

## TARGET MARKETING

# Hispanic Consumers Provide Lucrative Opportunities For Home Builders

by Jesse G. Wilson

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CHICAGO — Lucrative business opportunities as well as new government regulations have prompted an increasing number of residential developers across the country to reach out to minority consumers in an effort to create greater awareness of home buying opportunities among this fastly growing population base.

"More and more contractors are recognizing that minority populations are continuing to grow and are an extremely economically viable consumer base," commented Jesse G.

Wilson, vice president of San Jose and Associates, Inc., a Chicago-based marketing communications agency specializing in the Hispanic market. "For example the U.S. currently has more than 25.5 million Hispanic consumers, and represents the fastest growing population base in the country. By reaching out to this segment, builders will not only meet the latest HUD requirements, but will also find that implementing a Spanish-language marketing plan can be an extremely lucrative business investment as well."

Today, the U.S. Hispanic consumer represents more than \$206 billion in total purchasing power - with approximately 30 percent of all Hispanic households enjoying an annual income between \$25,000 -

\$50,000, and an estimated 15 percent enjoying better than \$50,000 in annual income.

Furthermore, because most Hispanics immigrate to the United States in search of economic improvement, one of the most common dreams among this population is to own a home. According to a recent Market Segment Research, Inc. survey, 49 percent of Hispanic adults plan to buy a newly built home in the near future and 51 percent plan to buy an existing home. In fact, in markets such as Los Angeles County, California, nine out of ten new home buyers during a nine-month period in 1994 were Hispanic!

Also recognizing the importance of these consumer groups, HUD has launched *cont. on pg. 43*

Hispanic Consumers *cont. from pg. 10*

a new Fair Housing Plan that now requires all home builders who plan to build on five or more HUD properties and utilize Financial Housing Administration (FHA) financing in 1995, must market to consumers who most likely would not be aware of opportunities to buy houses built by these contractors. Developers are then required to submit a marketing plan-of-action to HUD for approval, which clearly outlines how they plan to reach each identified minority group. HUD regulations also stipulate that builders need to establish personal contact with community organizations that serve the selected minority consumers who are being targeted.

However, marketing to the Spanish-speaking population does require special attention, due to both language and cultural differences. Therefore, to effectively reach and motivate this consumer with messages that will cross cultural and linguistic barriers, many home builders are actively seeking the expertise of Spanish-language marketing communications agencies.

"Because marketing to Hispanics is a new area for most home building firms," Wilson added, "meeting the challenge of

delivering successful creative executions can be better achieved with the assistance of a full-service agency that specializes in the Spanish-speaking market and is familiar with the cultural nuances that exist among various Hispanic subgroups. Without this expertise, an advertiser runs the risk of utilizing a grammatically correct message, but may lack a motivational call-to-action targeting the Spanish-speaking consumer."

*\* For more information on how to effectively market to the Spanish-speaking consumer, contact Jesse Wilson at 312/751-8500.*

February 1995  
**builderpro**  
Chicago's Building Industry

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