



## The U.S. Hispanic Market IS Hot, but That's Been True for Quite Some Time

### Hispanic Market Still Growing

The American public seems to have collectively taken notice of this sleeping giant, including the amazing statistics that have recently been published. We have all grown familiar with the data that bombards us on a daily basis, such as the nearly \$700 billion in buying power, the current 15% of the total U.S. population (nearly 40 million U.S. Hispanics) and the fact that Hispanics will make up one quarter of the total population by the year 2050, according to Synnovate.

The Santiago Solutions Group predicts that Hispanic purchasing power is expected to reach \$1.2 trillion by 2010.

Although it may be daunting for an already successful company to make an investment in separate staff, research and a knowledgeable professional services firm are steps vital to ensuring the company realizes its full potential tapping into the enormous market of the future. Don't forget: this market will be the "Next Big Thing" for quite some time just as it has been for decades.

### Market Evolution

Since the early 1980s, advertising and marketing firms dedicated exclusively to the U.S. Hispanic market have been sprouting up to address the unique needs of this market. Although many U.S. Hispanic agencies are booming, (the Hispanic advertising industry has been growing at an average rate of 17% per year over the past five years, according to the Association of Hispanic Advertising Agencies - AHAA), the market is still significantly under-served. Hispanics account for 14% of our total population yet leading advertisers have only spent 2.4% of their measured media resources to target Hispanics over the past three years (AHAA). While the average consumer receives 350 pieces of English-language di-

rect mail per year, Hispanic consumers receive roughly 35 pieces - only one tenth comparatively, according to Simmons Research data. Scarborough Research reported that in 2002, 18% of Hispanics made a direct mail purchase. Clearly there exists a disparity between the opportunity and the follow-through.

There are still many common misconceptions on how to access this market that only the experts can assist in refuting. One such misconception is that Hispanics are not online. According to Winning Strategies for the New Latin Markets, 17.6 million US Hispanics are currently using the Internet daily, with 49% penetration and \$8.1 billion in internet spending.

Another new discussion point is the trend of addressing the Hispanic market in English. Studies have shown that 40% of all Spanish-language TV viewers also regularly watch English language TV. Media outlets nationwide have been created which claim to speak in the culture of their Latino viewers, if not the native language of their parents. Cable networks Mun2 and LATV, as well as magazines such as *Hispanic*, *Latina* and *Vista* have subscribed to this theory and had varying degrees of success. Perhaps the best example is novice cable start-up SiTV, a 24-hour channel targeted to young Latinos which reaches 10 million households and thrives on the motto "Speak English. Live Latin."

### Getting Started

The work starts with understanding and stating the company's commitment to this market.

- What level of management is involved in studying and addressing the opportunities?
- What is the issue, mission or cause the company wants to embrace to demonstrate this commitment?
- How do you integrate this into your marketing and communications strategies and how do you reach your audiences at the grass roots level?

Reaching the Hispanic market, in Spanish, English or Spanglish, requires thinking and actions from these various organizational and management levels. And the market is too large, too powerful and too ubiquitous to be ignored at any level.