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Long-Term Hispanic Trend: Spanish Less Important in Future?

by Erik Sass

IMMIGRATION IS NO LONGER THE main driver of growth in the U.S. Hispanic market. It's been surpassed by natural growth of the in-country population, according to a report from the Mercanti Group, an investment-banking firm that tracks Hispanic marketing issues. In the future, the trend will have major implications for advertisers trying to reach Hispanics with tailored marketing programs, including choice of language and media for delivery of ad messages.

From 2000-2005, growth was split between immigration and natural increase of the resident Hispanic population, according to Mercanti's Edgar Mendez, who led the study. But in recent years--despite popular perceptions to the contrary--Hispanic immigration has been declining, according to the Pew Hispanic Center. Now, natural growth has the upper hand, with a substantial base population tending to produce families larger than the national average (3.87 versus 3.19).

As the population's characteristics shift, the most important area of difference for advertisers will be language.

While 73% of Hispanic immigrants prefer Spanish over English, the number falls to 25% of their children and just 1% of their grandchildren. With a larger proportion of Hispanics being born in the U.S., English will increasingly supplant Spanish as the most effective language for marketing messages.

This forecast seems to contradict other recent studies, including a 2006 Unilever survey, "Winning the Hispanic Shopping Trip," which found Hispanic shoppers respond positively to in-store communications in Spanish. But that survey's middle-aged female subjects are far more likely to belong to the immigrant cohort; the linguistic shift resulting from changing patterns of birth and immigration will take decades to play out.

There are some early signs that advertisers are planning ahead.

According to a recent article in the *Los Angeles Times*, Spanish-language TV leaders Univision and Telemundo are having a hard time courting ad dollars from banking and financial-service categories, since media planners are skeptical of the need for Spanish-language media. Although overall Spanish-language ad spending rose 14.4% in 2006, to \$5.9 billion, according to research cited from the Association of Hispanic Advertising Agencies, 100 of the top 250 advertisers didn't include any Spanish-language component in their advertising.

However, the increasing preference for English doesn't mean tailored multicultural messages aren't necessary: Third-generation Hispanics, born in the U.S., retain a sense of Hispanic identity and heritage that translates into English-language media consumption and purchasing decisions. For example, one popular new magazine, *Urban Latino*, is an English-language publication catering to the "New Generation Latino"--ages 18-34--with music, lifestyle, health and beauty content. The same phenomenon is powering the emergence of a new, mostly English-language radio genre, "hurban" ("Hispanic Urban").

Still, Mercanti's research shows a continued affinity for products from the country of origin, even among non-immigrant descendants born in the U.S.--resulting, for example, in a boom in the Mexican food market, which now tops \$52 billion a year. Here, the study found that Hispanic consumers visit grocery stores three times as often as the population at large.

For marketers looking for broad reach, one increasingly popular solution (in print, at least) is bilingual publication--producing magazines with duplicate content assuring accessibility to Hispanic readers regardless of age, date of arrival or national origin.

Recently, Unilever announced that its ViveMejor Hispanic marketing program, produced by Mass Hispanic Marketing, will include a bilingual Web site and free bilingual magazine. To cater to the older Hispanic market, a mix of relatively recent arrivals and longtime U.S. citizens, AARP produces a bilingual magazine titled *Segunda Juventud* ("Second Youth").

The U.S. Hispanic population remains an attractive market. According to Mercanti, its buying power will grow from \$838 billion in 2006 to \$1.3 trillion in 2011.