

From: MMRNews (Multicultural Marketing News) [mailto:MMRNews@multicultural.com]
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Subject: E-Tech: Financial Opportunities for the Hispanic Consumer

Financial Opportunities for the Hispanic Consumer



Hispanic Heritage Month is just around the corner and being celebrated nationwide beginning on September 15, 2010, the anniversary of independence for five Latin American countries – Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua. Mexico achieved independence on September 16th and Chile on September 18th.

Financial Opportunities for the Hispanic Consumer

Some U.S. banks and insurance companies, unlike many media and grocery businesses have limited marketing their products and services specifically to Hispanic consumers. This may have made sense in the past, since the majority of the 45 million + Hispanics who live in the United States typically spend less than the average U.S. consumer on financial services but more on groceries and Spanish-language media. Sidestepping the Hispanic market made sense to financial institutions, until now.

Financial institutions could be missing out on a huge opportunity. By 2011, spending by Hispanics living in the United States will probably have risen to more than \$975 billion a year, from around \$500 billion in 2006. Financial services are projected to account for a substantial part of that increase. Industries that currently cater to the Hispanic market benefit conspicuously from the growing population. Industries such as housing, health care, and financial services that target middle and upper-income consumers are likely to benefit significantly as Hispanic household incomes rise.

To succeed in this diverse market, banks and insurance companies will have to do more than translate their brochures into Spanish. Financial institutions benefit from the lessons learned by other consumer product marketers. In courting Hispanics, financial-services companies must not only attract a new customer segment but also change its buying behavior. Financial institutions will have to educate the Hispanic consumers about such products as mortgages and insurance. Once educated, the Hispanic consumer will seek these “aspirational” products and services. For Hispanics, these financial products become part of “Living in America”.

The incomes and assimilation levels of Hispanic consumers vary widely. Banks should offer a choice of products at every rung of the ladder: from inexpensive services like international wire transfers, pre-paid cards and check cashing targeted at recent immigrants, to mortgages and insurance products geared toward the emerging middle class, to the full portfolio of financial services for second- and third-generation Hispanic consumers.

Clustering all Hispanics in one large category is not the most profitable approach since many different groups compose that market. Nonetheless, there are trends that can be highlighted. For example, purchase decisions among many Hispanics are driven by familiarity or lack of familiarity with brands. The bulk of Hispanic consumers, particularly those who are Spanish dominant buy products and services that they recognize and know something about. They strive to be “more” American. Once sold on a “brand” they will share their experiences with others in their immediate circle.

Marketing to the Hispanic consumer has at its core the establishment of a relationship between the seller and the buyer. Hispanics are particularly sensitive to the establishment and maintenance of that relationship. The Hispanic consumer is generally more sensitive to offers that are acceptable to family and friends as a good decision. We see both individual and external attributes that drive the decisions differently within this segment. Product and offer attributes such as price and availability and perceptual attributes such as quality, benefits, and cultural sensitivity are obviously key drivers in the purchase decision. These distinctions are important. Businesses cannot reap the rewards from this segment unless they understand and target it.

Hispanic Demographic Information Snapshot

http://12.162.123.172/multicultural_information/etech_process/hispanicsdemo.html

At Ethnic Technologies we are here to help you understand and market to the Hispanic consumer with fresh, accurate and comprehensive data, modeling and analysis.

Ethnic Technologies will be exhibiting at 2 upcoming venues in September and October 2010. Contact an E-Tech representative to learn more about our products, services at one of these events.

1. September 30th at the Hispanic Digital and Print Media Conference at The Scholastic Auditorium & Greenhouse with Rooftop Terrace NYC, NY. Portada's Connecting National Brands to Local Audiences.
2. October 10th through the 12th at the DMA National Conference and Exhibition at the Moscone Convention Center in San Francisco CA.

Ethnic Technologies, LLC - Hispanic Insight

Ethnic Technologies, LLC is the platinum standard in multicultural marketing. The result of over 40 years of continuous ethnic, religious and language preference research, E-Tech allows clients to segment their database by ethnicity, religion, language preference and Hispanic country of origin more accurately and comprehensively than any other approach. The EthniCenter® offers an Assimilation Index, which distinguishes Hispanic individuals based on their ability to speak their Native Language or understand the language of their prevailing culture. E-Tech incorporates a unique approach for the different Hispanic Countries of Origin. After identifying their specific names, E-Tech does a neighborhood analysis using multi-sourced information compiled from our research team. From that data, E-Tech is able to accurately identify the Hispanic individuals' Country of Origin. The incorporation of Enhanced Neighborhood Analytics (ENA) technology in E-Tech Version 7.3 establishes a new and unprecedented level of granularity and completeness in the ethnic marketing industry. Clients also benefit from and

acquire ethnic mailing, telemarketing and email lists for both the United States and Canada. The analytics department at E-TECH offers ethnic data appending services and mapping to provide businesses with an overview of new and existing markets.

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About This Newsletter

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