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Sent: Wednesday, September 09, 2009 9:12 AM
Subject: Hispanics Still Spending During These Tough Economic Times

Hispanics Still Spending During These Tough Economic Times



The U.S. Hispanic market is booming. Hispanic households across the United States will sharply increase their economic clout over the next ten years. The demographic explosion has continued since 1990 and there is no let up. Go to Wal-Mart, Sears, K-Mart, to name a few stores, and you will see many Hispanic families loaded with consumer goods. The fact is, Hispanics love to buy and almost always buy in cash.

This is not a debt-ridden community. For years they learned the hard way that to have something, one has to earn it and save. Credit card companies solicit many Hispanic households.

"Our clients come into our office and want to know what to do. We try to explain how the system works and after we are finished, they take the solicitation and throw it in the trash. Being in debt is not honorable, and no one wants to have a bad name. To establish credit history we had to dissuade an individual from paying off immediately his credit card. Keep it for six months or more and pay little, very punctually and you will establish credit. He did and that person now obtained a credit history that allowed him to purchase his own home. Another individual saved up money for three years and went to the bank to pay off the loan. The loan officer's eyes widened considerably when he saw a check for \$30,000. Hard earned savings of a family to purchase a home." (Wells Fargo Bank)

Hispanics send money to the families they left behind in their country of origin. And it is true that these remittances are billions of dollars. But according to the National Immigration Forum, in addition to consumer spending, "immigrants and their businesses contribute \$162 billion dollars in tax revenue to federal, state and local governments." They work in key sectors, start their own businesses and in general contribute to a thriving economy.

So in order to capture the loyalty of this market segment, marketers have to target this population differently from the "general market." First, companies have to understand that the U.S. Hispanic market is not homogeneous. It is a market "comprised of subcultures from over 20 countries in Central and South America, the Caribbean and Spain, with the majority (63 percent) of Mexican heritage." Each group has its own set of values, traditions, beliefs, foods, festivals, and consumer patterns. The U.S. Hispanics are

not identical. There are many differences in their countries' geographies, their indigenous ancestries and their colonial histories. So a marketer has to be creative and know that the unifying factor in this market segment is the Spanish language.

In advertising, Hispanic market research has discovered that of the Hispanics surveyed, they prefer ads to be in Spanish over English, even though the younger group is more comfortable in English. Research also shows that Hispanics like any type of media, but prefer television and radio. It is no wonder that Univision (one of the Spanish language networks) ranks 5th in the U.S., behind ABC, NBC, CBS and Fox, and Univision won the #1 Network rating in the country in overall prime time viewer share on three nights of the week among all adults ages 18-34 in June this year.

Having said this, radio is not far behind. Actually, radio is a very effective medium to reach Hispanics because it has been found that they tend to listen all day.

That leaves print, with a couple minority newspapers that cover news targeting directly to the community. The news covered specifically addresses to the needs and concerns of the Hispanic community. Marketers place ads in these newspapers selling anything from real estate to translation and interpreting services.

Direct response marketing has historically obtained little interest from the Hispanic population. Most have received the mail and trashed it. However, the recent immigrants welcome the mail if for no other reason than to become informed. If most of this direct mail is in English and reaches a large percentage of households that speak and read only Spanish a great opportunity is missed.

Unlike its U.S. counterpart, the Hispanic household is younger, with the head of household anywhere between 25 and 44 years old. Once again, the Conference Board's Research Center states that the under 44 Hispanic market is going to grow from a purchasing power of \$295 billion in 2008 to \$397 billion by 2010.

So to marketers everywhere, all the signs are there. The opportunity is growing, now is the time to start reaching out to Hispanic consumers with messages targeted to their lifestyles and buying habits.

Ethnic Technologies, LLC - Hispanic Insight

Ethnic Technologies, LLC is the platinum standard in multicultural marketing. The result of over 30 years of continuous ethnic, religious and language preference research, E-Tech allows clients to segment their database by ethnicity, religion, language preference and Hispanic country of origin more accurately and comprehensively than any other approach. The EthniCenter® offers an Assimilation Index, which distinguishes Hispanic individuals based on their ability to speak their Native Language or understand the language of their prevailing culture. E-Tech incorporates a unique approach for the different Hispanic Countries of Origin. After identifying their specific names, E-Tech does a neighborhood analysis using multi-sourced information compiled from our research team. From that data, E-Tech is able to accurately identify the Hispanic

individuals' Country of Origin. The incorporation of Enhanced Neighborhood Analytics (ENA) technology in E-Tech Version 7.1 establishes a new and unprecedented level of granularity and completeness in the ethnic marketing industry. Clients also benefit from and acquire ethnic mailing, telemarketing and email lists for both the United States and Canada. The analytics department at E-TECH offers ethnic data appending services and mapping to provide businesses with an overview of new and existing markets.

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Ethnic Technologies, LLC will be exhibiting at the DMA National Show in San Diego, California on October 18th, 19th and 20th..Two new products E-Tech 7.2 and G-Tech 3.0 will be introduced at the show. Please visit us at booth # 1621 to find out more about our great products and services.. Hope to see you there!!