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Hispanic marketing echoes buying power

Companies aim to get attention of growing group

By LAUREN BAYNE ANDERSON
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The buying power of Hispanics is rising, prompting marketers to change their ways.

As studies show the growing numbers of affluent Hispanics, advertisers are going beyond the traditional foods

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and services marketed to Hispanics, and are creating ad campaigns to sell higher-dollar products such as electronics.

Texas ranks second behind California in buying power for Hispanics, according to a recent study.

As with a lot of trends, California is the leader. Hispanics there have more money to spend.

The Multicultural Economy, a recently released study that maps trends in minority spending, estimates that the total estimated buying power of Hispanic consumers in Texas has grown to nearly \$94 billion this year, up from \$35 billion in 1990.

But that total is a distant second to California, where Hispanic buying power is estimated at \$170 billion.

One sign that

markets are noticing this trend are the decisions by big technology companies to tailor more marketing campaigns to Hispanic audiences, said Manny Flores, founder and managing partner at Latin Works, a Hispanic-owned advertising agency in Austin. For example, computer-makers Compaq, Dell and Gateway have created ads specifically for Hispanics.

But technology advertisements targeting Hispanics are more likely to target Hispanic consumers in California than Texas, because there's more spending power there, Flores said.

"Earnings are different, and that means those people are consuming more technology products," Flores said. "Households with lower incomes wouldn't have the tendency to consume those

types of products."

Minorities lag

While the numbers are rising, the buying power of minorities still lags far behind their percentage of the population.

These measures of how much people have to spend come from Jeffrey Humphreys, the director of the Selig Center for Economic Growth at the University of Georgia's Terry College of Business.

Humphreys, who has been conducting the study for 12 years, said the study is not meant to show how Hispanics are faring politically or socially. The study is used by businesses to use to redirect their marketing efforts to communities with high spending power.

"This study is for businesses to identify market opportunity,"

Humphreys said.
"If sales are not increasing as fast as the overall market, a business is losing a percentage of the market share."

Representatives from Round Rock-based Dell Computer Corp. said they have been paying extra attention to the Hispanic community in recent years.

As computers play a larger role in education, parents are more likely to make the financial commitment to buy computers, particularly when there is a strong push from their children.

"Even though many of the parents are blue-collar workers, they are committed to providing resources for their children," Flores said. "Most of it goes toward education, but some is used for consumption of goods and services."

Kristen Guevara, 17, and Krystal Trevino, 15, can attest to that.

The Pasadena High School students went shopping last week with mom and dad's money at Marshall's in Gulfgate Center.

Krystal said her parents gave her \$80, while Kristen said her parents give her a weekly allowance of \$50.

"I came to buy and belt and a purse," Kristen said as she looked through racks of jeans.

Nationally, Hispanics under 20 make up 38 percent of the Hispanic population. That same group spends an average of \$375 a month -- 4 percent more than the average for non-Hispanic teens.

According to Flores, young Hispanics are a sought-after target audience for marketers who hope to build lifelong brand

allegiances.

Because the Hispanic market is so young, soft drink and beer makers have the biggest opportunity, Flores said.

A different culture

Hispanic marketers say the approach has to go beyond ads.

Ed Miller, Verizon's executive director for multicultural marketing, said that in addition to ads, the telecommunications company has partnered with community groups.

Dell has partnered with organizations like LULAC and the National Conference of La Raza for conventions and other public events, company spokeswoman Jennifer Jones said.

Reaching this community requires ads that are translated into a different language

but also a different culture.

Lemus and Flores agree that speaking Spanish is key, but advertisers are finding out that simply changing the language is not enough to ensure that they reach this growing segment

Advertisers have had some problems. Figuring out exactly how to advertise to Hispanics has been tricky for some.

"Everyone is jumping on the bandwagon to sell Hispanics stuff, but no one is asking us to participate," Lemus said.

Two out of three Hispanics surveyed by Nielsen Universe said they are more inclined to buy brands advertised in Spanish.

Holland said Bates worked with Verizon to create ads aimed at Hispanics but did more than translate an ad in into

Spanish.

Hispanics have a different cultural emphasis, Holland said. The Verizon ads tried to capitalize on that.

In the English-speaking version, the ad showed a couple, while in the Spanish-speaking version, a grandfather and granddaughter were shown.

"We put a different emphasis on the actors," Holland said. "But also more emphasis on the scene, which was changed to reflect the different culture."

Jose Garcia, 33, shopped at H-E-B last week with his wife, Marilyn, and infant son Isaac.

Garcia, a self-employed handyman, supports his wife, a stay-at-home mother, and their two children.

Advertising is important, Garcia

said. While Spanish was his first language as a child, Garcia said he speaks English fluently.

At the H-E-B store, signs advertising sales are in Spanish and English, and line the produce aisle where the Garcias walked, picking through vegetables.

But Garcia said he doesn't respond as well to Spanish-language commercials as he does to ads with Hispanic actors. The language isn't as important as the setting, he said.

H-E-B has more of the spices his family uses to cook, he said. And he feels the chain caters to his needs.

"It makes me feel more comfortable to shop where I'm accepted with my people," Garcia said.

Adela Reyes, a stay-at-home mother with seven children, agrees.

Reyes, whose first language is Spanish, said above all, what's more important than advertising is the way a business treats you when you are there.

"Some places I go, they follow me around thinking I'm going to steal something," Reyes said. "That doesn't make me feel good."

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