Gaining Access to the U.S. Hispanic Market

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ABSTRACT
The United States currently has a strong focus on the globalization trend, causing them to neglect vast domestic opportunities to increase market share and our country’s economic stability, such as the underserved Hispanic market. The U.S. Hispanic population is the largest minority segment and is continuously growing, leaving endless opportunities ahead for the business world. According to the U.S. Census Bureau the Hispanic population surged 43% from 2000 to 2010, rising from 35.3 million to 50.5 million. The future of the U.S. economy will depend on the social and cultural shifts of the Hispanic market. In order to gain access to the Hispanic market, marketers must challenge commonly held misconceptions, improve their understanding of the composition and culture of the U.S. Hispanic population, and devote adequate resources for research to identify opportunities the Hispanic market segments present.

INTRODUCTION
WHY THE HISPANIC MARKET IS FUNDAMENTAL TO THE U.S. ECONOMY

Globalization is all the rage in today’s business world. Multinational Corporations and outsourcing are on the rise at a time when American entrepreneurs should be focusing on expanding their markets in the United States and creating jobs domestically. While it is clear that growth opportunities outside the United States are vast, it is also true that there are numerous underserved markets within the United States. Ethnic Americans, including African Americans, Hispanics, and Asians, are increasing seven times as fast as the non-ethnic majority, and their spending power has doubled in the past decade to almost $3 trillion (Richardson, 2012). The Hispanic population is one such prospect that offers monumental growth opportunities in the business world with the potential to fuel U.S. economic growth. At over 52 million strong, over five times the size of the market in 1980 with the fastest growth rate of all the ethnic groups in the United States, the Hispanic market will be a primary driver of growth that is essential to the future success of the American market (Nielsen, 2012). Those statistics do not include those who continue to live in the United States without official documentation (Korzenny and Korzenny, 2012). Although immigration has decreased significantly, the Hispanic population is projected to grow 167% from 2010 to 2050, compared to 42% for the overall population (Nielsen, 2012).

This projected growth will lead the Hispanic population to make up 24% of the U.S. population in 2050 (U.S. Census Bureau, 2003). The Hispanic teen population alone will grow 62% by 2020 (Todd, 2004). With the growth of the market comes the growth of Hispanic buying power, which is projected to grow 50% over five years to $1.5 trillion by 2015 (Nielsen, 2012).
Not only is the Hispanic population growing and increasing their buying power, but they are also getting younger while the overall U.S. population is aging, making them an even more crucial consumer segment for marketers to target. Over 60% of the U.S. Hispanic population is under age 35, 75% is under age 45, and the median age is 28, whereas the median age in the overall United States market is 37 (Nielsen, 2012).

Due to the favorable demographics and increasing buying power of the U.S. Hispanic market, more economic sectors are expected to benefit in the future, including: residential buying, food, retail (clothing and electronics), education, financial services, and entertainment (Nielsen, 2012).

WHY THE HISPANIC MARKET IS FUNDAMENTAL TO THE FUTURE OF THE U.S. ECONOMY

The Hispanic market is the driver of growth and future trend setter in the U.S. market with a growing impact on total market share. To stay competitive in the changing marketplace, as well as take advantage of the economic growth opportunities within the United States, it is becoming increasingly more important for marketers to grasp the fact that the Hispanic population is not a passing niche market. In fact, it is difficult to find markets in the United States that share so much in common, and marketers must realize the Hispanic population has many commonalities that tie it together and make it an ideal marketing target (Korzenny and Korzenny, 2012). In order to gain access to the Hispanic market, marketers must begin to challenge commonly held misconceptions which undermine the importance of the size, uniqueness, and value of the Hispanic population (Nielsen, 2012). To improve the understanding of the language and culture of Hispanic consumers, firms must be willing to devote adequate resources for research to identify the opportunities the Hispanic market has to offer. It has not been researched to the degree that it requires and should be targeted as an entirely separate entity in order to be proactive to competitive pressure and gain access to Hispanic market share (Vence, 2006). When a culture or consumer habits are studied, sensitivity to and knowledge of cultures other than our own is increased, building the understanding of that culture while at the same time bringing value to that culture by emphasizing their diversity and background.
Without knowledge of the composition and culture of the Hispanic market, marketers will fail to reach Hispanics if they use a general market approach, as many different segments exist within the market that may respond differently to marketing approaches (Vence, 2006). For example, many West Coast Hispanics are from Mexico, whereas many East Coast Hispanics are from Puerto Rico; some may prefer to be called ‘Hispanic’ while some may prefer ‘Latino’ (Vence, 2006). Essentially, the Hispanic market is made up of twenty different countries of origin, making it a very complex market (Todd, 2004). The sheer diversity within the Hispanic market necessitates contradictory and mutually exclusive marketing strategies, opening Pandora’s Box of possibilities and pitfalls (Nevaer, 2004).

Marketers and retailers who understand how to identify their customers are better equipped to market to them successfully because they show a sincere desire to serve their customers’ needs (Perkins, 2004). To succeed in the Hispanic market, marketers must understand the human experience from the point of view of the Hispanic segment (Perkins, 2004). Marketers must identify which of their products or services are relevant to Hispanics and think strategically in regards to how to position their product or service to appeal to the Hispanic culture. This necessitates understanding how an existing product or service may be of interest to them, followed by finding ways to take that existing product and promote it to Hispanic consumers. To do so, marketers must realize success will not come from simply translating what they have into Spanish; marketers must also create new products, campaigns, and strategies directly related to Hispanic consumers. Currently there is a lack of products on the market exclusively tailored to Hispanic preferences, and with future focus on the Hispanic market, competition will explode and marketers will have to find ways to differentiate their brand (Todd, 2004). A better understanding of Hispanic consumers will minimize the risk associated with new products as well as differentiation (Perkins, 2004).

THE COMPOSITION OF THE HISPANIC MARKET

Cultural Origins

The cultural background of the Hispanic population in the United States, including implicit culture, beliefs, values, psychological makeup, and sociological makeup is shockingly similar (Korzenny and Korzenny, 2012). Sharing a common heritage is the core of Hispanic culture that is traced back to the history of the Iberian Peninsula, which the Romans named Hispania and from there the modern nation of Spain derived (Korzenny and Korzenny, 2012). Therefore, Hispanics in the United States are the descendants from countries either conquered or dominated by Spain (Korzenny and Korzenny, 2012). These twenty countries include: Argentina, Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, Venezuela, Puerto Rico, and Spain; Brazil is usually excluded due to its Portuguese identity. All Hispanics cannot be aggregated into one homogenous group, making it necessary to analyze what makes Hispanics homogenous and what separates them into unique segments.

There are five segments, or categories of the Hispanic market in the United States: Puerto Rico, Cuba, Central America, South America and the Dominican Republic, some of which can be even further segmented. According to the U.S. Census Bureau, in 2004 the U.S. Hispanic population was as follows: 9.5% Puerto Rican, 3.6% Cuban, 7.2% Central American, 5.5% South American, 2.2% Dominican, and 72% Mexican (Korzenny and Korzenny, 2012). Cubans are the oldest Hispanic group with 22.6% over 65 and Mexicans are the youngest with 37.1% under 18. While it holds true that Mexico has been the largest contributor of Hispanics to the U.S. population for many years that does not mean targeting smaller Hispanic segments is not profitable or worthwhile. Many Puerto Ricans have access to consumer products from the United States, making them familiar with the U.S. consumer culture (Korzenny and Korzenny, 2012). They also have the ability to project U.S. consumer trends in their native land because they are able to travel freely between the United States and Puerto Rico. Many elite Cubans began migrating to the United States in 1960 to escape the Castro regime and have created a strong Latin culture in Southern Florida. Also a small but influential Hispanic segment in Southern Florida is the South Americans, who tend to be more affluent, educated, and sophisticated about consumption (Korzenny and Korzenny, 2012). When promoting products and services to the Hispanic population, marketers must be aware that cultural sensitivity is one of the biggest obstacles to successfully reaching Hispanics. Marketers must rest whether a homogenous approach will project similar messages to different segments. It has been found that a trial run of a product or service with Mexican consumers in California and with Cuban consumers in Florida produce similar reactions, the marketer should be fairly confident that most Hispanic groups will react similarly because if the two most different segments react similarly, it is safe to assume the product or service strikes some underlying aspect of the Hispanic culture. If this were not the case, marketers would have to test several other Hispanic segments. However, the ideal campaign is one that whether you’re Puerto Rican, Cuban, or Mexican, it seems like it is relevant to you regardless of nationality (Todd, 2004, 5).
Geographic Trends

Due to the growth of the Hispanic market in the United States there is an increasing trend of the dispersion of the Hispanic population across the U.S., as seen by the map below:

Geographic differences depend on origins; Mexicans are more likely to live in the West and South, Puerto Ricans are more likely to live in the Northeast, Cubans are highly concentrated in the South, and the Midwest has the fewest Hispanics (Perkins, 2004). However, Hispanics are expanding to areas of the United States that have not always had a strong Hispanic presence. Hispanics are moving out of states with a high cost of living, such as New York and California, to states with a lower cost of living and more job opportunities, as well as out of places of high concentration to areas with a less Hispanic-dense population, thus less competition (Korzenny and Korzenny, 2012). Equal shares of Hispanics live inside and outside central cities within metropolitan areas, about 45% each (Perkins, 2004). Having Hispanics more concentrated forces marketers to customize various media outlets that were not used in the past to reach Hispanics. The increasing dispersion of Hispanics across the United States will also likely accelerate their influence on increasing the Hispanization of the U.S.

Socioeconomic Trends

One of the most important predictors of culturally based behaviors is socioeconomic trends, including the social and economic standing of U.S. Hispanics (Korzenny and Korzenny, 2012). U.S. Hispanics can be separated into three segments: elite, middle class, and working class. The elite are the smallest segment of the Hispanic market, but can serve as a profitable market for goods and services that define affluent consumers, such as luxury cars and real estate. Next is the middle class, also a relatively small segment of the Hispanic market. Most often, middle class Hispanics are attached to their homeland and culture and only come to the United States for reasons such as strong economic pressure in their homelands and are in search of better opportunities (Korzenny and Korzenny, 2012). Many middle class Hispanics prefer to stay in their home countries because immigration to the United States brings a complicated and lengthy process of being certified or obtaining a license, which threatens both their status and stability (Korzenny and Korzenny, 2012). The working class is the main subgroup of the Hispanic market in the United States. The majority of these individuals left their country with little to nothing in search of a better standard of life but are kept loyal to their country and culture (Korzenny and Korzenny, 2012). They regard it as important to succeed in the United States, but not necessarily abandon their identity (Nevaer, 2004). Usually working class Hispanics have little knowledge and experience with U.S. consumer products, making
behavior likely considered feminine in their culture and homeland (Korzenny and Korzenny, 2012). When the
after they have gotten established. This means men have to learn about brands and products on their own, a
This is because men are more likely to immigrate to the United States first and bring their wives or companions over
The Hispanic market is atypical in that it is not solely the woman of the household that should be targeted.
more Hispanic women enter the labor force and obtain higher degrees of education, there is becoming a movement
toward more Hispanic female entrepreneurship.
Marianismo is the woman's role in
emotionally strong and responsible. A stereotypical macho does not cry or care about things women care about, and
point of contact between their family and outsiders (Nevaer, 2004). Cultural values of machismo include being
Hispanic males see their role as financial providers and protectors of their families as well as their duty to be the
value they place on the presence of children and their tendency to host family and friends for extended periods of
time.
In order to support such large families, Hispanics regard price point as a very important aspect while
making purchasing decisions. For a long time there has been a gap between the median income of Hispanic
households and the overall population of the United States. In 2008, the median Hispanic income was $37,913
while the overall median U.S. income was $50,303, leaving a gap of $12,390 (Korzenny and Korzenny, 2012).
However, for the majority of consumer products, income levels of $25,000 to $60,000 are ideal, and over a third of
Hispanic consumers fall in this range (Korzenny and Korzenny, 2012).
The income gap between Hispanics and the overall U.S. population is largely attributed to an educational
gap. In 2008, only 62% of U.S. Hispanics over the age of 25 had completed high school or equivalent, compared to
87% of the overall population, meaning almost 40% had not even finished high school (Korzenny and Korzenny,
2012). These statistics illustrate the tremendous opportunities for U.S. Hispanics, which will be the largest
educational market in the United States in the near future (Nevaer, 2004). Hispanics have better employment
opportunities in the United States today than ever before; they are moving up the career ladder as firms are
beginning to capitalize on their insight to appeal to Hispanic consumers (Perkins, 2004). It is in the best interest of
marketers to contribute to Hispanic education. The higher levels and quality education Hispanics obtain, the more
opportunities they will have to increase their income and thus their consumption (Korzenny and Korzenny, 2012).
Gender Roles
Marketers need to be sensitive to research questions around gender, raise issues particularly around
decision making in Hispanic families, and construct strategic decisions in tune with cultural and emotional realities
of men and women (Korzenny and Korzenny, 2012, 225). Machismo and marianismo are the gender roles of the
Hispanic culture that impede their acculturation into the U.S. culture. Machismo is the characterization of how
Hispanic males see their role as financial providers and protectors of their families as well as their duty to be the
point of contact between their family and outsiders (Nevaer, 2004). Cultural values of machismo include being
emotionally strong and responsible. A stereotypical macho does not cry or care about things women care about, and
would never admit to having feminine traits (Korzenny and Korzenny, 2012). Marianismo is the woman’s role in
the Hispanic culture characterized by the expectation that females sacrifice their own ambitions and desires for the
good for their family. The stereotypical Hispanic woman lives for her children and marriage, managing the
household, conducting family affairs, and preserving the family’s integrity (Korzenny and Korzenny, 2012). As
more Hispanic women enter the labor force and obtain higher degrees of education, there is becoming a movement
toward more Hispanic female entrepreneurship.
The Hispanic market is atypical in that it is not solely the woman of the household that should be targeted.
This is because men are more likely to immigrate to the United States first and bring their wives or companions over
after they have gotten established. This means men have to learn about brands and products on their own, a
behavior likely considered feminine in their culture and homeland (Korzenny and Korzenny, 2012). When the
women and children do arrive and settle in, men still have a large influence on purchases and brand decisions.
COMMON MISCONCEPTIONS AND STEREOTYPES
Marketers have scarce resources to make informed decisions about the Hispanic population, leading to the
creation of commonly held misconceptions and stereotypes about the Hispanic market. The lack of awareness that
stereotypes are generalizations is what most is damaging to marketers. Whether these stereotypes are projected by
media, advertising, or individuals, they impact Hispanics’ perceptions of themselves and how they believe society
perceives them. Stereotypical characterizations can produce inaccurate and negative perceptions of Hispanics, but can also produce positive impacts (Korzenny and Korzenny, 2012). In the past, Hispanics have criticized Hispanic portrayals due to their lack of depth and the caricature-like characterizations in a lot of advertising (Korzenny and Korzenny, 2012). However, the appeal the Hispanic culture has had in the United States in the past few years supports the notion that an era of respect and diversity is on the horizon (Korzenny and Korzenny, 2012). Negative stereotypes are turning into positive images, which can result in product trials and eventually brand loyalty. To further avoid those negative stereotypes marketers must conduct the research necessary to portray the Hispanic market in a realistic and believable way.

REACHING THE HISPANIC MARKET

Clearly the Hispanic market is a pretty complex one. Reaching this consumer market requires above average knowledge and comprehension of the composition and culture of the U.S. Hispanic market, dismissal of common misconceptions, and the commitment of addressing Hispanics as an entirely separate consumer market. Simply knowing the demographics and psychographics of the desired segment is not enough. To address the Hispanic population, marketers must first be able to identify them successfully. Identifying Hispanics can be tricky; one way to do so is to find out what country they trace their ancestry to; however, Hispanics may identify themselves as such due to the person asking, the context, or the purpose of the question (Korzenny and Korzenny, 2012). The question of what label to refer to Hispanics is also complicated. In 2008, a survey indicated that 36% of Hispanics prefer the term ‘Hispanic,’ 21% prefer ‘Latino,’ and 23% have no preference (Korzenny and Korzenny, 2012). Whether ‘Hispanic’ or Latino’ approaches to reaching the Hispanic market must consider the level of acculturation their specified target market exhibits. For the younger Hispanic generation, the trend has moved from assimilating into the American culture to acculturation. Less acculturated Hispanics buy more products they grew up with in their country of origin. As acculturation increases, retailers who once attracted Hispanic consumers may be challenged to establish loyalty programs to keep their customers or modify products and promotion to keep up with the changing needs of Hispanic consumers (Perkins, 2004). Studies have found that consumer behavior changes as Hispanics move from being new arrivals to becoming more acculturated (Perkins, 2004). As Hispanics become more acculturated, they become more willing to experiment with new products and different brands (Perkins, 2004). To analyze the level of acculturation of the targeted Hispanic market, consider whether Hispanics identify more with their country of origin or the United States. Both behavioral and subjective research questions are necessary to understand how Hispanic consumers identify themselves related to your marketing strategy (Korzenny and Korzenny, 2012). The more marketers know about their customers, the more they can identify with them and meet their needs. However, asking questions about culture is difficult because people have a hard time discussing the intricacies of their own culture (Korzenny and Korzenny, 2012, 16).

To learn more about Hispanic consumers, marketers should use secondary research to develop a hypothesis, and then test the assumptions by gathering primary data. In doing so, marketers should consider both short- and long-term strategies and develop a vision which forecasts demographic shifts of the Hispanic market. This gives marketers the opportunity to assess the Hispanic market’s potential for their brand.

Social Culture

A strong orientation to friends and family acts as a model for behaving, thinking, and feeling within a culture (Korzenny and Korzenny, 2012). Before marketers are able to create advertising and promotional campaigns to reach the Hispanic market, they must understand the social culture and habits of U.S. Hispanics. Basic cultural sensitivity is a huge obstacle marketers need to overcome to reach Hispanic consumers. Culture shapes how we interpret a variety of items in both the physical world of objects and the social world of people (Korzenny and Korzenny, 2012). Acting on cultural assumptions is wasteful and can be avoided by knowing cultural aspects in order to prevent communication failure. Cultural insight can be a powerful differentiation tool. Perceived similarity is why Hispanics are more likely to identify with other Hispanics. They use the people of their own culture as the main reference groups in most situations (Korzenny and Korzenny, 2012).

Hispanics who immigrate to the United States greatly value success and are willing to sacrifice a lot to improve their lives. Therefore they view their possessions as more than material objects, but fruits of their labors (Korzenny and Korzenny, 2012). This makes it logical that Hispanics are more prepared to pay a premium for prestigious brands and are more brand loyal (Nevaer, 2004). Hispanic consumers are more needs focused than wants focused, and looking for quality and durability over price (Perkins, 2004). Even many low-income Hispanics desire good brands and high quality (Perkins, 2004).

A market that prefers prestigious brands and high quality is likely a more profitable market than most. To capture the Hispanic market, marketers must research their cultural traits, beliefs, values, and norms.
Beliefs | Values and Attitudes
--- | ---
What my friends buy is good for me | Collectivism, the group is more important than the individual
Stay with a brand you know rather than switch around | Loyalty, fear of the unknown, risk avoidance, a sense of reciprocity
Please children by buying them what they want | Being a good mother, giving kids what she did not have, compensating for past poverty
Live for today because tomorrow is uncertain | My life is in God’s hands, fatalism, little control over the environment
Having your own business is the best way to work | Value for independence and preserving family lifestyle and cohesiveness

Source: *Hispanic Marketing* by Felipe Korzenny and Betty Ann Korzenny, 2012

More often, consumers are expressing culturally distinctive desires, needs, and wants in their buyer behavior; the demands and patterns of product loyalty prompted research and communication firms to begin specializing in a multiethnic market (Nevaer, 2004). Hispanic consumers have higher brand loyalty than non-Hispanics, suggesting familiar merchandising strategies can be updated for current Hispanic consumers (Nevaer, 2004). To capture that brand loyalty, marketers need to make sincere efforts which will reflect their understanding of Hispanic consumers. Cultural variation is neither accidental nor superficial, which is why marketers who are able to identify important cultural dimensions can claim positions in the subconscious minds of Hispanic consumers (Korzenny and Korzenny, 2012).

Part of the subconscious Hispanic consumer behavior is the way polymorphic leadership shapes the way brands diffuse through interpersonal networks. Polymorphic leaders are people that are perceived to be influential in more than one area (Korzenny and Korzenny, 2012). For example, suppose a Hispanic man buys car insurance from an agent and builds a reputation as attentive, personable, and dependable. The customer may begin seeking this agent out for other advice or information, such as what schools in the area are the best or where the best place for home insurance is. Once polymorphic leaders believe in a product or brand, they spread the information through their network (Korzenny and Korzenny, 2012). Many of these leaders do not have any formal position, such as a teacher or priest, but strongly influence their communities. Thus, marketers would benefit from targeting influential community members, beginning with the ones who have formal positions for easier identification.

Another cultural aspect for marketers to be made aware of is the tendency for less affluent Hispanic consumers to rely on group interdependence to achieve common economic goals (Korzenny and Korzenny, 2012). For example, several families may pool their resources to purchase expensive items, such as a car or house. Savvy marketers will look to capitalize on this Hispanic buying strategy.

Advertising and Promotions

The way marketers choose to position a product has the power to make it either succeed or fail. To create a strategic positioning plan, insight about your target market and their culture, demographics, beliefs, and so on is important to make consumers feel the product or service is exclusively tailored to their preferences. Marketers who can do this while staying loyal to their business model and doing what they do best will achieve the most success, because they will understand how their decisions impact their business and customers (Perkins, 2004).

Part of successful promotion is creating a culturally friendly environment with knowledgeable employees. The greater the number of employees that share cultural backgrounds with your customers, the more your customers will value your business. Aspects that may be of value to your promotion to Hispanic consumers and should be evaluated include bilingual employees, bilingual signs, and bilingual packaging. If you are marketing products in a retail environment, exterior and interior appearance should also be considered, as it is the main reasons some consumers choose to shop there. Consumer loyalty is greater for brands that create an emotional connection rather than an intellectual one (Nevaer, 2004). Marketers can create that consumer loyalty by making decisions easier for Hispanic consumers through strong branding; Hispanic consumers respond more favorably to brands that are differentiated through visibility (Nevaer, 2004).

To create promotional strategies and advertising campaigns to capture the Hispanic market, marketers first must ask themselves what characterizes Hispanics who are most likely to like their brand. Next, marketers must decide if they should use the same promotional strategy for Hispanics and non-Hispanics alike, or if different positioning would be more relevant. If they choose to use the same promotional strategy for both market segments, they have to consider how the advertisement or message needs to be translated to reach Hispanics. The effort to reach the Hispanic consumer must be proactive, adaptable, and current with the state of the industry (Perkins, 2004).
To reach Hispanic consumers, U.S. marketers will have to stray from the overused cultural dimension of individualism. Hispanics will react more favorably toward portrayals of group than toward individualistic portrayals (Korzenny and Korzenny, 2012).

One effective promotional method to target Hispanic consumers is experiential marketing, in which marketers host an event during which consumers can interact with a product or brand (Vence, 2006). Marketers can use this strategy to build relationships within a community and assess their brand equity. Highly targeted marketing campaigns such as these are more likely to appeal to Hispanic consumers. Another promotional strategy that may be successful is advertising at Hispanic music and sporting events, as these are two of the biggest passions in the Hispanic community.

It is rather disturbing that ethnic markets are consuming products at rates that far outpace their representation in the population, yet advertising dollars spend to reach these segments is very low (Richardson, 2012). Marketing expenditures targeted to Hispanics made up only 3.2% of advertising budgets in 2004, less than one-fourth of their population size (Perkins, 2004).

Language

One of the most unifying aspects of the U.S. Hispanic market is the Spanish language (Korzenny and Korzenny, 2012). In 2007, 22% of Hispanic U.S. households were exclusively English speaking, meaning almost 80% used Spanish to some extent (Korzenny and Korzenny, 2012). Reaching consumers in their own language is an effective business practice made more necessary by the trend of Hispanics to self-segregate. Many Hispanics self-segregate by speaking Spanish in public to protect their integrity (Nevaer, 2004). In response, marketers began providing bilingual customer service and advertising. However, many advertisers are reluctant to invest in bilingual staff and advertising because the Hispanic market and language are highly complex.

### U.S. Hispanic Language Preference

<table>
<thead>
<tr>
<th>Percentage in sample</th>
<th>Spanish-preferred</th>
<th>Bilingual</th>
<th>English-preferred</th>
</tr>
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<tbody>
<tr>
<td>Country of Origin:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Born in U.S.</td>
<td>3%</td>
<td>40%</td>
<td>78%</td>
</tr>
<tr>
<td>Foreign Born</td>
<td>97%</td>
<td>60%</td>
<td>22%</td>
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<tr>
<td>Average Number</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>of Years in U.S.</td>
<td>13</td>
<td>20</td>
<td>31</td>
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| Education             |                   |           |                   |
| Some High School      | 62%               | 38%       | 27%               |
| College Graduate or More | 10%               | 38%       | 37%               |

| Household Income Levels |                   |           |                   |
| Under $15,000          | 47%               | 21%       | 22%               |
| $15,000 - $34,999      | 35%               | 31%       | 16%               |
| $35,000 or more        | 5%                | 35%       | 47%               |


However, advertising in Spanish is more effective with more consumers, even those that are bilingual (Perkins, 2004). According to a 2000 survey, Spanish-language advertisements were 57% more effective than English commercials and four times more persuasive than commercials in English (Nevaer, 2004). Hispanics have also indicated often selecting services strictly due to the Spanish customer support they offered.

“I would be more inclined to purchase brands which are advertised in Spanish”
Spanish is an integral part of the Hispanic culture and is essentially a staple around which the culture revolves (Korzenny and Korzenny, 2012). Many Hispanics feel that advertising in their native language is a sign that the marketer acknowledges and respects them (Noriega and Blair, 2008). Language choice can be related to ad effectiveness because second languages are often more difficult to process for bilinguals; less of a message will be recalled when it is presented in someone’s second language (Noriega and Blair, 2008). Languages also have the power to cue different associations. Language can serve as a medium of experience that sparks social experiences which influence thought; experiences that have a special cultural significance can only truly be relived in one language (Noriega and Blair, 2008). Language has the power to cue cultural mind-sets. Advertisements presented in a Hispanic consumer’s native language are more likely to spark associations with that language, including family, friends, home, and homeland (Noriega and Blair, 2008). However, studies have found that while using Hispanics’ native language may influence thoughts, it will not necessarily make the advertisement more effective in producing positive attitudes.

As I have illustrated, there are obvious benefits to advertising to Hispanics in their native language. Marketers must take into consideration that these benefits will vary both by the product itself and the execution elements of the advertisement.

Media/Media

The Hispanic population is at the intersection of language, technology, and media. They often lead the general market as early adopters of emerging technologies, giving marketers the opportunity to capitalize on new technologies to reach the young and growing Hispanic market (Nielsen, 2012). Useful vehicles for reaching Hispanics include language, media, and technology adoption (Nielsen, 2012).

Many Hispanics can be reached through ethnic media. According to a study by New California Media, 51% preferred Spanish radio stations, 43% preferred ethnic television, and 23% preferred ethnic newspapers. Many direct marketers are also finding that Hispanics love direct mail; it is less intimidating and more comfortable due to the lack of language barriers (Perkins, 2004). As of 2004, Hispanics had the largest online population at 13 million users (Perkins, 2004).

Brands leave their mark in different channels and contexts, constituting touch points which highlight opportunities of growth (Korzenny and Korzenny, 2012). Currently there are over 200 television stations dedicated to the U.S. Hispanic market. Hispanics watch the most television in other languages at nine hours per week, are by far the largest customers of satellite television at 60%, and place the highest importance of television on influencing the products they buy at 3.5 on a zero to five scale (Korzenny and Korzenny, 2012). Television is still the preferred medium, likely due to the higher creativity it allows for (Zbar, 2000). Over 560 radio stations are dedicated to the U.S. Hispanic market. Hispanics are the ethnic group with the least amount of English radio exposure per week at 3.5 hours, but have the highest exposure to non-English radio exposure per week at 4 hours. Print media directed at Hispanics, particularly in Spanish, has declined over the past ten years, but is expected to present more opportunities as paper mediums are combined or replaced with the online world (Korzenny and Korzenny, 2012). Latino Print Network claims to have 625 newspapers directed to Hispanics with a circulation of over 19 million; their exposure to newspapers are relatively homogenous to the other ethnic cultures at about 2.5 hours per week. Hispanics who prefer Spanish spend substantially more time reading magazines than other ethnicities, and young Hispanics read more than their older counterparts. Many read books that appeal to their heritage, tastes, preferences, or needs.
Hispanics go to more movies per year than any other group and also rent more movies at home.

CONCLUSION
At 52 million strong, Hispanics are the fastest growing ethnic group in the United States and will be a primary driver of growth essential to the future U.S. economy for decades to come. Their buying power will reach $1.5 trillion by 2015 and they are getting younger compared to the aging overall population. There is nowhere near enough research on the U.S. Hispanic market. Marketers must conduct research to improve their understanding of Hispanic consumers in order to create products and advertising that will attract them. The Hispanic market can no longer be ignored.

In today’s world of marketing, forecasting is essential to stay ahead of the competition and gain market share. Within the next fifty years, it is likely that the U.S. Hispanic population will become the largest of the ethnic groups. Marketers must focus their efforts on the younger generation of the Hispanic market as they are the future and will be ones continuing the acculturation process. Although Hispanics originate from 20 different countries, they have a cultural background that is shockingly similar, presenting an advantage for marketers. However, marketers still must assess whether a homogenous approach is appropriate for their brand or product. As Hispanics continue to spread out across the United States while also concentrating in large metropolitan areas, opportunities continue to increase for marketers.

U.S. Hispanics have bigger families and tend to make big purchases collectively, presenting opportunities for marketers of household products, food, real estate, cars, and more. A large income gap still exists between Hispanics and the rest of the U.S. population largely attributable to the educational gap Hispanics face. It is in the best interest of marketers to contribute to Hispanic education in order to increase their income and thus their consumption. The Hispanic market is a complex one. Marketers must do primary and secondary research to avoid stereotypes and language barriers. As Hispanics become more acculturated, they become more willing to experiment with products, so marketers may want to target this segment. Marketers can benefit from gaining Hispanic consumers as they are more brand loyal and willing to pay a premium for prestigious brands.

Marketers seriously lack in their attempt to advertise to the Hispanic market, but must do so in order to gain Hispanic market share due to the high cultural sensitivity and language preference of Hispanics. When marketing to the U.S. Hispanic population, marketers must consider using bilingual signs, packaging, customer service and advertising to accommodate Hispanics, as Spanish is an integral part of their culture.

REFERENCES CITED
Articles


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