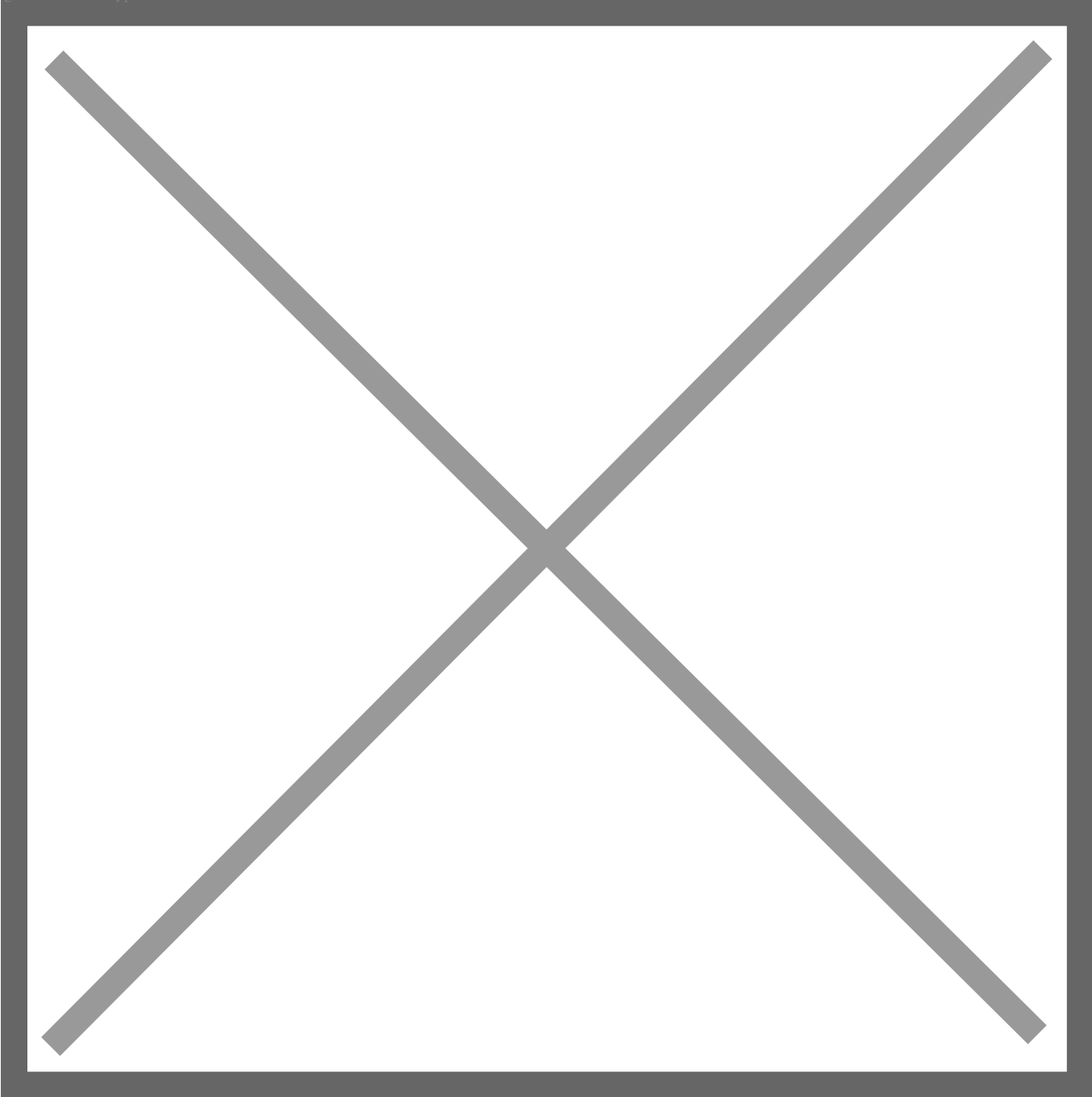


Change Agent: Toyota's VP of African American Business Strategy is Locked In on a Changing Consumer Landscape

May 28, 2014

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After James Colon received an honorary doctorate degree during Grambling State University's commencement ceremony on May 9, he looked out at the Class of 2014.

It's his job to predict what these students will want two, five, 10 years from now because he's seen the stats: 98 percent of Toyota's future growth will come from diverse ethnic backgrounds.

Grambling is one of the country's best known historically black colleges, and Colon is Toyota's vice president of African American Business Strategy.

Colon's been in sales for most of his 34 years at Toyota Motor Sales (TMS) – serving as general manager of the Portland and Chicago Regions, and the vice president of sales, dealer development for Lexus and vice president of Toyota sales. Now he has to figure out how to sell cars by anticipating the wants and needs of a rapidly changing consumer landscape.

Because of that, Dr. Colon has a sense of urgency.

The 98 Percent

A few days after returning from the Louisiana campus, Colon is tucked in his office at TMS headquarters in Torrance, Calif. He ruffles through a desk drawer to retrieve a folder and pulls out an infographic detailing African American, Latino and Asian demographics. After a quick scan of the page, he points to that statistic: 98 percent of future growth from ethnically diverse backgrounds.

“This is the number,” he says. “This is a business issue that we have to address. The changing demographics in America are changing *our* business.”

To drive the point home, he quotes another stat.

“This year the registration and sales numbers indicate that a quarter of the cars sold were to a person from a diverse background. That number isn't going down, it's going up.”

In business terms, this is a great thing. A more diverse consumer base opens up a world of possibility. But it is different from the past, when a company's minority outreach may have been more about appearances than sales. But as America changes, Colon points out, so must Toyota.

That's why he's here, along with Patricia Pineda, vice president of Hispanic Business Strategy. And the fact that Toyota has embraced this change is something Colon can be proud of.

According to a study by Polk, Toyota leads the auto industry in Asian and Hispanic loyalty. However, the brand still trails Ford in African American loyalty.

“What really inspires me is the fact that Toyota is making the effort to address sales growth and where our future business is coming from,” Colon says. “We're making that commitment, I hope, ahead of our competitors. That's critical considering where the growth of our company is coming from.”

The Inspiration

That Colon uses a word like “inspires” isn't coincidence. He's got to translate inspiration to reality. So what he experienced at Grambling was fuel for the fire. He met with several student groups and dozens of students' families. He saw the light in their eyes, the financial burden they endured just to earn their degree and walk across the stage to a brighter future.

“Just hearing the joy in their voices and knowing the sacrifices they made for the college education,” Colon says, “it was just outstanding.”

He met with University President Dr. Frank Pogue, who told Colon these students may have never had a chance to talk with someone like him. So he answered their questions and told them what to expect in the business world.

He soaked in Grambling’s rich history, touring the Eddie G. Robinson Museum, devoted to the man who coached the Grambling football team for 57 years and graduated more than 80 percent of his players.

“He’s not just a football legend, but a man who believed in education and athletics and the impact they had on primarily African American students in the South,” Colon says. “It was amazing to get to experience something like that.”

Another Chance for Growth

Colon’s challenge, clearly, is different from Robinson’s. The coach was tasked with helping African American players succeed in an America burdened by Jim Crow laws and outright bigotry. Now, minority consumers wield more power than ever.

“There is a radical shift in the marketplace as far as overall growth and minority consumers go,” Colon says. “We have to understand that growth is occurring in different ways in different places. African Americans in the South, Latinos in the West. How does a company really dig in and begin to anticipate what those consumers want?”

In his career, Colon says he’s seen two major opportunities for growth. The first was in the early 1980s when Camry quenched America’s thirst for an affordable mid-size sedan. The second came in 1989, when baby boomers had a little more cash, and Lexus burst onto the scene to give them a unique luxury option.

Now comes the surge in minority consumers.

“This to me is a third big growth opportunity,” he says. “The customer base is radically changing. We’re having a shift in demographics we’ve never seen before. Now, more than ever, we need to redouble our efforts to expand to these markets.

“It’s an exciting time for Toyota,” Colon says.