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**Understanding the Dynamics of
Today's Hispanic Marketplace**

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Our Discussion Today

- I. Hispanic Market Perceptions: Then and Now
- II. Hispanics: Who are We?
- III. Hispanic Marketing/Media
- IV. Final Thoughts

Hispanic Market Perceptions: Then and Now

Hispanics: El Camino



1991

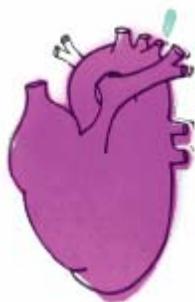
1. Largely foreign-born population
2. Median income consistently below U.S. norm.
3. Population concentrated in urban areas.
4. Assimilation; but signs of “retro-acculturation.”
5. Influenced by general market.
6. Monolithic homogeneity.
7. Spanish TV the only way to reach Hispanics.
8. Advertising has to feature mom, the abuelita...
9. Awareness is key.

2007

1. Higher degree of U.S. born Latinos
2. Clear signs of increasing affluence
3. Growth in suburbs and less traditionally Hispanic markets.
4. Acculturating *and* “retro-acculturation”
5. Influencing general market.
6. Segmentation important.
7. ...English-language media and new media important too.
8. ...this is not your mothers advertising.
9. Engagement and relevance is key.

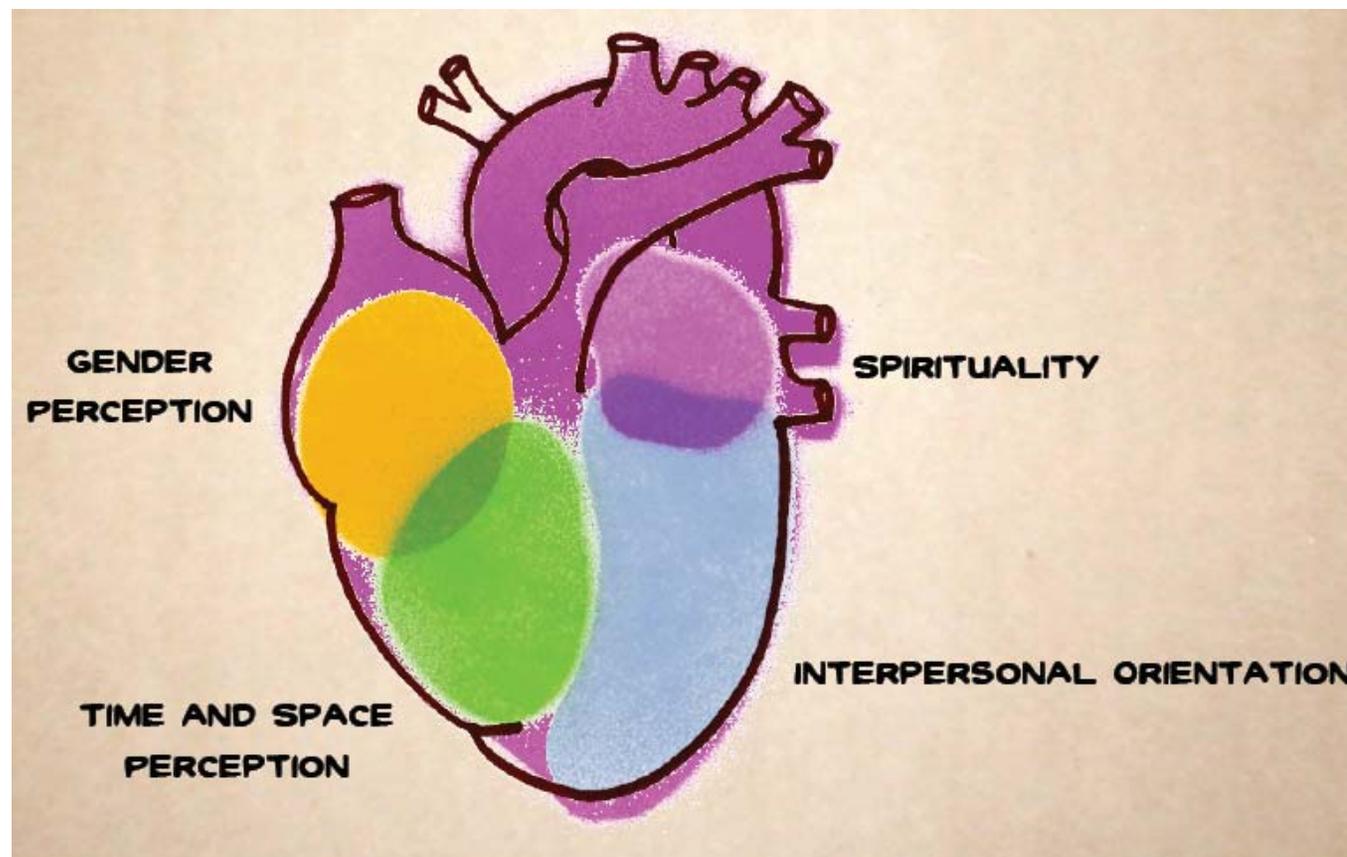
Hispanics: Who Are We?

Hispanics: Who Are We?



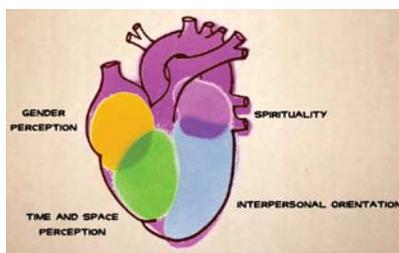
- Actual question posed to me by the EVP of a general market advertising agency:
 - “When does a Latino stop being a Latino?”
- What he should’ve asked was:
 - What makes a Latino a Latino?
 - Language and acculturation?
- The components that shape Latino identity are a group of:
 - Complex, adaptable and interrelated values
 - Contextual/environmental factors

What makes a Latino a Latino?



Source: AHAA Latino Identity Study

Interpersonal Orientation



People's main responsibility is to themselves and their family – not to making the world a better place to live in.

66% Hispanics

41% Non-Hispanics

Source: 2006 Yankelovich, Inc.

Latinos

1. Collectivism
2. Familismo
3. Power distance
4. Respect

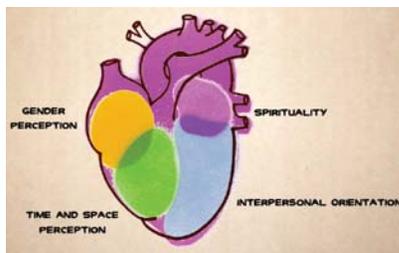
Non-Latinos

1. Individualism
2. Equality
3. Self-development
4. Self-expression

Marketing implications

- Understanding:
 - Family as a unit
 - Group decision making
 - Considering potential conflicts between individual needs vs. group expectations
 - Using “experts” as a means to persuade

Time & Space Perception



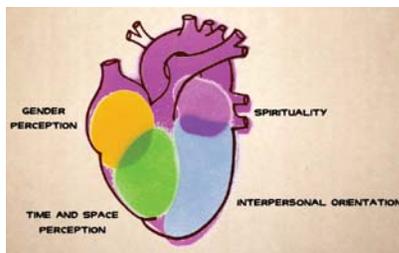
Latinos – Polychronic

1. Consider time commitments an objective to be achieved only if possible.
2. Do many things at once.
3. Highly distractible and subject to interruptions.
4. Committed to people.
5. Change plans often and easily.
6. Strong tendency to build lifetime relationships.

Non-Latinos – Monochronic

1. Take time commitments seriously.
2. Do one thing at a time.
3. Concentrate on the job at hand.
4. Committed to the job.
5. Adhere religiously to plans.
6. Accustomed to short-term relationships.

Time & Space Perception



Latinos

1. Polychronic – Longer time horizons.
2. Past/present time
3. Less rigid sense of space and in some cases, privacy

Non-Latinos

1. Monochronic – “Time is money”
2. Future oriented
3. Rigid sense of space and privacy

Implications

- Flexibility with schedules
- We’re not purposely invading your personal space; just being amistoso.

Spirituality



I trust God or fate to take care of me

66% Hispanics
50% Non-Hispanics

Among Hispanics

1st Gen	2nd Gen	3rd Gen
71%	63%	66%

Source: 2006 Yankelovich, Inc.

Latinos

1. Catholicism (Fatalism)
2. Indigenous religions (Curanderismo)
3. Relationship with nature
4. Holistic view of the world

Non-Latinos

1. Rational
2. Scientific orientation

Implications

- Employing holistic persuasion techniques that take into account sensorial and emotional aspects; and work toward alleviating guilt, embarrassment or fear.

Gender Roles



Machismo

1. Positives: Protection of family and feeling obligated to provide.
2. Negatives: Can manifest itself as aggressiveness or cause shame if a male feels he cannot live up to his role.
3. Creates dichotomy of how women are viewed: As either the perfect, saintly mother or as an object of conquest.

Marianismo

1. Matriarch rules extended family.
2. She is a martyr, taking upon herself the failings of her family.
3. Can sometimes be about duty and self-sacrifice.

I feel guilty when I do not cook for my family.

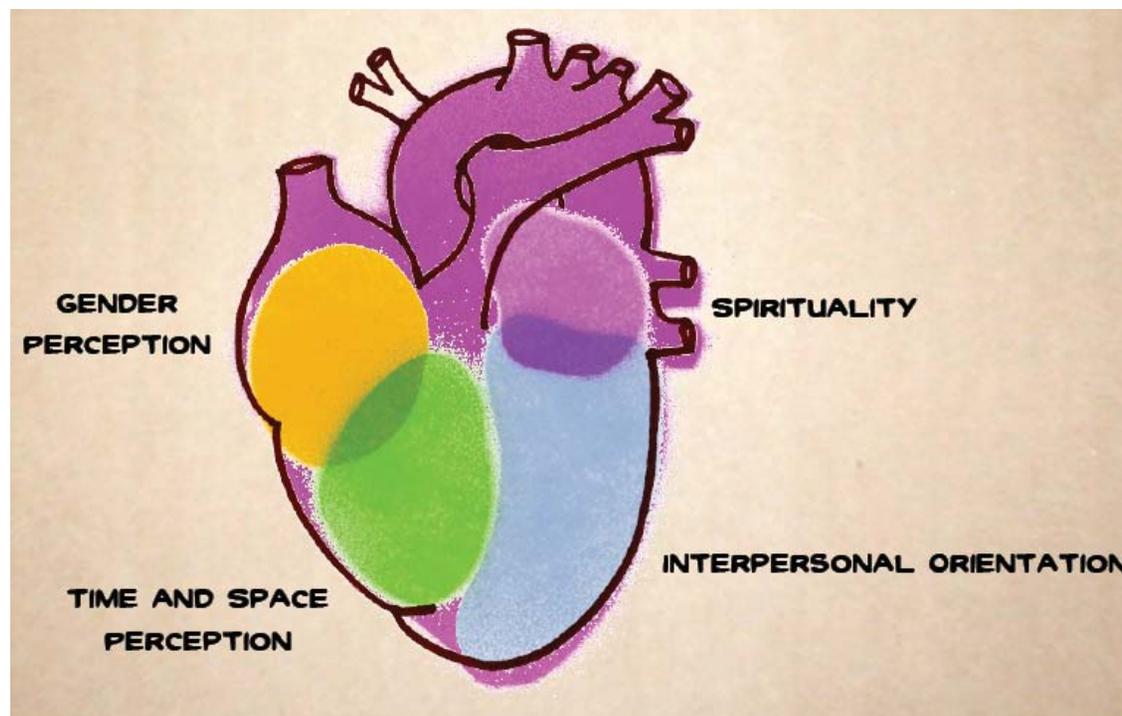
59% Hispanic Women
46% Non-Hispanic Women
 Source: 2006 Yankelovich, Inc.

Implications

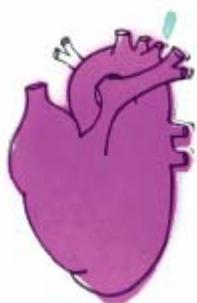
- Traditional gender roles affect how U.S. Latinos perceive the world and themselves – even as these gender roles shift over time.
- Marketers should emphasize the positive aspects of traditional roles and attempt to alleviate the stress of role inversion.

Interconnectedness: Contextual Factors

- These four values interconnect with a set of Contextual Factors.

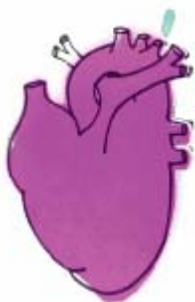


Contextual Factors



- Contextual factors -- The things that make us individually unique.
 1. Acculturation level
 2. Education level
 3. Socioeconomic level
 4. Language preference
 5. Immigration stress
 6. Situations and roles
 7. Ethnic self-identity
 8. Self-esteem
 9. Discrimination
 10. Ethnic pride
 11. Institutions
 12. Education
 13. Politics
 14. Advertising
- These contextual factors will alter our Interpersonal Orientation, Time and Space Perception, Spirituality and Gender Perception.
- It's these contextual/environmental factors interacting with our values that allow many of us to be:
 - Very "American" at work;
 - but very "Latino" at home

How Do These Values/Factors Influence Behavior?



- What happens to a Latino's Interpersonal Orientation when it comes into contact with differing levels of acculturation?
- What are the consequences of Time and Space Perception and Fatalism when a medical diagnosis is given?
- Or when perceptions of masculinity and femininity interact with immigration stress, where roles are often reversed:
 - Children often know more than parents
 - Women may find it easier to get a job than men
- To be successful in the Hispanic market today requires more than just Spanish and a knowledge of different acculturation segments:
 - The Hispanic segment is a much more evolving, complex and diverse segment.

Key Developments in Hispanic Marketing & Media

Hispanic Marketing & Media



1. More and more marketers have recognized that the underserved Hispanic market:
 - Represents their greatest potential for acquiring new customers.
 - Spanish-language advertising has been growing steadily. This growth:
 - Drives the demand for advertisers and audiences;
 - which expands programming, audience appeal;
 - and interested advertisers.

Hispanic Marketing & Media

The logo for mun2, featuring the word "mun" in a bold, black, lowercase sans-serif font, followed by a blue "2" in a similar font.

2. While overall viewership to Spanish-language TV is stronger than ever.
 - By 2020, second generation Latinos will out-number foreign-born Latinos, for the first time ever:
 - Median Age (second generation): 17
 - We are now seeing an increasing acknowledgement that there are segments of the Hispanic population that are bicultural:
 - Maintaining ties to their culture, but primarily English-speaking.
 - Recognition of biculturalism has led to introduction of English-language and bilingual media aimed at Hispanic audiences.
 - This type of media presents significant opportunities for marketers to reach bicultural Latinos and broaden the scope of their marketing.

Hispanic Marketing & Media



3. The most significant change in recent years has been the geographical migration of Hispanic consumers outward from traditional gateway areas.
- The diffusion of the Hispanic population across large urban areas and concentrated suburban pockets leads to:
 - Local businesses needing to adapt to the needs of their new customers
 - Expanded multi-media advertising
 - A renewed interest in highly targeted media:
 - Especially **cable**, print, online and OOH

What Marketers are Asking



- Is it the right (programming) environment?
 - i.e., men, young Latinas, families
- Is other media under-delivering against my target?
 - i.e., viewers with higher credit card penetration
- Can you deliver enough of a sizable audience?
 - i.e., Nielsen Media Research
- Do you have the tools to target this audience with precision?
 - i.e., regionally, locally, by country-of-origin
- Can you customize and execute promotions/partnership opportunities?
- These issues greatly influence how much is spent on cable vs. other media.

Cable Has So Much Going for it!



- Opportunities to:
 - Provide distinct Hispanic programming environments for advertiser messaging:
 - In Spanish and English
 - Work as an effective over-lay to better deliver segments of audiences
 - Use specialized tools like AdCopy© to serve up messaging to appropriate areas/targets
 - Offer up significant partnership/promotions to create needed buzz.

Final Thoughts: The Hispanic Segment

- Some corporations assume that the only way to appeal to an Hispanic audience is exclusively in Spanish.
- Hispanics are so varied:
 - Values;
 - Contextual factors;
 - That marketers who don't expand their thinking on this segment are missing a tremendous opportunity.
- Applying the same marketing principles one would apply to a high potential growth segment is key.
- As is fighting the inclination to be conventional in messaging to Hispanics.
- Taking the right risks can be the difference between ordinary and truly extraordinary results.



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