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THE ECONOMY

## Despite recession, companies target Latino market

Despite high unemployment among U.S. Hispanics, advertisers are still courting Latino consumers.

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Halfway through Univision's top-rated variety show, *Sábado Gigante*, host Don Francisco yells out: "Vamos a cantarle a State Farm! Música, maestro!" -- "Let's sing to State Farm!"

The audience swings into a snappy rendition of a song that praises State Farm Insurance -- part of the company's marketing strategy that is pumping more dollars into Hispanic marketing than ever before.

An increasing number of advertisers, especially consumer-product companies and financial-services firms, are reaching out to U.S. Hispanics and putting a larger share of their ad budgets into Spanish-language media and community-event sponsorships.

Earlier this month, video-game publisher Sega announced its biggest Hispanic marketing campaign with the launch of its latest Wii title, *Daisy Fuentes Pilates*. Kellogg is adding "a touch of honey" to its Corn Flakes cereal to court Hispanic consumers who prefer honey as a natural sweetener. Fifth Third Bank, based in Cincinnati, is expanding its reach to Hispanics in seven markets -- including four in Florida: Orlando, Tampa, Naples and Fort Myers -- with radio, print and



Advertisers are courting the U.S. Hispanic market even though the recession has been very bad and a high number of Hispanics are unemployed. This event promotes 7UP in the Winn Dixie parking lot at 3701 NW 7th Street on Friday, July 31, 2009. Here,

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singer Denise Gonzalez, signs autographs for fans as she promotes her music CD and 7UP. AL DIAZ / THE MIAMI HERALD STAFF

online ads. The bank is also sponsoring local workshops to help consumers with their finances during the recession.

More than \$5 billion was aimed at the Hispanic market in 2008, according to TNS Market Intelligence, an advertising market research firm.

The amount was down slightly (.08 percent) from the 2007 figure -- far less than the 4 percent drop in overall marketing spending, from \$126.7 billion in 2007 to \$121.8 billion in 2008.

As for State Farm, the Bloomington, Ill., company is spending more money to reach U.S. Hispanics this year than it did in 2008, says Mark Gibson, assistant vice president for advertising for State Farm.

### DEEPER RELATIONSHIP

State Farm, regularly among the top 10 marketers to Latinos, spent nearly \$58 million in advertising in Spanish-language TV, magazines and newspapers in 2008, doubling what it had spent in the prior year, according to TNS Media Intelligence.

Though the insurer has marketed to Hispanics for the past decade, it accelerated its efforts three years ago when it began to sponsor *Sábado Gigante*. Last year, it added the *Fiesta del Jonrón* (a traveling home-run derby and Hispanic baseball hall of fame) and added the Latin Billboard sponsorship. State Farm agents sponsor bike-safety fairs and local baseball and soccer teams.

This year's increased dollars will go toward traditional TV, print, online and radio advertising as well as event and sponsorship marketing.

"Consumers are savvy today. They understand when they are being advertised to," says Gibson.

"But you can take a relationship deeper when you can connect with consumers in ways they don't necessarily expect."

### NOVELAS

Indeed, for a new twist on the insurer's marketing and brand integration, a new online novela will premiere on Univision.com Wednesday, featuring a State Farm agent as one of the characters. The insurer is also a new sponsor for Telemundo's prime-time novela, *Más Sabe el Diablo*, where a supporting character will also be a State Farm agent.

Such investment comes despite the withering recession that has hit Hispanics especially hard. Unemployment among U.S. Hispanics is higher than that in the overall population, measuring in at 12.2 percent in June compared to 9.5 percent for the total labor force.

Many Hispanics are employed by industries wrecked by the downturn, including construction, manufacturing, autos, retailing and hospitality, note economists. For instance, the Pew Hispanic Center, a research initiative funded by the Pew Charitable Trusts based in Washington, D.C., said Hispanic workers lost 156,000 construction jobs and 65,000 service jobs in the 12 months ending Oct. 2008.

### BUYING POWER

But the number of Hispanics and their marketing clout continue to rise -- and that keeps advertisers interested and invested.

According to the Selig Center for Economic Growth at the University of Georgia's Terry College of Business, the share of buying power controlled by Hispanic consumers will grow to 10 percent, or \$1.4 trillion, of the U.S. total by 2013. That puts Hispanics ahead of all other minority groups, including African Americans.

And while the recession has slowed immigration, economists remain confident that Hispanics will comprise the largest minority share of the U.S. population in the next four years -- 16.6 percent.

"The long-term view is still very positive if you look beyond the next year," said Manuel Lasaga, head of Strategic Information Analysis Inc., a finance and economics consulting firm in Coral Gables.

"Product companies don't want to pull out because they already have money invested in this market."

### **'TIPPING POINT'**

Hispanics' shopping habits also make them appealing to advertisers: They are more frequent shoppers than non-Hispanics and are more willing to buy from advertisers than non-Hispanics, according to a survey released in June by Experian Simmons and Univision Communications.

All this plays into the hands of Spanish-language media.

"There's been a new listening to our story," says David Lawenda, president for advertising and sales at Univision. "We're at the tipping point in 2009 where it is now a business imperative to market to Hispanics in the language of their hearts."

### **'UNTAPPED WAYS'**

Lawenda has spent the past year preaching to consumer-product companies about opportunities in the Hispanic market. "Everyone is looking for untapped ways to grow their business and there are few very places to look and we're one of them."

The network has seen new interest from quick-service and casual-dining restaurants, household goods and beverage manufacturers, and financial-services companies. New advertisers will show up on Univision soon, he said -- but wouldn't name them because contracts haven't been finalized.

### **EVENTS**

Likewise, sponsorships for Hispanic events are experiencing an uptick.

While the total amount of overall advertising dollars committed to event marketing is down this year, interest remains strong because events can be finely tuned to reach specific groups within the Hispanic market, says Nelson Albareda, chief executive officer of Eventus Marketing in Miami.

For instance, a street festival in Miami would feature more tropical salsa or urban music. In Los Angeles, regional Mexican music with stars like Jenni Rivera would be the highlight.

"These events are something you're going to remember for a while. Who knows if you're going to see our ad on TV," Sanchez said. "We want to be where the consumer is."

### **AN EXAMPLE**

Case in point: Two weeks ago, Denise Gonzalez, a rising Latin pop star, was signing autographs inside a green inflatable tent that had oversized daisies and was crowned with a 7UP can. The scene was a parking lot of a Winn-Dixie supermarket in Miami -- part of an effort to reach young Hispanic mothers.

Gonzalez is the spokeswoman for 7UP's new ``Sevenísima" campaign. She sings a song especially written for the new marketing push in the TV commercials.

Consumers like Isabel Del Cid walked away from the 7UP tent with cans of soda, bright green T-shirts and hats, daisy-shaped key chains and car air fresheners.

``It's already my favorite soft drink, so I was glad to get the samples," she said.

``7UP is still using traditional TV and print advertising," said Rene Sanchez, who handles 7UP marketing for the Dr. Pepper Snapple Group. But events like this ``touch the consumer directly."