

Marketing News™

reporting on the marketing profession and its association

Hispanic market: 10 minutes today vs. mañana

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The following set of questions was developed to help clear the first hurdle in a minimal amount of time and to determine if this topic should become a priority item for action and follow up. Following each question is an overview providing insight into its significance in relation to the Hispanic market.

1. The following list identifies the top ten U.S. Hispanic markets. Identify in the right column those markets which you have determined as opportunity markets for your product line(s):

Market	% of Hispanic pop.	Brand opportunity markets
1. Los Angeles	30	___
2. New York	13	___
3. Miami	29	___
4. San Antonio	49	___
5. San Francisco	14	___
6. Chicago	9	___
7. Houston	17	___
8. McAllen-Brownsville	88	___
9. El Paso	66	___
10. Albuquerque	37	___

Source: Strategy Research Corp. 1989

Opportunity markets are usually defined as those markets where one's BDI is not as high as it should be (comparable to the CDI). Therefore, additional marketing efforts are warranted. Often one finds that a number of the top Hispanic ADI's correspond to opportunity markets. Thus, additional targeted English-language consumer efforts (i.e. spot media, FS's, coupons, promotions, etc.) still miss the opportunity consumer within these markets.

2. The following chart ranks the U.S. Hispanic population by age classification. In the right column, identify which age group corresponds to your product's target consumer age group:

Hispanic

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Do not feel that market size warrants in-depth analysis		
No one on staff qualified to undertake project		
Lack of time to properly evaluate market opportunities		
Too many other priorities at present time		
Other _____		
(please specify)		

Don't be surprised if one of the above applies. The aggressive marketer who actively executes a Hispanic marketing program is

	% of Hispanic pop.	Brand opportunity markets
Females		
18-34	16.1	___
35-49	8.2	___
50+	7.8	___
Males		
18-34	17.2	___
35-49	7.9	___
50+	6.7	___
Teens (12-17)	12.2	___

The majority of the 6.5 million Hispanic households have heads-of-household (male/female) between the ages of 18 and 34. These young people are now forming new households and new buying habits.

3. Is your brand of product/service well-known in the following countries/areas?:

- ___ Puerto Rico
- ___ Mexico
- ___ Central America
- ___ South America

Outside of Puerto Rico, the vast majority of brands found in the U.S. marketplace are not distributed or known under the same name in these areas. Thus, with eight out of every 10 Hispanic adults 18+ years of age being born outside of the U.S., very little U.S. brand knowledge is brought with them.

4. Depending on category/brand awareness among Hispanics, a Hispanic advertising strategy may be very different than that used in the general market. Which of the following descriptions best identifies your current general market advertising strategy?:

- ___ Aimed at motivating brand switching among current users
- ___ Targeted to consumers currently familiar with brand/category
- ___ Focuses on product/service re-staging ingredient/packaging
- ___ Introduces product/service to new prospective users
- ___ Other _____

the exception rather than the rule. Total Spanish advertising dollars spent in 1988 to reach 9% of the total U.S. population were \$550 million, equating to less than 1% of total advertising dollars spent in the U.S. Many product/service categories still only have one, if any, advertiser taking advantage of this opportunity.

7. Which of the following sources have you utilized for collecting data and analyzing the Hispanic market?:

- ___ Spanish media reps
- ___ Periodicals
- ___ Field sales force
- ___ Own advertising agency
- ___ Distributors
- ___ Hispanic adv. agencies
- ___ Seminars
- ___ Retailer scanner data
- ___ Other _____

As was previously mentioned, very little awareness of U.S. brands exists among new Hispanic arrivals. Thus, much of Spanish-language advertising in the U.S. is directed towards building brand knowledge and awareness in order to establish a franchise. On the other hand, most general market advertising in the U.S. is for mature product and service categories and focuses on new, improved, etc. differentials in highly competitive categories. Therefore, it does not address the needs of the new Hispanic consumer.

5. Using the 10-point scale, fill in the dot which reflects the degree of understanding you have about the Hispanic market segment for areas listed:

Marketing area	Uninformed										Informed									
	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
Brand market share	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Brand awareness	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Competitor advertising activity	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Household penetration level	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Product/service purchase frequency	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Retail accounts of high Hispanic trade	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Retailer Hispanic co-op programs	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Hispanic merchandising opportunities	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○

With Hispanic populations clustered into a few major markets, enjoying a large Hispanic franchise can leverage a brand's overall BDI for these markets by several points. Obviously, the opposite can be true, and we are back again to our opportunity market scenario. With the Hispanic tendency toward larger families, we often see products and services purchased on a much higher level of frequency within households. Retailers who cater to this market are also very anxious to participate in consumer-oriented promotions as a means of generating incremental sales through their locations.

6. Which of the following factors contribute to management's lack of Hispanic market insight and consideration as a viable opportunity market segment?:

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A considerable body of published marketplace data is being accumulated each year on the Hispanic market. This nonproprietary data often provides strong insight into one's product or service category before any proprietary research is required.

In summary, if you are not getting your fair share of sales in key Hispanic markets, then the chances are that the Spanish-speaking consumer in these markets is missing your message. With the Hispanic population growing at an estimated rate of 6% annually, this situation is not going to go away, especially since Spanish will continue to be the preferred language. *M*

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