealth of knowledge to the company, she was able to effectively follow up with prospects generated through the campaign and assist them through the sales cycle.

Leveraging Success

The Company sponsored the 26th Annual Hong Kong Dragon Boat Festival in June, which was our second year of participation. There was a dragon boat race on the Charles River and an

Asian performance along Memorial Drive. KeySpan hosted a table at the event and sponsored the Gund Kwok Asian Women's Lion Dance Team Dragonboat, which won 1st place in Boston women's division. Grace Cheng, KED Planner led the team.

Our next efforts included outreach to the Black community through participation at the 4th Annual 21st Century Black Massachusetts Conference at the Hynes in early June. 2005 marked the second year that KeySpan participated in this event. The multicultural marketing team partnered with Human Resources and our internal affinity group Black Leadership at KeySpan (BLAK) to take advantage of the opportunity to exhibit, network and recruit at the event. With this event and every one that the team undertook, we looked for ways to benefit the company on several fronts – partnering with internal groups, training for staff, networking with key figures and overall showing the community that we wanted to interact with them. State Senator Dianne Wilkerson led the conference. Deval Patrick, a 2006 Gubernatorial Candidate and former US Justice Department civil rights official, was a keynote speaker. Our efforts continued as the multicultural team supported the Company's Soul Food Festival sponsored by BLAK held for employees by providing beverages and dessert.

KeySpan participated in the 2005 Puerto Rican Festival through exhibits and advertising. The Company also took part in the parade, including a natural gas van. The Puerto Rican Festival of Massachusetts is New England's largest ethnic festival, reaching more than 300,000 Hispanics in a three-day celebration at Franklin Park, Dorchester. The event is culminated by a grand parade with over 30,000 spectators. There is live music, vendors, carnival rides, food kiosks, and Puerto Rican artisans showing and selling their works of art at the park. This was the first time KeySpan sponsored the event.

In cooperation with HR, multicultural marketing sponsored the 2005 Latino Career Expo this spring at the Tremont House Hotel in Boston as an opportunity to network and recruit Hispanic candidates. The event attracted job seekers that learned more about opportunities with KeySpan. Several employees were recruited and hired. KeySpan reached out to the Hispanic market through direct mail advertising as well when Corporate Marketing hired an agency, ARGUS to coordinate it.

Securing Additional Resources

ARGUS, the only Latino-owned advertising and marketing agency in Boston, is led by Lucas H. Guerra, Principal/Creative Director, and Zamawa Arenas, Principal and Director of Client Relations. The agency has a successful track record in multicultural marketing and general advertising and is sought out by clients for their understanding of Latino, multicultural, and mainstream marketing. Both Emmy Award winners, Guerra, a native of Argentina, with 12 years' experience, and Arenas, a native of Venezuela, with 16 years' experience, bring their bilingual and bicultural expertise to KeySpan.

ARGUS developed a Hispanic direct marketing and advertising campaign that launched in September throughout KeySpan's territory. It incorporates radio and newspaper ads in Spanish media, as well as bilingual direct mail pieces to customers who already use natural gas in their home for cooking, or water heating, but are not using natural gas to heat their home. At the

center of the campaign is a message to “Enjoy now. Pay Later.” with a special financing offer that enables customers to convert their heating system and begin enjoying the comfort of natural gas heating right away, but defer their conversion payments for up to six months.

The campaign launched in September with a radio ad on three major Spanish radio stations followed by newspaper ads in *El Mundo*, *El Planeta* and *Siglo 21*. Direct mail went to 1,700 Hispanic household low-use customers in September. The conversion process from start to finish is in-language, with bilingual representatives handling incoming calls and follow-up and Spanish-speaking contractors managing the conversion installments. In addition, an internal Hispanic lunchtime training was held to educate employees and offer them traditional cuisine. These events followed a year-long effort to convert marketing collateral to Spanish as well as offer a beginning Spanish language class on site for employees. In addition, KeySpan sponsored Telemundo's, a Spanish-language US-based network owned by NBC, 2005 FERIA DE LA FAMILIA (Family Fair) with nearly 5,000 attendees in Chelsea this fall.

Taking Advantage of New Opportunities

KeySpan also took part in New Bostonians Community Day which is sponsored by the Mayor of Boston and was created to help the diverse communities better understand and access crucial city resources and to better understand how city government works and how to participate in it. New Bostonians Community Day is also a celebration of the diverse communities and an opportunity to build better understanding and closer relationships amongst the diverse communities as well as with city leaders. The annual New Bostonians Community Day is held in the fall at Boston City Hall. Activities throughout the day include free immigration clinics, multilingual tours of city departments, resource tables on topics ranging from immigration to job opportunities and performances by a variety of musicians and dancers from different countries.

KeySpan with the help of CPC took another step to develop relationships in diverse communities. In October, CPC helped KeySpan host a networking event for minority business and community leaders at Fenway Park during the Red Sox v. Yankees playoff series. And in November, CPC worked with KeySpan to hold two informational and networking sessions—one in Dorchester, another in Chelsea—to help small businesses learn how they can partner with KeySpan to save money and run more efficiently.

These events reached business people in the Black and Hispanic communities. Partnerships were created with The Hispanic American Chamber of Commerce, The Baystate Banner and *El Mundo* to hold the first event in Dorchester, which attracted nearly 40 attendees. The second event followed in Chelsea, in conjunction with developer (and city councilor) Roy Alvenida, had over 25 attendees. These events represented a milestone for the Company because they were developed solely to reach these audiences and forge relationships with the people of these communities, something the Company had not previously done so rigorously.

Participants learned about KeySpan's financial incentives for installation of energy efficient measures; consultation on energy saving recommendations; and special conversion offers to upgrade to natural gas heating; and more. Attendees had the opportunity to network with KeySpan executives and other small business owners. These events were supported cross-

functionally by sales, marketing, energy management and corporate affairs. They were leveraged to take advantage of recruiting opportunities in markets of color and support supplier diversity.

Looking Forward

Future efforts are currently being determined and budgets established. We are still sizing the market and identifying the sales potential. We know that ethnic Americans are increasing in population seven times as fast as non-ethnic Americans and are expected to make up 33 % of the U.S. population by 2010. According to the 2000 U.S. Census, figures for KeySpan's territory show that Hispanics make up 6.8 % of Massachusetts' population—representing the largest ethnic minority in the state—followed by African Americans, 5.4 % and Asians, 3.8 %.

KeySpan plans to commit additional resources to multicultural marketing in 2006 and our team will support these initiatives. Diversity recruiting continues to be a regular part of the Company's hiring and we are gaining exceptional employees as we look farther for our pool of candidates. Within Sales and Marketing, three recent hires are Spanish speaking and having a staff that reflects our customer base is becoming a truth. Our team continues to broaden our experience, learn and gain expertise from diverse staff. More and more multicultural marketing is becoming a regular part of our business. Providing materials in Spanish and other languages is a reality.

Our corporate values include a commitment to respecting diversity and appreciating differences within the Company and communities where KeySpan serves. By aligning corporate initiatives with integrated, internal competencies, we have developed immediate opportunities to engage diverse communities in a variety of programs. Efforts included recruiting employee candidates with diverse backgrounds, sponsoring and participating in community events, increasing awareness and respect for diversity internally, as well as developing multi-lingual advertising and culturally responsive advertising. We effectively planned and implemented many marketing activities. We have come a long way as a team and as a company, but still have far to go. I am pleased to be part of an organization that believes the journey is worthwhile and provides the support to forge this path. Diversity is not only a corporate value at KeySpan but truly a new way of life and we are all richer for it.