



Minding Your Business

“How to Market to the Hispanic Community”

July 13, 2004

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President



Tovar PR LLC

The McGraw-Hill Companies

BusinessWeek

www.businessweek.com

HISPANIC NATION

Hispanics are an immigrant group like no other. Their huge numbers are changing old ideas about assimilation.

Is America ready?
BY BRIAN GRONIN p. 100

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WHAT THE BOARD MUST DO NOW p. 30

CHINA'S NET
HOW IT WILL OVERTAKE THE U.S. p. 50

YOUTH CARS
DETROIT TARGETS HIP BUYERS p. 80

PROBES
A SPORTS TYCOON'S MYSTERIOUS PORTFOLIO p. 90

EXECUTIVE EDUCATION
WHY MINI COURSES ARE HOT p. 120



JUNE 11, 2001

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TIME

SPECIAL ISSUE

THE BORDER is vanishing before our eyes, creating a new world for all of us

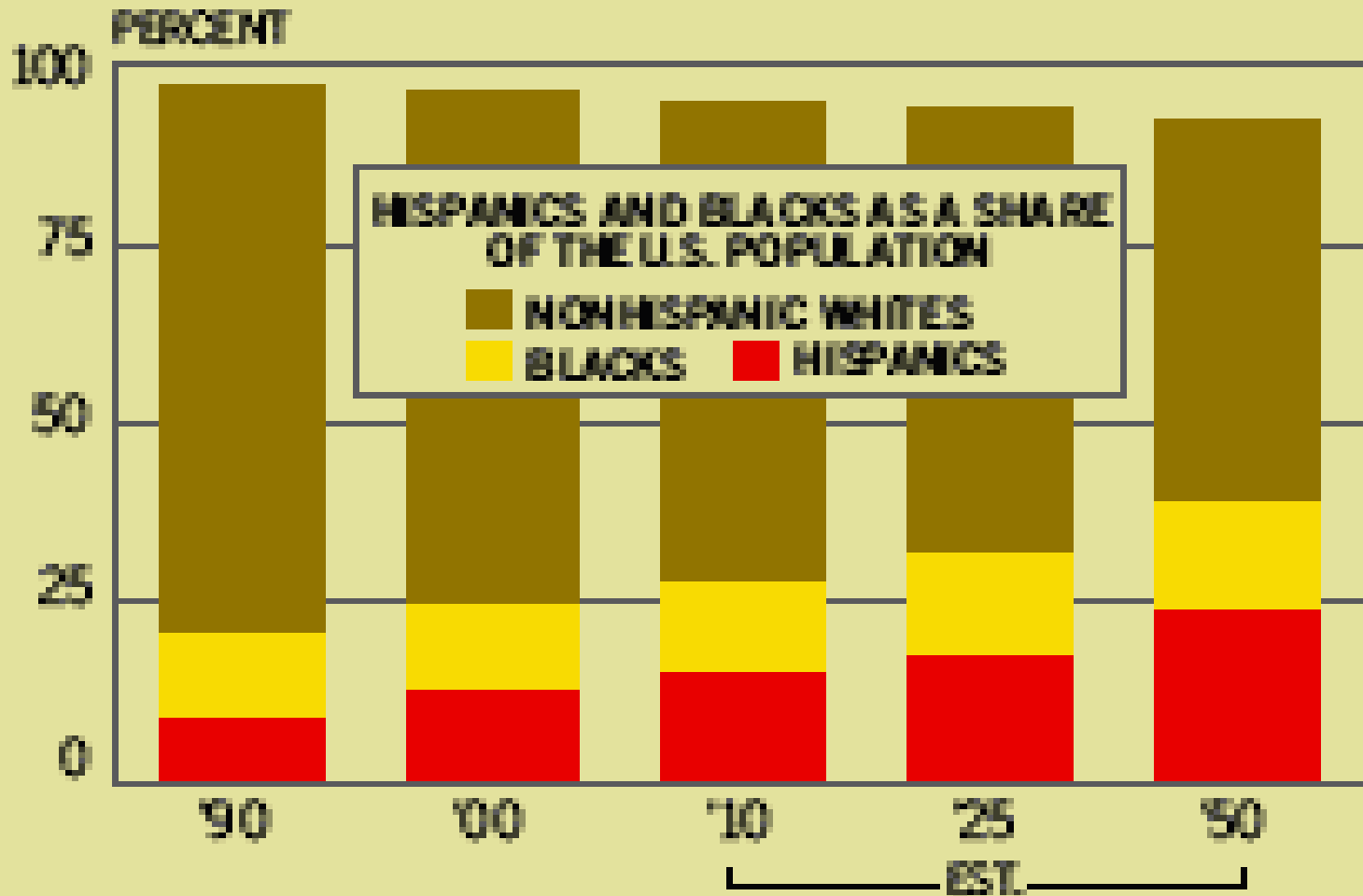
WELCOME TO **Amexica**



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As the population of Hispanics explodes...



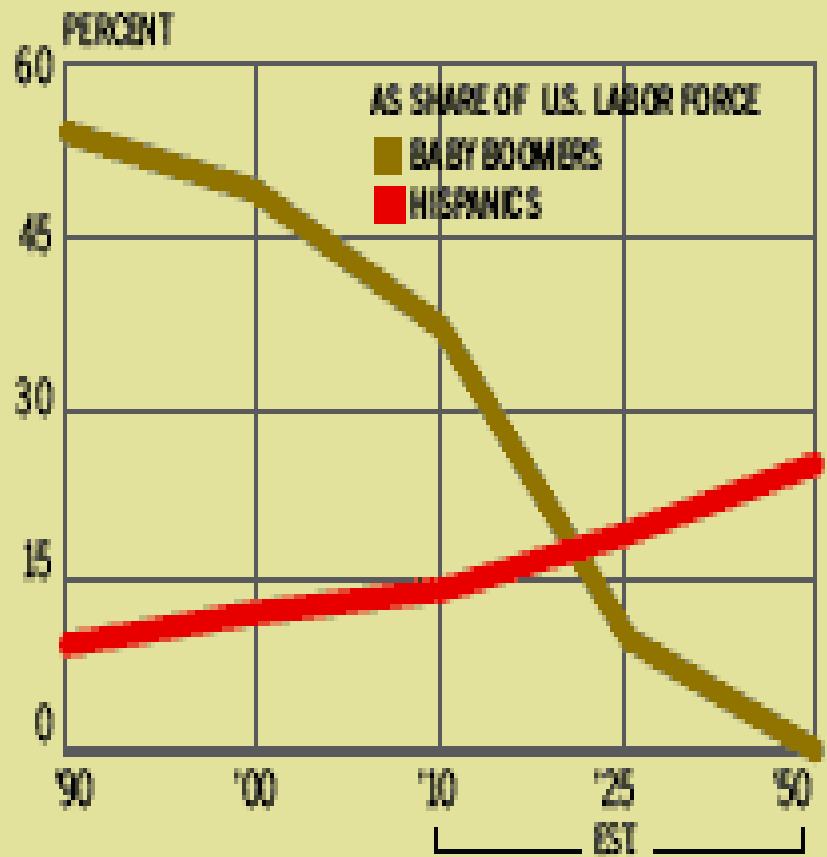
Data: Census Bureau

What's all the excitement about?

- Hispanic population is growing at a faster rate than any other segment of the population.
- Misconception that growth is based on increased migration but most is due to birth rates and aging Anglo population with flat growth
- With population shifts there are also corresponding economic shifts.

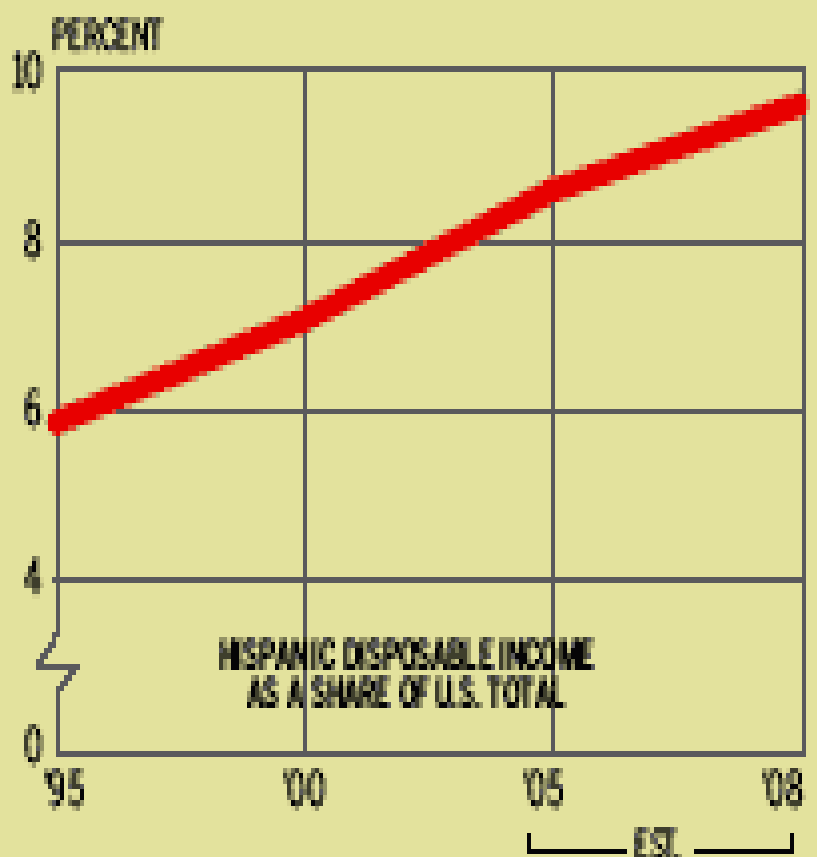


..they're replacing baby boomers in the workforce...



Data: Pew Hispanic Center, Urban Institute, Bureau of Labor Statistics

...and boosting their buying power...



Data: University of Georgia

LATINO MARKET

Size41 million people

Buying power \$653 billion

Percentage of U.S. population 14%

Percentage of U.S. buying power 7.9%

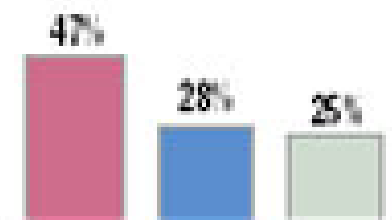
Language preference:

Spanish-dominant

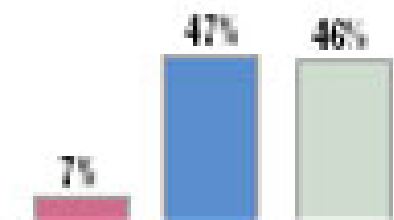
Bilingual

English-dominant

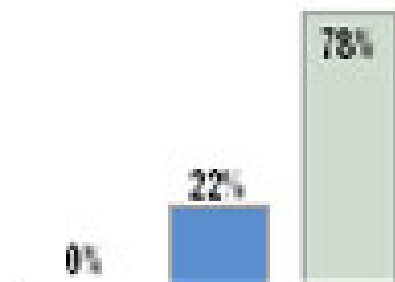
First generation



Second generation



Third generation and later



SOURCES: Selig Center for Economic Growth, University of Georgia; Pew Hispanic Center

BETSY DOCK/Staff Artist

HISPANIC ADVERTISING TRENDS

The Hispanic advertising industry has been growing about 17 percent per year over the last five years.

Year	Dollars spent (in billions)	Percent change
1997	\$1.4	N/A
1998	\$1.71	+22%
1999	\$1.89	+11%
2000	\$2.4	+27%
2001	\$2.8	+16%
2002	\$3	+10%

SOURCE: Association of Hispanic Advertising Agencies

NATION'S LARGEST CONSUMER MARKETS

State	Total buying power (in billions)
1. California	\$1,044.3
2. New York	\$614.6
3. Texas	\$595.0
4. Florida	\$462.7
5. Illinois	\$385.2
6. Pennsylvania	\$358.5
7. New Jersey	\$306.0
8. Ohio	\$305.8
9. Michigan	\$280.0
10. Georgia	\$231.2

MINORITY BUYING POWER (In billions)

Group	1990	2000	2003	2008*
Hispanic	\$221.9	\$503.9	\$652.6	\$1,014.2
Black	\$318.3	\$584.9	\$687.7	\$921.3
Total	\$4,277.2	\$7,113.6	\$8,214.7	\$10,586.3

* projected

SOURCE: Selig Center for Economic Growth, the University of Georgia.

Hispanic Purchasing Power

- Since 1990, Hispanic purchasing power has been growing at a compound annual rate of 8.8% compared with 4.9% for non-Hispanics.
- By 2008, Hispanic purchasing power is expected to reach \$1,014.2 billion.
- This 2008 figure represent growth of 357%
- In 2005, Hispanic buying power (\$778 b.) will exceed that of African Americans (\$773 b).



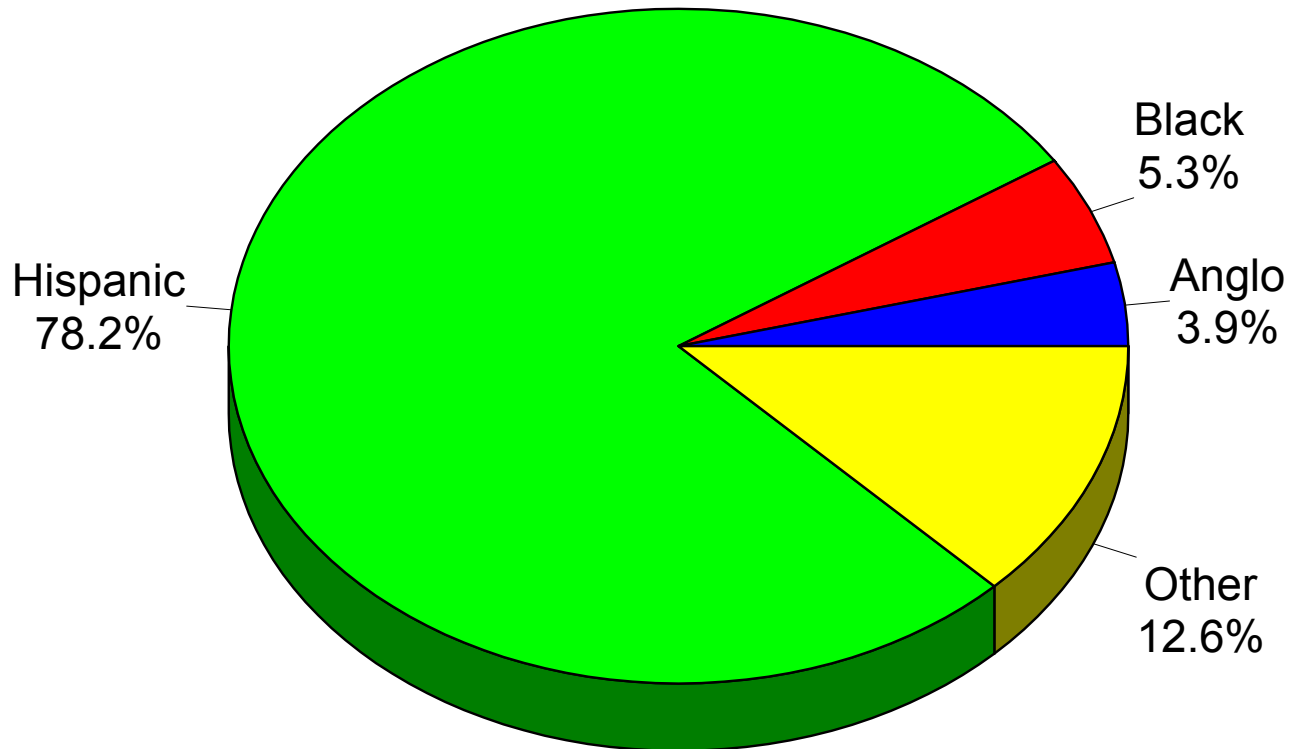
The Hispanic Dollar

Where Hispanics Spend More.....

1. groceries
2. telephone services
3. furniture
4. small appliances
5. children's clothing
6. footwear



Projected Percent of Net Change Attributable to Each Race/Ethnicity Group in Texas for 2000-2040*



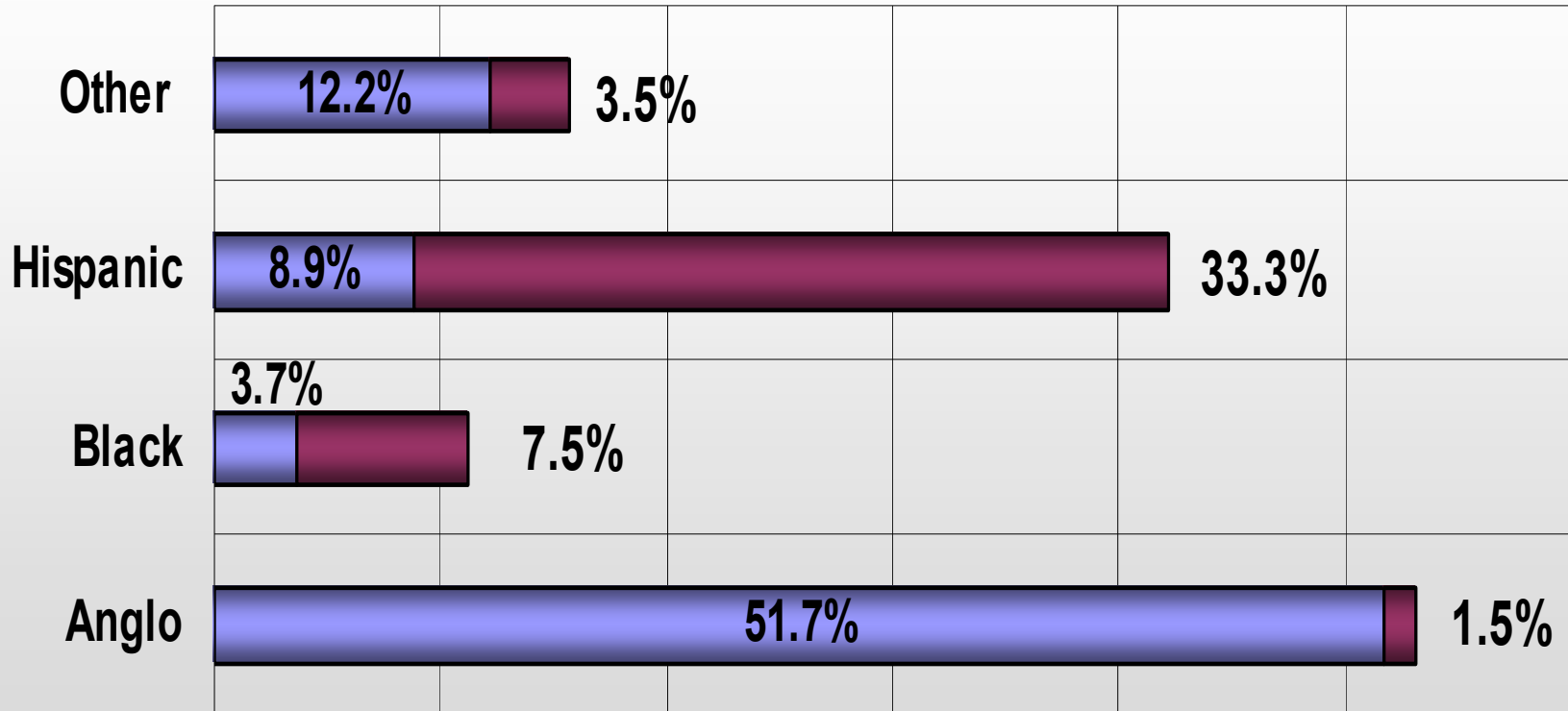
What's happening in Texas

- Hispanic populations re-shifting the top growth markets everywhere across the state but North Texas
- Hispanic purchasing power in Texas is \$113 billion.
- Texas along with top four Hispanic markets (CA, FL, NY, IL) account for 68.5 of the total Hispanic market and 81.1% of total Hispanic purchasing power.
- Texas with 19% Hispanic buying power is #2 among top ten states, New Mexico has a 30% rate of growth.



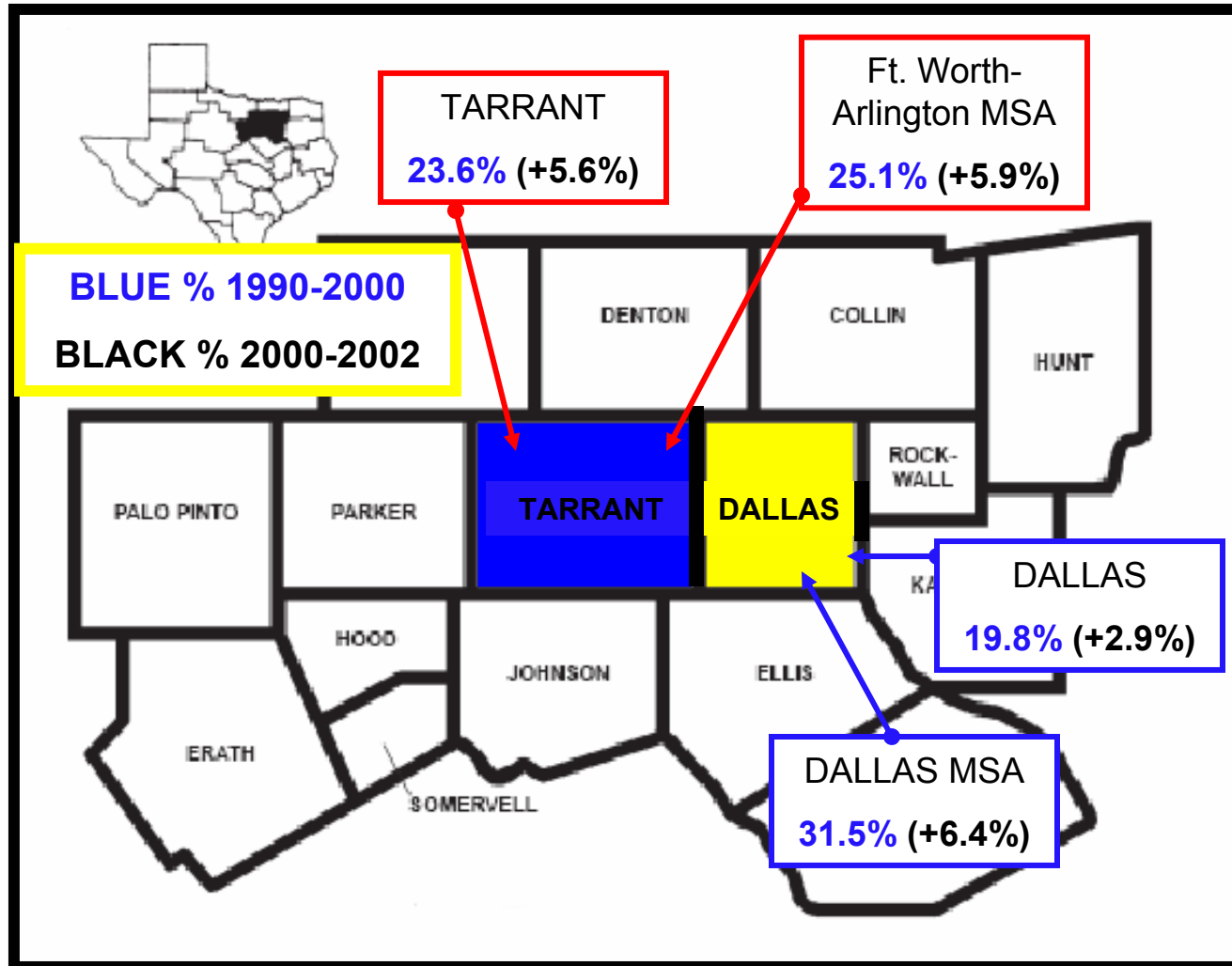
Population Change by Race/Ethnicity in Texas

From 2000 to 2002



■ Percent Of Population ■ Percent Of Change

North Texas – COG Population Change 1990-2002



What's At Stake for Business?

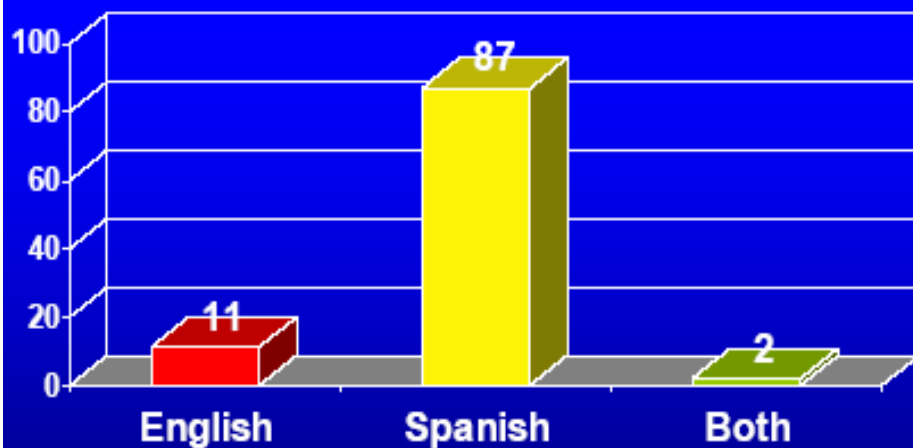
- Business services or products not relevant to Hispanic consumers.
- Unable to communicate with consumer segment.
- Your company's brand or product not positioned positively to capture consumer interest.
- Stiff competitive environment requires being first and being relevance to Hispanics



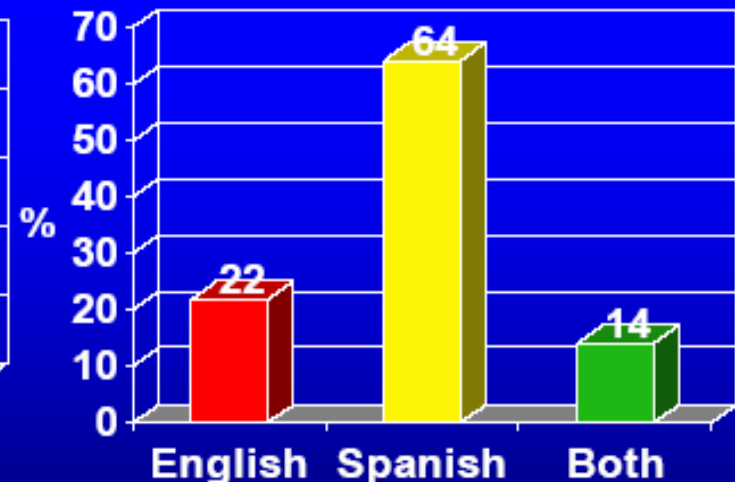
Language Plays a Key Role in Hispanic Marketing Strategies

- 2 in 3 Hispanics are most comfortable speaking Spanish.
- This reinforces that Marketers must think both in-language and in-culture for optimizing Hispanic marketing strategies.

First Language Learned to Speak



Language Most Comfortable Speaking



Source: SRC 2002

Real Challenge

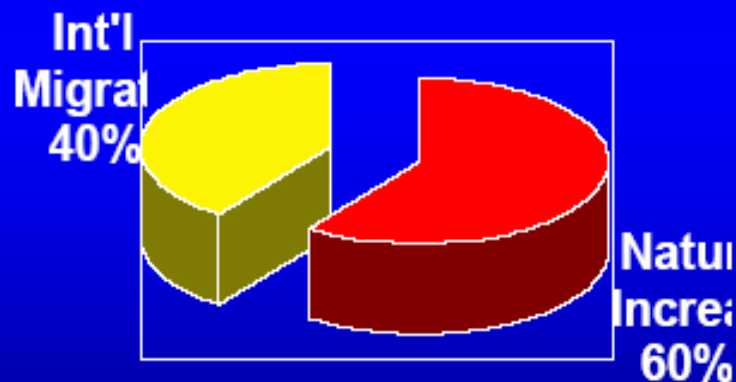
- A great number of Fortune 100 and 500 companies still underspend in the Hispanic segment.
- Companies are hesitant to jump-in to the Hispanic market.
- Faux pas are frequent and pose a risk.
- Expertise is difficult to find or assess
- Results are not immediate



Acculturation plays Key Role in Hispanic Marketing Strategies

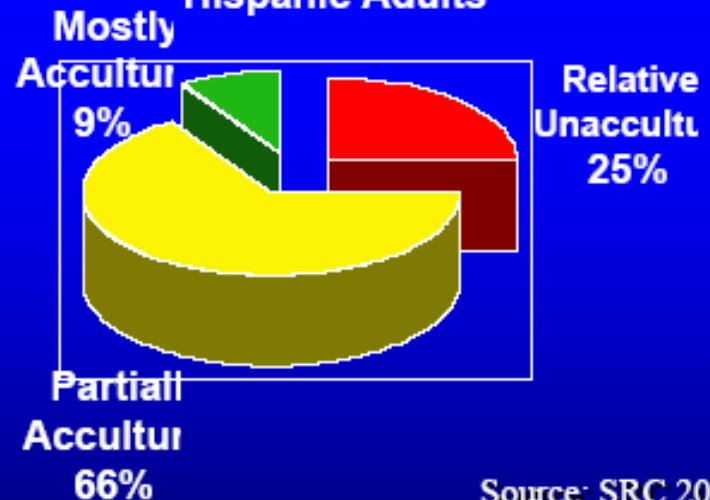
- While Natural Increase (Births-Deaths) is outpacing International Migration, since the overall Hispanic pie is growing, Marketers must understand how to incorporate acculturation in their marketing strategies.

Natural vs. Immigration Hispanic
2000-2001



Source: Census

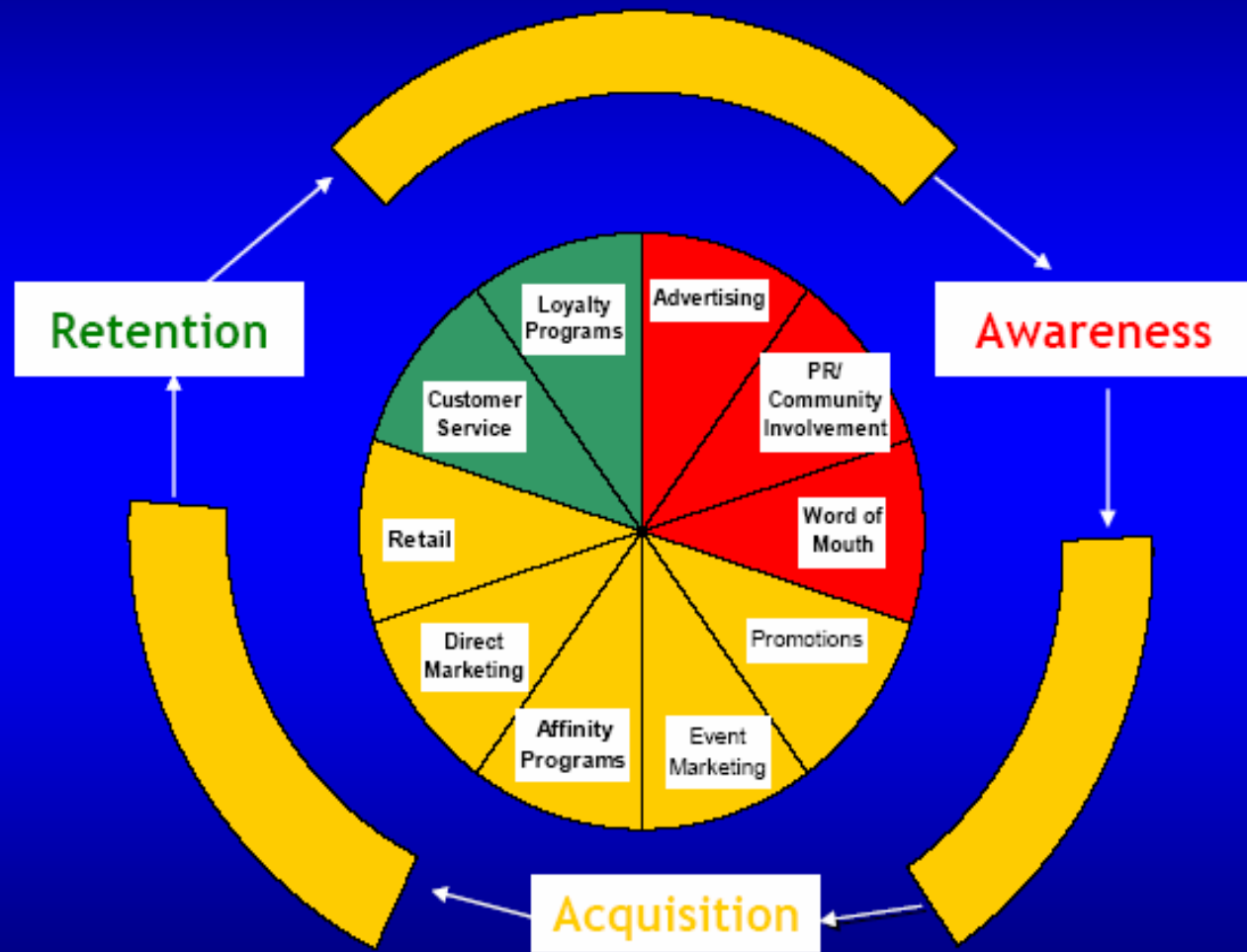
Acculturation Segm
Hispanic Adults



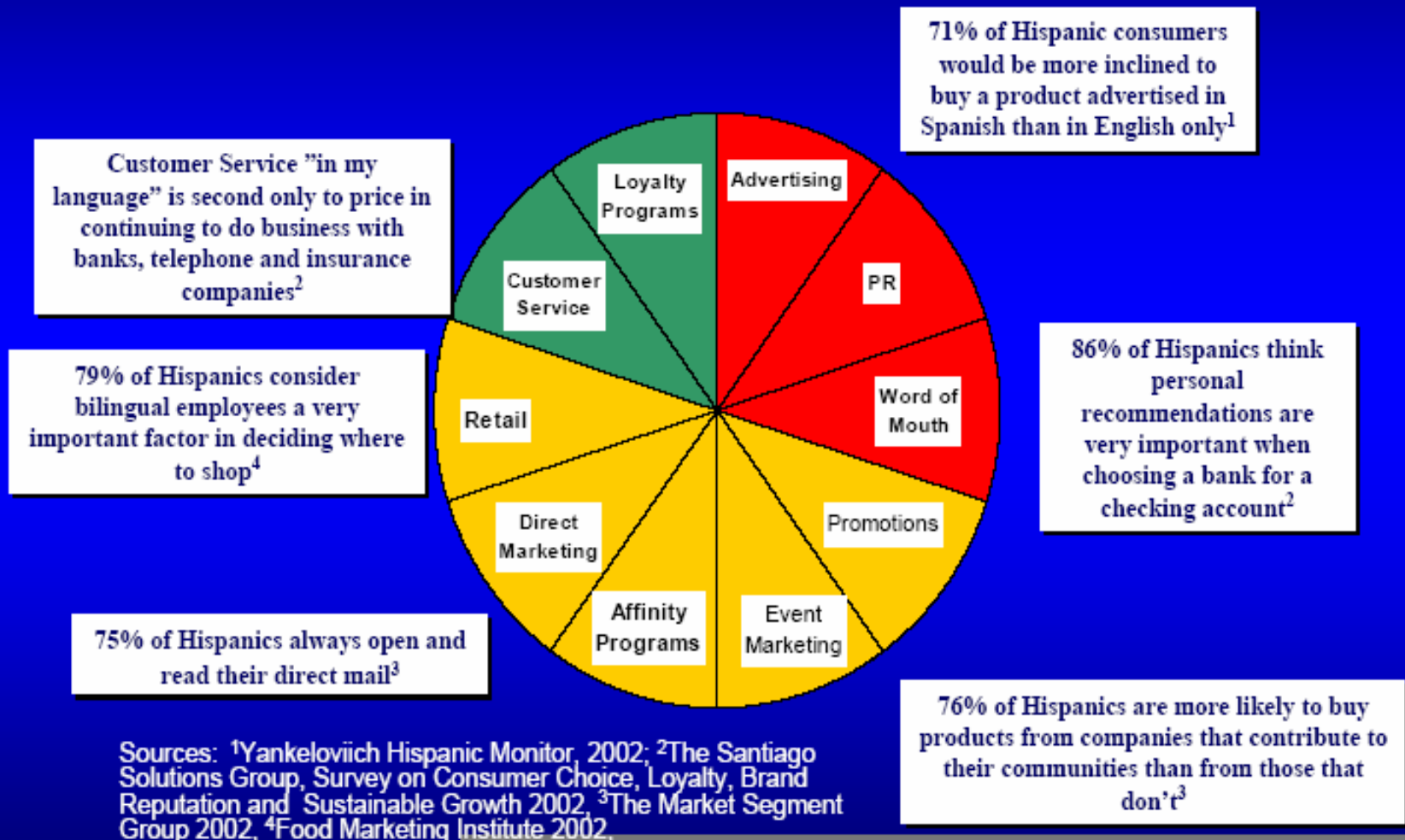
Source: SRC 2002

Marketing Wheel of Fortune important to Hispanic Marketers

Each customer touchpoint is an opportunity for the Hispanic Marketer to strengthen the customer experience.



Marketers have a Unique Opportunity to Leverage Hispanics' Consumer Touchpoints



Who Gets It.

- Visionary - Seek Data
- Expert
- Knows the market/product
- Connects with the customer
- Offers value – consistently
- Valued Partner
- Vested in the community

Restaurantes basan su estrategia en la auténtica comida mexicana

LLEGA FRANQUICIA MEXICANA A DFW



William Kost y el gerente de su negocio, Saúl Verdúzco, desempacan una lámpara en su franquicia del restaurante El Taco Tote en Lewisville.

El negocio del sabor

Por ÁNGEL GONZÁLEZ / Al Día

Para vender comida mexicana auténtica, no hace falta ser mexicano. Pero hay que tener, por lo menos, un maestro de México. Si no, pregúntenle al empresario de origen libanés William Kost, quien abrirá el lunes una franquicia del Taco Tote en Lewisville, y adquirió los derechos para otros locales.

Kost se sometió a dos semanas de entrenamiento en San Antonio para aprender cómo se preparan los tacos del otro lado de la frontera, porque Taco Tote es una cadena mexicana que tuvo su origen en un restaurante familiar de Ciudad Juárez.

"Me abrió los ojos", dijo Kost, quien entró al negocio de los restaurantes después de una larga carrera como consultor en informática. "Lo que más me impresionó es lo buena que es la comida".

Kost está apostando a la idea de que el paladar norteamericano está listo para el sabor de la verdadera cocina mexicana.

La inmigración es un catalizador en este proceso, sobre todo en

Los fines de restaurantes locales como La Paloma y Juana Gallo se apoyan en una abundante clientela de origen mexicano para convertir a sus establecimientos en cadenas y franquicias y llegar a un público más amplio. Poco a poco, estos empresarios le están quitando el "Tex" al Tex-Mex y difundiendo el auténtico sabor mexicano.

"Pienso que por años, la cocina mexicana era Taco Bell. No creo que nadie haya llamado a eso auténtico", dijo Don Montuori, editor de Marketresearch.com, una firma que realiza investigaciones de mercado. "La naturaleza misma de lo que la gente piensa que es la comida latina está cambiando y estamos abiertos a comida más auténtica".

La inmigración es un catalizador en este proceso, sobre todo en

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al día
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Tovar PR LLC

Pitfalls To Avoid

PHOTO OF TECATE BILLBOARD IN BROOKLYN, NEW YORK IN MAY BY SARITA KIMENER FOR CATALINA.



Pitfalls To Avoid

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a ver a mi vieja y darle un beso.*



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Ponte cómodo



Pitfalls To Avoid

1. Get expertise-contact Chambers for marketing communications experts
2. Know your product-prepare for name changes or different product attributes
3. Take a team approach at your company
4. Test new ideas with formal or informal focus groups
5. Listen to customers-many offer valuable insights



Pitfalls To Avoid

6. Be willing to adapt your messages
7. Consider developing message relevant branding for company and product
8. Use existing internal and external audiences
9. Give discounts or value-added benefits to try your new packaging
10. Know your local Hispanic community leaders and influencers



¡Gracias! – Thank You

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