The Forgotten People:
A View of the Hispanic Market

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Demographic Profile of the Hispanic Market

Centuries ago, Columbus set out on his quest to prove that the world was round; however, his endeavors were thwarted when his ship encountered an unknown land. Columbus may have been disappointed in his failed mission; nevertheless, his discovery was greeted with enthusiasm. Many felt that this new land promised immense opportunity.

Recently, this enthusiasm was reborn with the discovery of another “country.” This country is unique in that it has maintained its traditions, culture and native language despite the fact that it is a country within a country. In 1980, the United States’ Census uncovered a thriving Hispanic population. Just as Columbus’s discovery prompted many business adventures in the new land, so did this new discovery. Marketers saw an unexploited market, and like the Spanish Conquistadors, they saw great opportunity. Advertisers scrambled to enter the market. The ripple that broke the clear waters of Hispanic targeted advertising was noted by an increasing amount of activity of major agencies in the marketplace. Many formed their own Hispanic subsidiaries, and others acquired or affiliated with Hispanic agencies. This discovery of the Hispanic market need not have caught advertisers and marketers unaware and unprepared. Had American businessmen studied their history as well as they studied their economics and financing, they would have seen the development of the American Hispanic population.
The Spanish culture is not new to the United States. Latins have inhabited this land much longer than the "Gringos." With all the cessions in the expansion and development of the United States of America, we have experienced a mixture of races. With Florida they acquired a Spanish and Indian population; with Texas and California the Spaniard, the Mexican, and the Indian; and with Louisiana they assimilated the Spaniard, the Frenchman and the Indian. As can be seen, people of Spanish descent were very common in territories that were annexed into the United States.

During the middle 1800's, Americans were consumed with the concept of eminent domain, which drove the expansion of the United States. When the pioneers moved West, they discovered that the Southwest was already occupied by Mexicans. These Mexicans were "nationalized" as a result of the Mexican War. On February 2, 1848, the treaty of Guadalupe Hidalgo was signed with Mexico. The treaty granted ownership to the United States of 523,802 square miles, from which the states of California, Nevada, Utah, New Mexico and Arizona, and a small portion of what is Colorado and Wyoming were formed. Even though the treaty had nationalized many Mexicans, the mere fact that they were now Americans did not change their pride in their heritage, traditions and language.

This was the beginning in a long tradition of inflows into the United States of America. Some of this flow, both legal and illegal, has a long
history. It is not simply a reaction to a current economic situation, but is part of a traditional migration pattern. Mexicans began coming to the U.S. in large numbers in the early 1900's. U.S. agriculturalists became accustomed to this inexpensive and hard-working source of labor, and the flow of immigrants was regularized in the 1920's. The Depression ended the first agricultural labor program with Mexico, but a more elaborate program began in the 1940's to offset a perceived labor shortage as a result of World War II. It was called the Bracero program, and it provided legal entry for as many as 450,000 Mexicans and Caribbeans to perform agricultural labor. When the Bracero program was discontinued in 1964, there was a notable increase in illegal immigration. Some analysts point to the Bracero program as foundation for institutionalized illegal immigration from Mexico to the United States (Fernandez, 1987; 12).

Other traditional flows to the U.S. come from Central America and the Caribbean. Salvadorans are historically the second most commonly apprehended illegal aliens on the Southern border. They were coming to the United States long before the conflict in El Salvador became critical. The State Department estimates that there were probably 350,000 illegal Salvadorans here before the conditions in El Salvador escalated. It is estimated that there are about 500,000 Salvadorans living in the U.S. (Ibid). In addition, there is a history of immigrant flows from Jamaica, Cuba, and Haiti to Miami, and from the Dominican Republic to New York.
Politics have played an even greater role in the augmentation of the U.S. Hispanic population. With the implementation of the Monroe Doctrine, the United States assumed the role of "watchdog" to Latin America. The United State's government maintained the position that in order to protect its own borders from the threat of communism, it must block the entrance of communism into the American continents. This policy carried to the United States millions of casualties of political conflicts. The main group of political exiles were from Cuba and Argentina.

The Cuban political immigration began in 1960 and first halted in 1973. Then, on March 20, 1980, a small group of aspiring exiles forced a bus through the gates of the Peruvian embassy in Havana. This began the process that led to the rapid and chaotic emigration of 125,266 Cubans from the port of Mariel (Bohen, 1980; 9). For international and domestic political reasons, it was beneficial to the U.S. to promote the cause of Cuban refugees fleeing from communism.

On the other hand, Argentineans, who were also political exiles did not receive the same support from the U.S. government that Cubans received. Argentina was placed under the rule of three different military juntas between the years 1976 and 1982. During this time many ordinary people disappeared as a result of military crimes. It was a time of chaos and danger. Many fled to the United States for safety.
Recently a new factor has been added to the equation of Hispanic immigration to the United States. In 1982, the overheated economy of Latin America collapsed. Because of overborrowing, raging inflation, and the world-wide recession, much of Latin America was forced to undertake an austerity program set up by the International Monetary Fund to avert financial catastrophe. Ever since 1983, the economy in Latin American countries has been less adept at providing jobs for their growing populations. In addition, the high inflation rates have served to increase wage differentials between the United States and Latin America. An individual can make roughly fifteen times more working in the United States as he can in his homeland. Thus, with high unemployment and a decline in real wages, there is an increased incentive for Latins to migrate to the United States.

In the near future, the high immigration of Hispanics will be more evident. In the Third World, the number of new job seekers will be between 600 million and 700 million by the year 2000. In Mexico and Central America, the International Labor Organization has projected that the labor force will double between 1980 and the year 2000 (ILO, 1977). Thus, the resultant level of employment in the Third World will be a major continuing problem.

The situation facing the U.S. today is this: the countries in Latin America are experiencing very high growth rates in the labor force while
the employment-producing capabilities of their economies stagnate. The U.S. is receiving an ever-increasing flow of illegal immigrants, and it has become well known in Latin America that the U.S. cannot and does not control its own borders. Thus, the Hispanic population is increasing dramatically with high immigration rates. Also, since Hispanics have higher fertility rates, the amount of second generation Hispanics is also increasing dramatically. All of these facts have led to the revelation of the 1980 Census that there is a large population of Hispanics in the United States.

Today there are 20.1 million Hispanics in the United States. This is a result of an 160% increase in the Hispanic population over the last two decades. This is a growth rate seven times that of the general population (CBS Hispanics, 1989). This growth is predicted to continue well into the future. Not only will immigration be a factor in this growth, but also high fertility rates that are common among Latins. The Bureau of the Census made projections that reflect what the future Hispanic population would be under various assumptions about fertility, mortality, and net immigration trends. Three different assumptions were made [low, medium, and high] for each of these factors. The high and low projections are presented in the following graph.
Spanish-Origin Population Projections

Source: Bureau of the Census Series P-25
It appears that the actual Hispanic population is closely following the High Projection line. In 1989, the high projection was 21.2 million, and in 1989 the realized population size was 20.1 million. If the Hispanic population continues to grow at this rate, there are many implications. Within thirty years, the number of Latins in the United States may be doubled, and within sixty years tripled. As only one group in a variety of ethnic categories that represent the segments of the United State’s market, Hispanics are gaining importance. Becoming one of the largest ethnic groups in the U.S., it is projected that by the year 2080 the Hispanic population will surpass even the black population as a percentage of the total population. In the following pie charts, the United States population is broken into various ethnic groups as percentages of the whole. Actual percentages are represented by the first chart, in which figures were taken from the year 1982. The second chart represents the projections for the year 2080 in which the Hispanic population is projected to overtake the Black population as a percentage of the whole.
U.S. Population
1982 - 2080

Source: Bureau of the Census Series P-25
The present and potential size of the Hispanic market were not the only factors considered that sent marketers rushing to Hispanic targeted advertising. Other characteristics of the market, such as household size, buying habits, and an increasing purchasing power, made it a very attractive target.

Typically, Hispanics in America live in households with their families. Almost three-fourths of all Hispanic households are married couple families, and over fifty percent are composed of four or more persons (U.S. Bureau of the Census). Since Hispanics tend to have more children, it takes fewer households than is the case in the general market to consume more product and move more cases at retail.

A network of close-knit families provides the cornerstone of the Hispanic’s social life. Most family members spend their leisure time with each other, in contrast to non-Hispanics who spend it primarily with friends. The Catholic Church is almost as fundamental as the family in the social structure of the Hispanic community. Hispanics are innately religious and very involved in the church. From that strong family orientation grounded in deep religious tradition springs a sense of loyalty that turns a satisfied Hispanic buyer into a lifetime customer.

Hispanic consumers, with their highly concentrated buying, are not just an important market segment, but are a market force that changes a brand’s overall share of the market by as much as fifty percent ("Hispanic
Market Study," 1984; A6). Hispanics exert a leverage in the marketplace that is disproportionate to the actual size of the population, due to their strong brand loyalty.

A concluding factor that ignited the desire to participate in the Hispanic market is the growing purchasing power of Hispanics. For the past decade, Hispanic family income has been climbing at an annual rate of 12.5% (Lieb, 1988). Between 1980 and 1986, Hispanic after-tax money income increased at an annual compounded growth rate of 11.56%, which is almost double the income growth rate of the general population. Using the 1980-86 rate as a base for estimating future aggregate after-tax income, Hispanic purchasing power was estimated at $129.5 billion in 1988 and can be estimated to rise to $141.6 billion for 1989. By reducing the aggregate after-tax money income by 25% for expenses consumed by housing and utility costs, Hispanic discretionary income is growing at annual rates significantly higher than for other ethnic groups. At current rates of growth, Hispanic purchasing power will be greater than black purchasing power before the turn of the century, even though the black population will be larger (Balkan, 1988).

One explanation of this dramatic increase in purchasing power is that as second and third generation residents obtain higher education levels, they achieve a professional status and become more affluent, while maintaining their authenticity. Another reason is the rising skill level of
incoming Hispanics. Political forces in Latin America are driving more highly educated people from middle and upper classes, as is the debt crisis.

In summary, even though the Hispanic population is not predicted to surpass the black population as the leading minority group for another eighty or ninety years, it is forecast that Hispanic purchasing power will overtake that of the black population in the next decade. Marketers must prepare themselves now.

As advertisers become aware of the opportunities in targeting Hispanics, they need to evaluate the needs of their clients. They need to take into account the geographic region their clients want to cover, because 90% of all Hispanics are concentrated in 9 states. Therefore, if a company organizes a nationwide advertising campaign or a campaign covering any of the nine aforementioned states, including Hispanics would be a very logical and feasible step. The following graph illustrates Hispanics in the United States by geographic distribution.
Hispanics in America Today
by Geographic Distribution

Source: U.S. Bureau of Census Series P-25
The Hispanic Segment and Marketing Communications

The next step would be to determine the best way to reach the targeted Hispanic market. A major question in communicating effectively with the Hispanic population in the United States is the choice of language. Can American Hispanics be best reached by English- or Spanish-language media? Agency executives have conflicting opinions.

Arguments for English-language media include the acculturization of Hispanics. U.S. born Hispanics acquire reading and writing skills in the American school system in English. As Hispanics become more Anglicized and Americanized, the impact of English-language advertising is greater. Even if not all Hispanics read or speak Spanish, they are still highly sensitive to ethnic-oriented messages. English-dominant Hispanics will increasingly want to read about their own experiences in the U.S. For this reason, publications such as Vista and Hispanic Magazine are thriving by offering vehicles to target Hispanics in English.

Arturo Villar, publisher of Vista, an English-language weekly newspaper supplement, is a pioneer in general-interest media for English-dominant Hispanics. His supplement now reaches more than 1 million Hispanic households via insertion in major general-market daily newspapers. However, skeptics attack his distribution method, claiming it does not guarantee readership. Arturo Villar sees both Spanish and

Commercials that speak Hispanic but don't speak Spanish are becoming more evident in the marketplace. McDonald's has pursued a strategy that utilizes an English-language Hispanic spot on television. The spot portrays a Hispanic attorney working late and apologizing over the phone to his wife. Although the dialog is almost entirely in English, the lawyer's Hispanic identity is established by the nameplate, "L. Martinez" on his desk and a casual "Si" and "Adios" interjected. The spot closes with the wife popping into the office asking, "Is this the law firm of Newland, Andrews--and Martinez?" and lovingly sharing a meal from McDonald's with the young lawyer.

As far as choice of language goes, English is appropriate sometimes, but its use is limited to English-dominant Hispanics. The skills Hispanics have acquired in English communications depend mainly upon their level of assimilation, or conformity to American culture. Assimilation patterns of Hispanics breaks into three categories, the unassimilated, the partially assimilated and the totally assimilated.

The unassimilated have a low incidence of English, lack telephones, have multiple family dwellings and maintain their Hispanic culture. The unassimilated Hispanic is an exclusive user of Spanish language newspaper, magazines, TV and radio programming. This group accounts
for 9 million or 38% of the U.S. Hispanic population (CBS Profile, 1989).

The partially assimilated will not, either by choice, inclination or socioeconomic pressures, move toward total assimilation. Due to the importance of traditional family and cultural values, they tend to keep heavily involved with Spanish-language media. For example, immigrants may want their children to learn English, but they also value their children retaining their culture and language. This segment represent a majority of the Hispanics or 11.6 million, which is 49% of the U.S. Hispanic population (Ibid).

The totally assimilated have become "Americanized." While they still identify themselves as Hispanics, their behavior, habits and lifestyles do not differ from other fully assimilated Americans. However, they recognize the importance of their Hispanic heritage. This segment accounts for 3.1 million or 13% of the U.S. Hispanic population (Ibid). The following graph visually pictures the actual separation of the Hispanic population according to their assimilation pattern.
Assimilation of Hispanics

Source: CBS Radio Research
Based on their high level of English comprehension and interest in their Hispanic heritage, English-language advertising is targeted primarily to the totally assimilated Hispanic. However, English-language advertising does not have to be limited to the totally assimilated Hispanics. Communicating skills in English have also been learned by many partially assimilated Hispanics. On the other hand, Spanish-language advertising may reach the partially assimilated more affectively. In order to answer the question of which language reaches U.S. Hispanics more effectively, Strategy Research Corp. evaluated the use of English, Spanish or both by Hispanics in different situations. The results of Strategy Research Corp.’s study is presented in the following chart.
Among U.S. Hispanic Adults-1989

Ling. Spoken At Various Times

Source: Strategic Research Corp.
Strategy Research Corp. concluded that the incidence of Spanish was higher than English. SRC vice president Jim Lorretta said, "As a rule, products that are presented to Hispanics in Spanish have much greater acceptance than those presented in English. . . . The payoff for advertisers is that Latins are two-and-a-half times more likely to recall a message if it's in Spanish than in English (Lieb, 1988)." Marketers have to touch the emotional buttons of Hispanics, and Spanish is still the language of emotions.

In response to the question of language, English is the most effective vehicle to target the totally assimilated Hispanic population, which represents only 13% of the total. Nevertheless, Spanish is the obvious choice in targeting the unassimilated, which represents 38% of the total. The deciding factor in the choice of language would be the language effective in targeting the unassimilated, which would achieve effectively communicating with a majority of U.S. Hispanics. The partially assimilated Hispanic, by description, does not want to move toward total assimilation, which would include English-language media. Thus, the partially assimilated maintain heavy involvement in Spanish-language media. Strategy Research Corp.'s study affirms that Spanish more affectively reaches the Hispanic than English. In summary in order to reach the maximum amount of U.S. Hispanics, Spanish should be the language of choice among marketers.
The use of the Spanish language adds another dimension, that of translation. Advertising copy, in any language, usually is designed to catch the public eye and ear with appealing printed or spoken messages. But advertisers sometimes lose sight of the fact that sales of a product will suffer if advertising copy intended for use in the Hispanic market is improperly translated.

Inadvertent language warps can be suicidal for a company attempting to reach Hispanics. For example, Chevy had problems with its Nova model, because in Spanish, the words no va mean it doesn’t go. Even Colgate had problems originally because “Colgate” in Spanish means hang him up by the neck.

An advertising headline, which depends on a play on words peculiar to the English language will not be rendered sensibly in another language. The entire message may be destroyed. A current Budweiser commercial features a Halloween theme. A pretty blonde vampire holds a tray of various types of Budweiser products, and asks, “What’s your Bud type?” The humor would be lost in the translation.

Translation of advertising communications often involves words with multiple meanings and definitions that lack direct equivalences in Spanish. Coors ran a version of its “Get loose with Coors” campaign. The literal translation was “Aflojate con Coors.” However, due to the multiple meanings of the verb “flojar,” Hispanics translated the phrase as “Get the
runs with Coors."

Furthermore, concepts may not be equivalent in the two languages, because the languages are welded intimately to the culture in which they are spoken. The use of the Spanish language alone is not enough. No advertising agency would hire someone to write an ad in the United States simply because he spoke English fluently. Neither is a person's fluency in Spanish enough for him to create Hispanic advertising. Understanding the Hispanic ethos, their cultural-specific behavior, and motivational patterns are the real key to unlocking the potential of the Hispanic market. Advertisers must be emotional, and emotion and culture are interrelated. Effective advertising is aimed at the Hispanic's cultural core. Three important aspects of this cultural core are religion, family, and the roles of the sexes.

Roman Catholicism has universal uniformities in ritual and theology, but Latins place their own emphasis on certain orthodox concepts and forms. The saints are the central powers of Latin American Catholicism. Many Hispanic communities adopt a patron saint or bring with them that of their homeland. On the day of the patron saint of a community or on the festival day of a famous miracle-working saint of a region, communities come alive. The people attend not only out of devotion but also for the recreational activities which are part of such festivities.
The Church is not only a social center, but also a source of guidance. The Catholic Church has played a large role in the development of the modern Latin American cultural tradition. With the exception of a small minority, all Latin Americans are Catholics. The Church plays an active role in the lives of the Hispanics. The Catholic Church influences Latins views of family, loyalty, and the roles of the sexes.

One of the striking contrasts between Hispanic society and that of the “Gringo” lies in the importance assigned to kinship. The typical American thinks of family as consisting of a man and his wife and their children. On the other hand, Hispanics have closer ties with a more widely extended group of family. When a Hispanic speaks of “family,” he usually means an enormous group of relatives including aunts, uncles, grandparents, cousins, nephews, nieces, and in-laws.

A member of a well-known Hispanic family may have literally hundreds of relatives. There are frequent family affairs such as birthdays, parties, baptisms, weddings, first communions, graduation exercises, funerals, and masses for deceased members. In fact the social life of many Latin Americans is almost wholly confined to the family. Outsiders without kinship connections may find that Latin American communities have a restricted social life. Once one has been received into a family through an intimate friend, however, social life may become quite intense, since friends are often included in many social events.

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Consistent with the emphasis on kinship affiliations in the importance given by Hispanics to religious kinship ties established through the mechanism of god-parenthood, or compadrazgo. This old pattern of Roman Catholic baptismal sponsorship sets up a pseudokinship relationship and a strong personal tie not only between the child and its sponsors at baptism, but also between godparents and parents.

The Church’s belief in the importance of procreation helped form their doctrines prohibiting unnatural methods of birth control, and abortion. Couples are expected to remain chaste until marriage, which may have indirectly encouraged couples to marry young. In any case, these beliefs have encouraged Hispanics to have very large families.

Based on this strong sense of family, Hispanic advertising may use more in-home scenarios, or family related scenes. For example, the Sanchez & Levitan Agency produced a commercial for the Florida Lotto. In the commercial, a husband and wife sit at the beach, dreaming of things they will do if they win the Lotto. What makes the spot Hispanic, is that the couple daydreams about visiting relatives in St. Petersburg instead of the Eiffel Tower.

Also, housewives are very concerned with providing good tasting meals for their families. She is not as concerned about low cholesterol and fats. If the meal does not taste good, the homemaker does not want to serve it to her family. Mazola corn oil’s ad campaign for the general
population stresses that corn oil is low in cholesterol; however, their Hispanic ads emphasize the great taste the oil adds to food.

Another aspect of Hispanic culture influenced by the Catholic Church is that of the roles assigned to men and women. The Church stresses chastity before marriage; however, for many Latins that only applies to the women. Females are expected to be replicas of the Virgin Mary. On the other hand, men are expected to be “macho.” The relationship between the sexes is what might be termed the “double standard.”

As soon as they are able to toddle, boys are expected to be mischievous, aggressive, and daring: girls are expected to be calm, obedient, and demure. Hispanics cannot understand how American mothers can dress their children of either sex in playsuits, blue jeans, and other asexual uniforms. Girls should be dressed in soft fluffy garments, and boys in replicas of their father’s clothes.

At adolescence, the boy is given considerable freedom. After adolescence, girls should be subjected to strong controls. Parents feel certain that all young men have dishonorable designs on their daughters, and they also feel that no girl would be able to resist the advances of a man should she find herself alone with him (Wagley, 1968). Young women should be carefully guarded. When Latin girls reach the age of dating, she may be chaperoned on dates. The couple either goes out with a large group of friends, another couple, or a younger brother or sister. Parents who
allow their daughters to have unchaperoned dates feel uncomfortable.

Advertisers must be aware of these views. It would be unwise to portray a couple who live together without benefit of marriage. The wedding band is a necessity. Hispanic's more traditional view of women demands male announcers and authority figures in commercials. And marketers should be careful not to portray men in male-female situations as morons. Even in such areas as housecleaning, where men would be expected to know little or nothing, denigrating the male would disparage Hispanics' belief in male authority. Also, women should not be shown as aggressive. A commercial like Charlie Perfume, where the woman pats the man's bottom, would not be received favorably in the Hispanic market.

When creating advertising for the Hispanic market, it is necessary to remember this cultural core. The important influence of the Roman Catholic Church, family ties, and the roles of the sexes are factors paramount to an ad campaign's success. Not only do marketers need to understand the Hispanic's cultural ethos, but also they need to respect it in their advertising.

In conclusion, the Hispanic market has been gaining importance. Even though the Hispanic population has been present in the United States for decades, it was not really "discovered" until the 1980 census. As of 1989, the Hispanic segment increased 26% from 1982 to represent over 19 million citizens. Immigration and high birth rates have contributed to this
rapid growth. Projections indicate the Hispanic population will at least double or even triple by the year 2020 and the number could even exceed 50 million.

Hispanics in America today are young, increasingly better educated and have higher income levels. The social and economic implications are clear: as the fastest growing segment in the U.S. population, Hispanics represent an increasingly important group. Also, their geographic concentration allows advertisers to more efficiently target Hispanics.

Since many Hispanics are born in the United States, they attend an English-speaking school system. This leads to the question of which language, English or Spanish, reaches the most Hispanics. Assimilation patterns and research done by Strategy Research Corp. affirm that Spanish reaches more of the Hispanics in the United States. On the other hand, translation of advertising into Spanish may cause some problems. Literal or straight translations may fail in communicating their message. This is due to differences in plays on words, multiple meanings of words or nonequivalent concepts.

Furthermore, great, memorable and effective advertising is idiomatic. It uses nuance, and plays on the memory bank of life experience one builds. Effective advertising is aimed at the cultural core that builds the foundation of this memory bank. Advertising needs to be created by sensitive, intuitive people who understand the psyche -- the culture -- of
their consumer, the Hispanic. Three important aspects of this cultural core are religion, family, and the roles of men and women. Advertisers need to take these cultural factors into account when creating Hispanic advertisements.

The Hispanic market offers much opportunity to U.S. Marketers. For as President Ronald Reagan wrote to the organizers of 1983's Chamber convention: "To every cynic who says the American dream is dead, I say: Come to the Hispanic business community.

"Come see how entrepreneurs of Hispanic descent are not just building new corporations -- they're building America's future for all of us. (Hispanic Market Study, 1984)."
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