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The Hispanic Market

The fastest growing ethnic subculture in America today is the Hispanics. Not only is it the fastest growing, but it is also the largest. Many companies are starting to realize the potential money to be made from the Hispanic market. Although companies are starting to advertise toward the Hispanic market, there are still plenty that fail to reach this valuable market. Difficulties in reaching this market are plentiful. The term “Hispanic” refers to ethnicity, not race, which creates many subcultures within the market. The main uniting feature among Hispanics is that they are Spanish speaking, but each subculture in the Hispanic market is different making them a difficult market in which to advertise. The billions of dollars to be made in this market are worth the trouble to many companies.

The buying power of U.S Hispanics has increased greatly over the years making them a very valuable market. According to the U.S. Census Bureau, the Hispanic population has increased from 9.6 million in 1970 to 48.7 million in 2010. This translates to more than 15% of the entire U.S. population. Furthermore, it is estimated that by 2050 there will be 102 million Hispanics in America. There is wide range of diversity in this large market, and it is important to realize this diversity and plan your advertising strategy accordingly. Segmenting the Hispanic market is crucial in planning a strategy. The single most important segmentation factor among U.S. Hispanics may be their country of origin. The U.S. Hispanic market is comprised of subcultures from over 20 countries in Central and South America, the Caribbean and Spain, with the majority (63%) of Mexican heritage. (Sonderup, Laura) Segmenting the market will help solve many problems, but the language barrier remains. Although many Hispanics speak English, there are many that don’t, which makes reaching them difficult. This critical barrier is the point where many companies decide it is not worth the money to try and reach those in the Hispanic market. It is important to realize that there are two very important groups of Hispanics, traditionalists and second generation-plus. Traditionalists integrate their lifestyle from their country of origin to their lives in the U.S., and second generation-plus refers to Latino’s who live the Latin lifestyle, but speak English. (Edelhauser, Kristin) Determining which group to market too is a critical step in one’s market strategy.

 There are many companies that do a great job of avoiding target discrimination, especially to the Hispanic market, but there are many that do not. Tommy Hilfiger is an example of a company that tends to discriminate in its marketing strategies. Rich Caucasians are the prominent market for Tommy Hilfiger, and are who the company directly advertises to. I have looked at many advertisements from the company and nearly all of the clothes models are white. Furthermore, on the diversity section of the Tommy Hilfiger Web site is a quote from Tommy himself stating, “I create my clothes for all different types of people regardless of their race, religious, or cultural background. I am very pleased that the brand has been received so enthusiastically throughout the world.” This quote is right next to a picture of six young adults. Three are white, and three are black. I found the lack of diversity on this page very ironic. Hispanics are just not part of the Tommy Hilfiger image. A company that does a much better job in reaching the Hispanic market and interacting with them is Bank of America. They have realized the potential in targeting the large Hispanic market, and are marketing towards them more than ever. Their Web site has an option to be translated into Spanish for their many Hispanic customers unlike Tommy Hilfiger, and have introduced “Safe Send”, which allows those with family in Mexico to safely wire transfer money. Their transaction forms are in both English and Spanish as well as their informational handouts. Furthermore, The Bank of America Charitable Foundation announced last month that it is helping fund the National Association of Latino Elected Officials (NALEO) Educational Fund's Voces del Pueblo (Voices of the People) Program, which provides voting information nationwide. ([www.bankofamerica.com](http://www.bankofamerica.com)) The foundational diversity of Tommy Hilfiger goes as far as The Tommy Hilfiger Corporate Foundation, which focuses on education for America’s diverse youth. No specific races or cultures are listed. Spending a few minutes browsing the Web sites of these companies reveals information about who they market their products or services to.

 Bank of America avoids market discrimination, and strives to attract the large Hispanic market, while Tommy Hilfiger avoids diverse markets. Tommy Hilfiger’s target market is upper class, white men and women because that is who currently buy’s their clothes. They fail to reach other ethnic subcultures because most don’t wear Hilfiger. This could be interpreted as market discrimination, but it is the strategy that they choose. There could be millions to be made if Tommy Hilfiger began to advertise in the Hispanic market, but it would be expensive to revamp the company’s image in such a way. Bank of America, however, has advertisements in Spanish that run on the main channels in Mexico and the Spanish channels in America. Their effort to reach this market has been fruitful. Hispanic Business magazine selected Bank of America as one of its "Top 60 Diversity Elite" for the fourth year in a row. The recognition is based on the company's dedication to supporting Hispanics in the workplace. ([www.bankofamerica.com](http://www.bankofamerica.com)) Bank of America has recently begun a program to provide credit cards to people without social security numbers. Most people without social security numbers are illegal immigrants, and this program has been met with much opposition from non-Hispanic members of the community. The Hispanic members of the community, however, are very pleased with the direction the bank is going.

 In conclusion, the Hispanic market is the largest subculture in the U.S. and is growing fast. Hispanic spending power is starting to get the attention of many companies, but many are still reluctant to reach this diverse group. The language barrier is a major deciding factor for those who choose not to target Hispanics. Furthermore, the subculture has many subcultures within itself that increase the difficulty in reaching the entire market, however, many companies, like Bank of America, have found great fortune from successfully targeting the Hispanic market.

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