

# *“Marketing in a Culturally Diverse Marketplace: an Update”*

by

**Maddie Pimentel**

**Marketing Manager, BellSouth Advertising and Publishing**



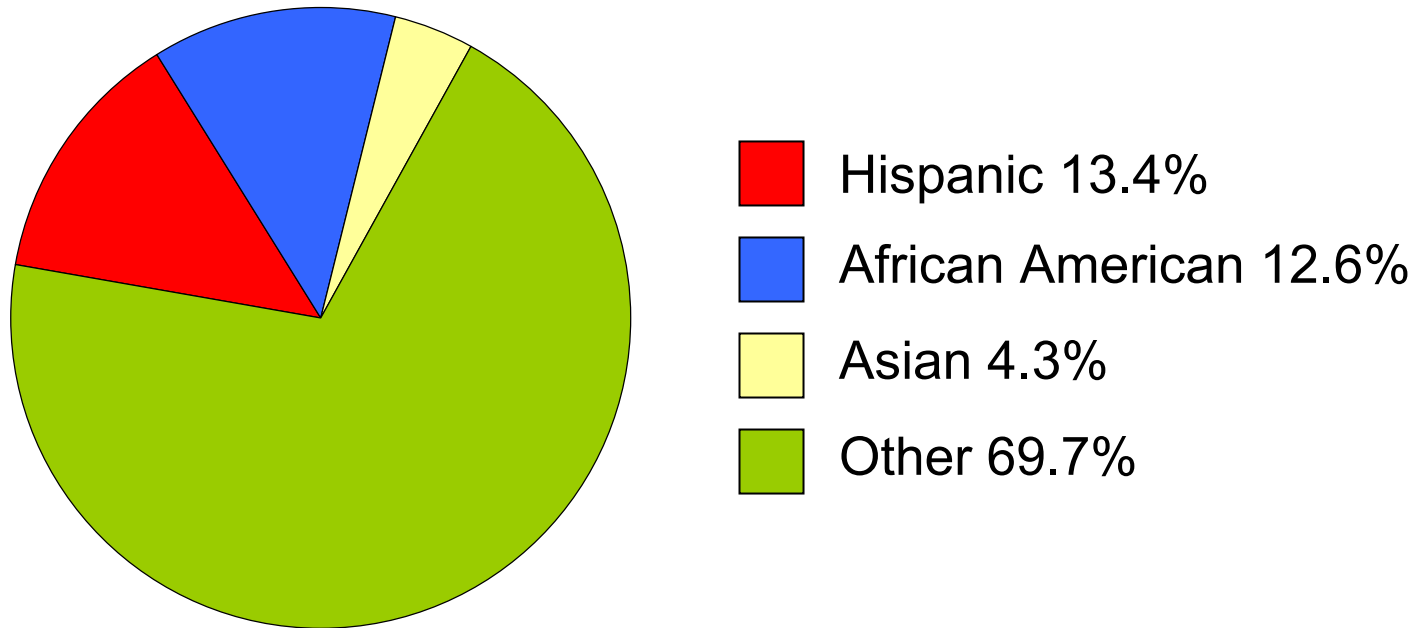
**Orlando, Florida  
May 28, 2004**





# Hispanics are the Majority Minority

## 2003 U.S. Hispanic Population



**One out of every 8 U.S. residents is Hispanic**



# USA Today June 19, 2003

## 39 million make Hispanics largest minority group



Prominent Hispanics: Left to right from top are entertainer Jennifer Lopez; Olympic speed skater Jennifer Rodriguez; New Mexico Gov. Bill Richardson; singer Ricky Martin; baseball player Alex Rodriguez; comedian George Lopez; federal appeals court Judge Jose Cabanes; and Reps. Linda and Lucretia Sanchez, both D-Calif.

## Census numbers show jump from 2000 tally

By Haya El Nasser  
USA TODAY

Hispanics outnumber blacks as the largest minority group in the USA for the first time since the government began counting the nation's population more than two centuries ago.

The U.S. Census Bureau's announcement Wednesday confirmed what many have treated as fact for some time. Even so, it's a symbolic milestone for a nation whose history has been dominated by black-white racial dynamics. Increased

racial and ethnic diversity is adding a new dimension to everything from product marketing to political campaigning.

There are 38.8 million Hispanics in the USA, according to the latest Census Bureau estimates released Wednesday. The figures, as of July 1, show a 9.8% increase since the Census was taken in April 2000.

The U.S. population grew 2.5% to 288.4 million in the same period. Hispanics accounted for half of the national increase. Non-Hispanic blacks, including people who say they're black and another race, grew at a much

### Cover story



June 19, 2003

# USA Today announces

# Hispanics are largest minority in the United States

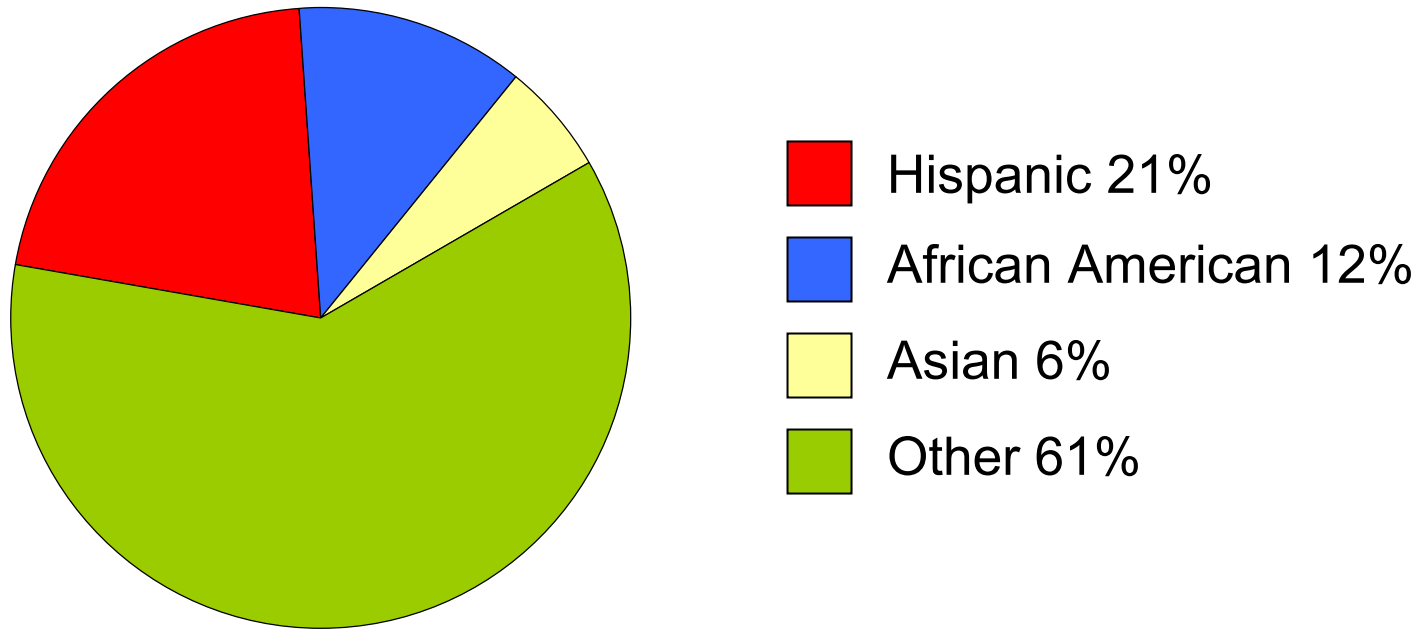
# 39 Million





# Hispanics Continue as Majority Minority

## Projected U.S. Hispanic Population 2020



**One out of every 5 U.S. residents will be Hispanic**

Source: SRC, 2002 US Hispanic Market Report





## National Hispanic Community Growth

-According to the U.S. Census, there are more than **40 million** Hispanics in the United States

## National Hispanic Buying Power Growth

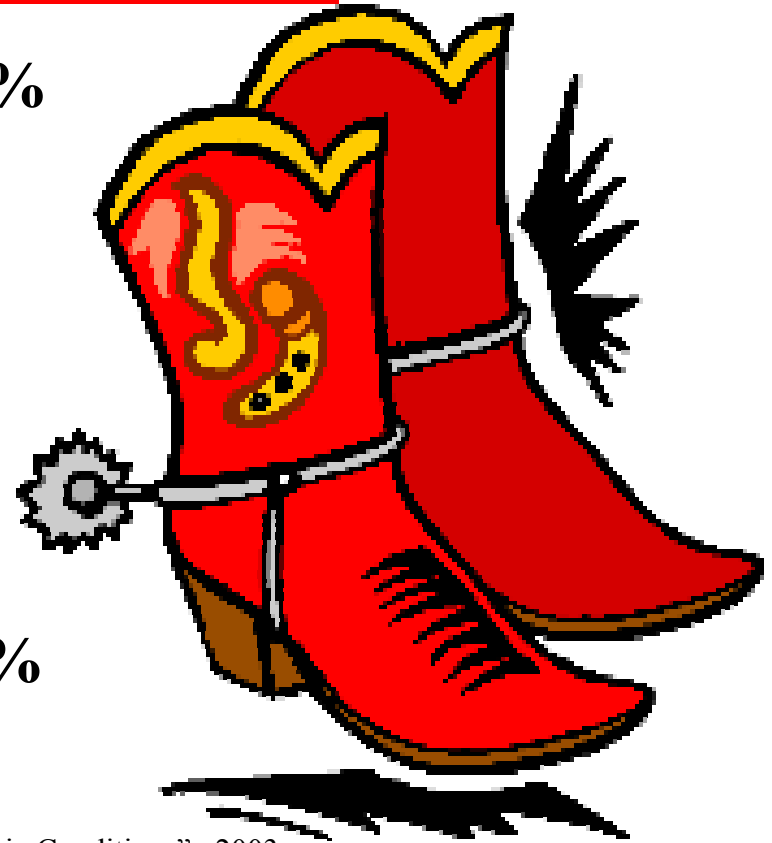
1990	2000	2003	2008
\$223 B	\$491 B	\$653 B	\$1,014 T



## 1990-2003 Hispanic Buying Power

### Rate of Growth

1. North Carolina 885.2%
2. Arkansas 859.4%
3. Georgia 660.9%
4. Tennessee 627.8%
5. Alabama 481.7%
6. South Carolina 427.3%
7. Kentucky 420.4%



Selig Center Study “Georgia Business and Economic Conditions”, 2003



## Latino Population Growth in Metropolitan Markets since 1980

<b>Raleigh, NC</b>	<b>1,180%</b>
<b>Atlanta, GA</b>	<b>995%</b>
<b>Greensboro, NC</b>	<b>962%</b>
<b>Charlotte, NC</b>	<b>932%</b>
<b>Orlando, FL</b>	<b>859%</b>



Source: Pew Hispanic Center, 2003



# THE 10 STATES WITH THE LARGEST HISPANIC MARKETS IN 2003

*Las Verdaderas  
Páginas Amarillas™*

1. California \$189.1 Billion
2. Texas \$113 Billion
- 3. Florida \$60.8 Billion**
4. New York \$54.6 Billion
5. Illinois \$29.7 Billion
6. New Jersey \$24.7 Billion
7. Arizona \$19.8 Billion
8. Colorado \$14.2 Billion
9. New Mexico \$12.9 Billion
10. Georgia \$10.2 Billion

## Definition of Buying Power:

Simply defined, buying power is the total personal income of residents that is available, after taxes, for spending on goods and services - that is, the disposable personal income of residents of a specified geographic area.



# Florida Hispanic Community Growth



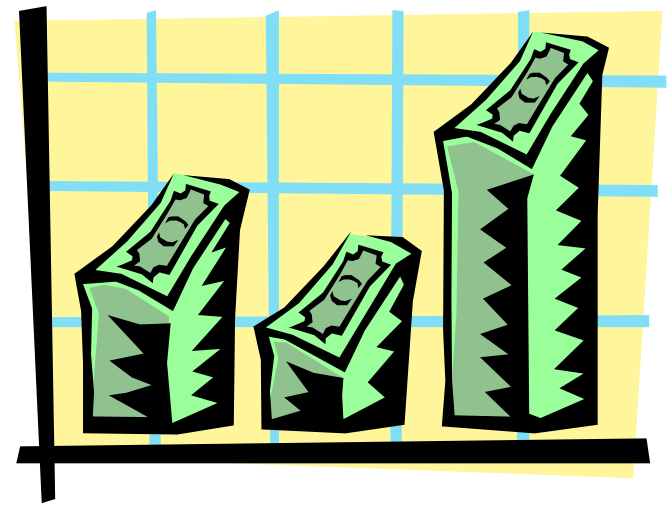
<u>1990</u>	<u>2000</u>	<u>2003</u>	<u>2008</u>
1,574,143	2,682,715	3,147,992	4,109,593

Selig Center Study "The Multicultural Economy 2003", UGA.



# Hispanic Buying Power Growth for Florida

<u>1990</u>	<u>2000</u>	<u>2003</u>	<u>2008</u>
\$20B	\$46B	\$61B	\$93B



Source: U.S. Census 2000 release March 2001; Selig Center Study, 2003; Minority Buying Power in the New Century, www.Diversityresources.com, 2004.



# Latino Immigrants Wire Billions Back Home

Hispanics in the U.S. will send \$30 billion home this year. Following are the states that send the largest amounts:

- |           |                |               |
|-----------|----------------|---------------|
| 1.        | California     | \$9.6B        |
| 2.        | New York       | \$3.6B        |
| 3.        | Texas          | \$3.2B        |
| <b>4.</b> | <b>Florida</b> | <b>\$2.5B</b> |
| 5.        | Illinois       | \$1.5B        |
| 8.        | North Carolina | \$833M        |



# Hispanic Business-Owners On the Rise

- There are 1.1 million Hispanic-owned companies in the US
- This is four times the number two decades ago
- Hispanics own the most minority-owned companies
- Hispanics own one of every 20 US companies
- Nearly 27,000 have annual revenues of \$1 million or more

Hispanics largest US minority group” Haya El Nasser,  
USA TODAY, June 19, 2003



## Hispanic Chamber of Commerce of Metro Orlando 2004



- Orlando metropolitan area is the **5<sup>th</sup>** largest Hispanic consumer market in the country.
- Hispanics make up **17%** of the population
- **56%** of Hispanics living in Orlando are Puerto Rican
- Orlando Hispanics are more highly educated than the national average
  - Approx. 10,000 Hispanic businesses in the Orlando area

Study Finds Orlando Area is a Magnet For Puerto Ricans, Puerto Rico Herald, June 19, 2003



- Nearly one in every five metro Orlando residents is Hispanic, a total of 345,000, which will grow to almost 590,000 by the year 2013
- Orlando Hispanic median HHI is \$35,350
- 7 in 10 Orlando Hispanics use the Internet
- 21% of Orlando residents have lived here less than 3 years
- Almost half of Orlando Hispanic residents are current renters

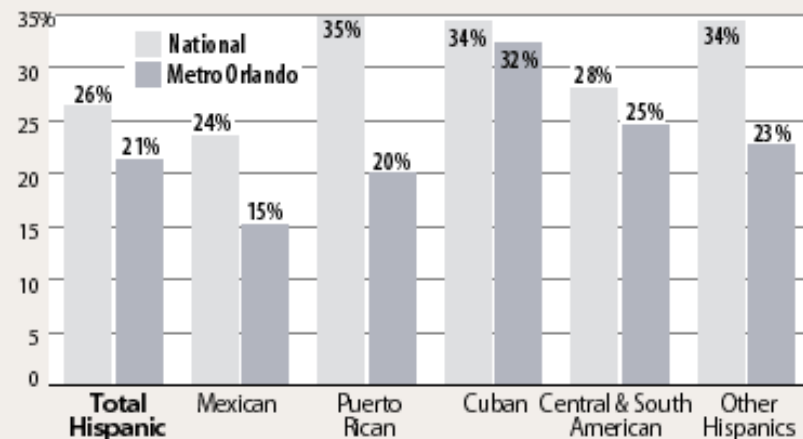


## Snapshot of Hispanics in Central Florida

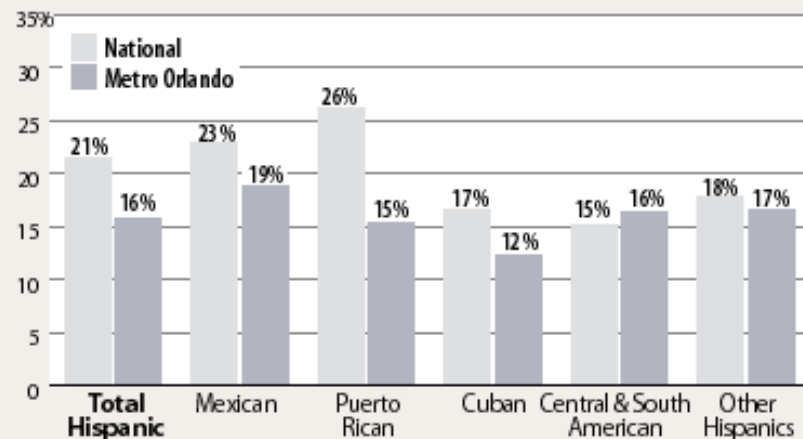
Breaking down metro Orlando\* Hispanics by education level, occupation and income:

	High-school graduates	Occupation						Median family income
		Management	Service	Sales	Farming	Construction	Production	
<b>Total Hispanic</b>	<b>72%</b>	<b>21%</b>	<b>22%</b>	<b>29%</b>	<b>1.4%</b>	<b>12%</b>	<b>14%</b>	<b>\$35,350</b>
Mexican	48%	12%	22%	17%	8%	28%	13%	\$35,262
Puerto Rican	75%	22%	21%	33%	.2%	10%	15%	\$34,700
Cuban	70%	29%	20%	28%	.3%	10%	13%	\$42,899
Central American	82%	17%	22%	29%	1%	21%	11%	\$37,412
South American	68%	22%	27%	29%	.7%	9%	12%	\$33,797

Percentage making \$35,000 or more a year



Percentage living below poverty level



SOURCE: U.S. Census Bureau

\*Metro Orlando includes Lake, Orange, Osceola and Seminole counties

NOTE: Percentages may not add up to 100% because of rounding.



*Las Verdaderas  
Páginas Amarillas™*

## Hispanic Cultural Tips

- **Families play a dominant role in Hispanic society, what is in the best interest of the family will likely dominate any decision. If you are convinced that something meets the needs of the family, stress the benefits.**
- **Hispanic business culture “has a warm, friendly atmosphere with a slower and more thoughtful pace.” Be patient and understanding.**
- **Hispanic-Americans place a high value on personal relations. They will do business with people they know or through an acquaintance. Cultivating personal relationships is key.**





*Las Verdaderas  
Páginas Amarillas™*

## Hispanic Cultural Tips (con't.)

- **The telephone is considered an informal means of communication. It should be used only to set up appointments and to ask some general inquiries.**
- **The dignity of the individual is highly respected. It would not be wise to turn a Hispanic customer over to an assistant because this is an indicator that you do not believe his business is important enough for you to handle yourself. Use assistants behind the scenes, but make all calls and contacts yourself.**
- **Hispanics are reluctant to say “no” and may substitute “maybe,” or even say “yes” out of politeness. Don’t think you have a transaction until the deal is done.**
- **During salutations and introductions, a handshake and personal greeting are appropriate. A friendly inquiry about family is a common courtesy. After a couple of meetings, don’t be surprised if while shaking hands you are pulled into a hug.**



# Hispanics Outspend Non-Hispanics

- **Hispanics spend:**
  - *21% more on Apparel*
  - *34% more on Laundry and Cleaning Supplies*
  - *25% more on Food at Home*
- **Other categories include:**
  - *Cell phone*
  - *Cars*
  - *Long Distance & Telephone Services*
  - *Travel*
  - *Personal Care Products and Services*
  - *Public Transportation*



# Hispanics Seek to Stay in Style

---

- **Hispanics are more likely than their non-Hispanic counterparts<sub>1</sub>:**
  - to agree that it is necessary to keep up with style changes and
  - to be motivated to “buy what their neighbors approve.”
- **Hispanics are 21% more likely to see a movie within the first week of opening than the average person in the market<sub>2</sub>**
- **Studies show that brands are more important to Hispanic consumers than other groups<sub>3</sub>**

1 - Packaged Facts Market Profile: US Hisp.Market – Sept. 2001

2 – Arbitron: The Power of Hispanic Consumers 2003

3 – *The Miami Herald, Business Monday*, “Hispanics Brand Loyalty is Marketers Dream”, 4-7-03



# Top aspects of Hispanic Culture and Tradition for U.S. Hispanics:

Family/Commitment to Family	56%
<b>Spanish Language</b>	<b>54%</b>
Respect for Elders/Parents	47%
Holidays/Celebrations	35%
Religion/Church	37%
Foods/Beverages	33%
Music/Songs	27%
Spanish Language Stories/Literature/Books	19%



## **Latinos Love When You Speak Their Language**

- **69% of Hispanics prefer to read advertisement in Spanish than in English only**
- **50% of Hispanics say they remember more or pay more attention to products and services advertised in Spanish**
- **47% report that they are much more loyal to companies that advertise in Spanish**
- **44% feel that companies respect their heritage and really want their business when they advertise in Spanish**



# Companies Catering to Hispanics

- The Real Yellow Pages from BellSouth Hispanic Sections grew from one section in Atlanta in 1999 with revenues of \$385k to 16 sections in 2003 with more \$6.4 million in revenue
- Walgreens launches Spanish-language website [www.WalgreensEspañol.com](http://www.WalgreensEspañol.com) to become the first national pharmacy website designed specifically for Hispanics.
- Reader's Digest has entered into a partnership with EMC the Americas LLC to produce "Selecciones at the Movies," Spanish-language made-for-TV movies.
- Citibank launches a Spanish-language educational website, [www.CuidaTuCredito.com](http://www.CuidaTuCredito.com).
- Radio Shack has launched an advertising TV campaign aimed at the U.S Hispanic market.
- Wal-Mart, Kmart & Big Lots nationwide are carrying ethnic foods, health products and beauty aids, such as: Goya, Gamesa, La Costeña and Fiesta.
- Tribune Publishing launches New Spanish-Language Daily in Chicago, Hoy.
- Barnes & Noble increases Spanish-language books, music and videos in nearly 500 stores nationwide and on website.



# Companies Catering to Hispanics

---

- GE Financial launches Spanish commercial with English subtitles about Columbus voyage
- Haagen Daz trialed Dulce de Leche ice cream in Hispanic markets before launching nation wide. Among top flavors.
- JLo perfume among top sellers in the nation
- Yahoo and SportsYa form a content alliance to share information in Spanish



# Companies Catering to Hispanics

---

- **Bank of America launches “Nuevo Futuro” checking accounts for Hispanics with free money transfers/13,000 bilingual ATMs/also opening 26 new branches in Florida**
- **Pfizer Pharmaceuticals launches campaign for Hispanics aimed at lowering cholesterol levels and avoiding heart disease**
- **Old Navy launches first-ever Spanish-language campaign starring Walter Mercado and Erik Estrada**



# Media to Consider...

---

## Television

- On average, Hispanics report viewing 1 hour more of television per day than non-Hispanics.
- 70% report watching television in both English and Spanish, while 16% report watching Spanish television exclusively.

## Radio

- Proportionately, more Hispanics listen to the radio than non-Hispanics.
- 80% of Hispanics listen to Spanish language radio exclusively, while 47% report listening to the radio in both English and Spanish.

## *More cost effective mediums include...*

- Direct Mail
- Yellow Pages Advertising

Source: SRC, 2000 U.S. Hispanic Market



# 2002 Yankelovich/Cheskin Hispanic Monitor Study

---

## What does the growth of the Hispanic market mean for marketers?

1. Large and rapidly growing market to target
2. Identifiable new customers in concentrated areas
3. Spanish language and relevancy the key to marketing success in the Hispanic market
4. Hispanic market waking up to its own importance

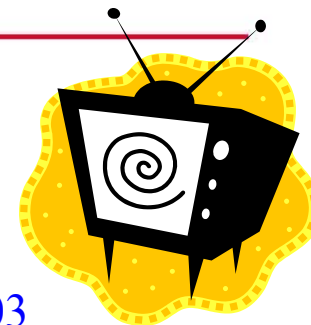
## What marketers need to know

- Communicating in Spanish matters- a lot! 69% of all Hispanics surveyed said they “learn more when a product is advertised in Spanish than in English only”
- 57% of Hispanics in the U.S. speak Spanish all the time vs. 47% in 2000
- 61% of surveyed Hispanics claimed “it’s very difficult to get me to change brands once I find one I like”

**Effectively communicate- Don’t just focus on speaking the language; speak to their values, lifestyles and traditions.**



# Top 15 Advertisers in the Hispanic Market, 2003



Rank	Company	Gross Media Expenditures (\$M)			
		2000	2001	2002	2003
1	Procter & Gamble	\$46.20	\$55.00	\$69.68	\$80.13
2	Altria	-----	-----	-----	\$60.74
3	General Motors	\$16.20	\$29.50	\$50.63	\$55.29
4	McDonald's Corp.	\$27.00	\$27.00	\$41.86	\$48.15
5	Sears, Roebuck & Co.	\$35.00	\$38.00	\$41.61	\$42.53
6	Toyota Motor Corp.	\$22.00	\$22.00	\$39.24	\$40.00
7	Americatel	\$25.00	\$30.00	\$32.93	\$39.06
8	Pepsi-Cola Inc.	-----	-----	\$34.73	\$38.93
9	AOL Time Warner Inc.	-----	-----	\$33.87	\$36.86
10	Coca-Cola	-----	-----	\$41.44	\$34.88
11	AT&T	\$35.00	\$42.00	\$44.82	\$33.45
12	Johnson & Johnson	\$17.00	\$23.00	\$25.77	\$32.83
13	J.C. Penney Co.	-----	-----	\$26.08	\$32.52
14	Bally Total Fitness	-----	-----	\$26.93	\$32.05
15	SABMiller	-----	-----	-----	\$26.94



“Media Markets Report” Hispanic Business Magazine, December 2003



# Marketing Fundamentals

---

- **Traditional themes drive Hispanic marketing strategies**
- **Cultural factors remain key consideration**
- **New levels of marketing sophistication needed**
- **Effective Hispanic marketing strategies do not stand alone**
- **Event marketing is effective way to approach Hispanics**
- **Understanding the key drivers is essential**
- **Translation not enough**





---

# A Niche Product for a Niche Market

To address the ever growing Hispanic market, ***The Real Yellow Pages from BellSouth*** created a Hispanic Section to bring advertisers and Hispanic consumers together



Las Verdaderas Páginas Amarillas™

# Hispanic Chamber of Commerce of Metro Orlando 2004

**BELLSOUTH**

*Las Verdaderas Páginas Amarillas*  
En Español

Edición Reproducida de The Real Yellow Pages

RealPages.com

**Greater Orlando**  
Códigos del Area 321/407

Use hasta noviembre 2004

100% Reciclable  
Impreso en papel reciclado  
© 2003 BAPCO

Hay un gran amigo que está para servirte en Orlando  
...la Cooperativa de Seguros Múltiples de P.R., Inc.

Para brindarte el mejor servicio en seguros para tu auto y casa.  
534 N Semoran Blvd., Orlando, FL 32807 (407) 658-8885

TeleSeguros Múltiples **1-800-758-0101**

COOPERATIVA DE SEGUROS MÚLTIPLES DE PUERTO RICO  
AUTO & HOME INSURANCE  
Imagínate si no nos tuvieras.  
www.seguros multiples.com

Examen de Ciudadanía

Servicios - Productos

Mapas

Transporte Público

Hospitales

## The Benefits:

- **Complete coverage** with free delivery to Hispanic homes and retail locations in your area
- **Always available** 24 hours a day/ 7 days a week
- **9 out of every 10 Yellow Pages users** are ready to buy\*
- **Targeted & cost-effective advertising tool** designed to reach Hispanic market in your area
- **Assured exposure to Hispanics** with a product completely in SPANISH



# Hispanic Section Advantages

- **Credibility associated with BellSouth name**
- **Distribution to every business, home, and airport in the city**
- **Opportunity to attract new customers at a lower rate – up to 70% discount**



# TOP 10 Headings for Las Verdaderas Paginas Amarillas de BellSouth 2003

<u>Heading</u>	<u># of Advertisers</u>
1. Attorneys	535
2. Automobile Repair & Service	324
3. Insurance	303
4. Dentists	274
5. Grocers	256
6. Automobile Dealers-New Cars	231
7. Pharmacies	219
8. Telephone Companies	141
9. Physicians & Surgeons-MD	126
10. Restaurants	124





*Las Verdaderas  
Páginas Amarillas™*

## Hispanic Ad Tailoring

- Use Hispanic names and faces!!
- “Branding” of business important
- Simple, LARGER ads w/strong logos
- Ad should be bilingual!!
- Years in business & experience are important
- Convenience claims, credit cards, warranties & payment terms
- Physical location important
- Price & Quality = Value





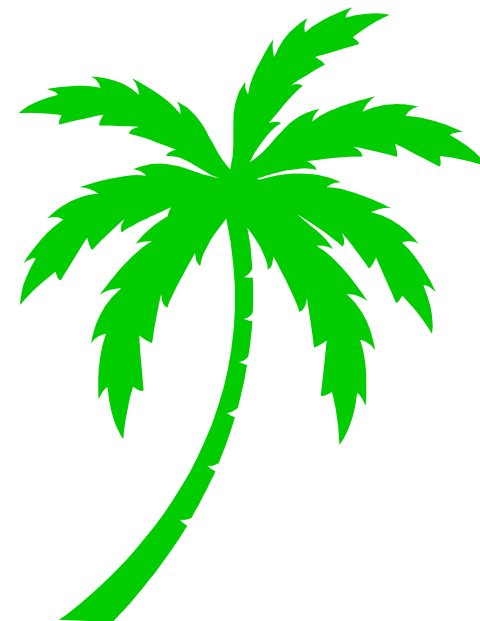
---

# Effectively Communicate

**Don't just focus on speaking the language; speak to their values, lifestyles and traditions**



**Thank You  
For  
Your Attention**



**Gracias!**

