

From: MMRNews (Multicultural Marketing News) [mailto:MMRNews@multicultural.com]
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Subject: The Hispanic Market: Know the market. Love the market by Eduardo Torres & Octavio Orozco, VerticeCommunication Corp. (VRTCCOM)

The Hispanic Market: Know the market. Love the market.

By Eduardo Torres, President/Co-Founder & Octavio Orozco, VP-General Manager/Co-Founder, VerticeCommunication Corp. (VRTCCOM)



*VerticeCommunication Corp. is the sponsor of **the Hispanic Market** section of our 2009/2010 Source Book of Multicultural Experts. The Source Book is now available!*

As of 2007, the Hispanic population makes up 15.5% of the total population in the U.S. This fact has caused an important shift, not just in marketing practices but has also changed the landscape of the U.S. as a whole. Today's reality is that U.S. Hispanics have limitless potential as a growing market in not only population growth, but also purchasing power. We know where they are, where they work and what they do. However, do we really know what they think and how they respond in a crisis?

It is time for marketers to focus on the community's actual necessities and go beyond statistics in order to detect the real opportunities at hand. In general, ethnic minorities react differently when faced with various situations. For instance, the Hispanic community has dealt with the economic crisis in its own way, which signals that they must be approached differently.

It is a must for companies interested in this growing market to get to know the population as well as they know themselves. Companies need to become familiarized with their consumption patterns, since their expected purchasing power will reach \$1.2 trillion by 2010. Their annual growth in disposable income is more than double that of the total U.S., which is at a rate of 2.8% versus the Hispanic growth rate of 8.6 percent. We are dealing with a resilient market with a great capacity to adapt itself to any given situation. In addition, we know that the majority of the Hispanic population is young. Approximately 17% of the Hispanic population is under the age of 18 and are bicultural. This one segment of the Hispanic population is important due to its expected growth and affinity with technology. Studies have shown that approximately 76 percent of U.S. born Hispanics go online and consume more gadgets than their counterparts. Here presents an opportunity to reach them cost effectively through marketing methods such as viral

marketing, which provides a creative channel for better service. We must understand this market is expanding and it needs to be taken care of, after all it is a *mercado leal* (loyal market).

Not only is the landscape of the market changing, but marketers themselves also have to adapt to the circumstances of the current market situation. Currently marketers are changing their work model by planning carefully where they produce and execute their campaigns to reduce costs. Given the economic climate these are the models that will prevail and benefit the client.

We are facing a period of change and adaptation that draws one word to mind—uncertainty. How long will this crisis last?

What we know for sure is that we have to increase our creativity and abilities to keep on going, by developing *i n n o v a t i v e* solutions. We have the opportunity to learn from this crisis and face it with enthusiasm.

Understanding the Hispanic consumer is crucial in order for us to cater to it properly.

Contact information:

Vertice Communication Corp.

(VRTCCOM)

Los Angeles

3655 Torrance Blvd, Suite 310

Torrance, CA, 90503

T 424-247-1161

octavio.orozco@vrtccom.com

Guadalajara

Reforma 3056

Residencial Juan Manuel

C.P. 44680

T (33) 3540 4500

www.vrtccom.com