



HISPANIC WORKBOOK

Leadership Conversation Series
Connecting with Hispanic
Consumers

INTRODUCTION

Today's U.S. Hispanic market represents an opportunity for marketers like never before. As the Hispanic market has grown past 60 million consumers, brands are taking notice of the immense potential this growing group holds.

With over a billion dollars in annual income and a young, vibrant population, Hispanics have more buying power than ever before and are impacting a wide range of consumer categories.

For marketers, it's time to engage with this unique audience with culturally relevant communications that will engage consumers and generate sales results. The Sherpa Marketing Solutions team is happy to share these insights and we hope they will assist your company's Hispanic marketing efforts.



HOW WE STAND APART HOLISTIC, 360° APPROACH TO BUSINESS AND CONSUMER INSIGHTS

We work with brands to help size the market opportunity and determine how best to connect with Hispanic consumers through content that is relevant and compelling.



**Data
Analysis**

**Cultural &
Consumer
Insights**

**Competitive
& Category
Dynamics**

**Go-To-Market
Strategy**

HISPANIC MARKET UPDATE

Total U.S. population growth is primarily driven by Hispanics. The Hispanic population accounts for the majority of the nation's growth 2010–2021 and currently accounts for 19% of the total U.S. population.

Hispanics are also a younger population than the rest of the U.S., accounting for an increasingly larger share of younger population segments including Millennials and Gen Z.

The implications for marketers are clear, with Hispanics representing a young and growing consumer segment that's evolving in their brand loyalties and spending decisions.



62.8 million Hispanics
19% of U.S. population



Hispanics account for
52% of U.S. population growth 2010–2021
Driven by U.S. births rather than immigration



Hispanics account for **23.4%**
of Millennials (1980–1994)
25.8% of Gen Z (1996–2015)

YOUNGER POPULATION IN THE MIDST OF HOUSEHOLD FORMATION



58% of Hispanics are under age 34 **42%** of non-Hispanic Whites under age 34

Hispanic Median Age **30.2** y/o vs. **40.8** y/o for non-Hispanic

Hispanic households are generally larger with an average of **3.8** individuals vs. **3.2** average across the U.S.

IMPLICATIONS

- ▶ Higher labor force participation into the future
- ▶ 30% increase in new households headed by Hispanics vs. 6% for non-Hispanics
- ▶ Larger, multi-generational households
- ▶ Higher spending on food, personal care, children's products, housing, etc.

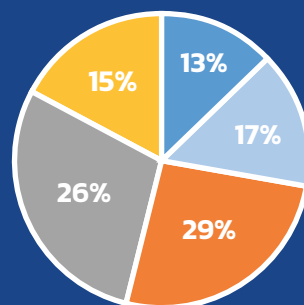


INCREASINGLY ACCULTURATED, BUT NOT ASSIMILATED

As more Hispanics are born in the US and immigrants spend longer in the US, Hispanics remain close to their culture – no matter the language preference.

64% of Hispanics are U.S. born, and **81%** of all Hispanics are U.S. citizens.

POPULATION BY ACCULTURATION LEVEL



- HA5
- HA4
- HA3
- HA2
- HA1

HA1 | Americanizado

English dominant, US born
Limited Hispanic cultural practices

HA2 | Nueva Latina

English preferred, US born
Some Hispanic cultural practices

HA3 | Ambi-Cultural

Fully bilingual & bicultural
Immigrated as child or young adult

HA4 | Hispano

Spanish-preferred, predominantly Hispanic culture
Adult immigrant

HA5 | Latinoamericano

Spanish dominant, recent immigrant
Almost exclusively Hispanic cultural practices

Source: Claritas

INCREASING ECONOMIC CONTRIBUTION



\$2.6 Trillion
annual income

2x annual income
growth rate
vs. non-Hispanics
2010-2020

\$58,015 average HH income
Up **24%** since 2010

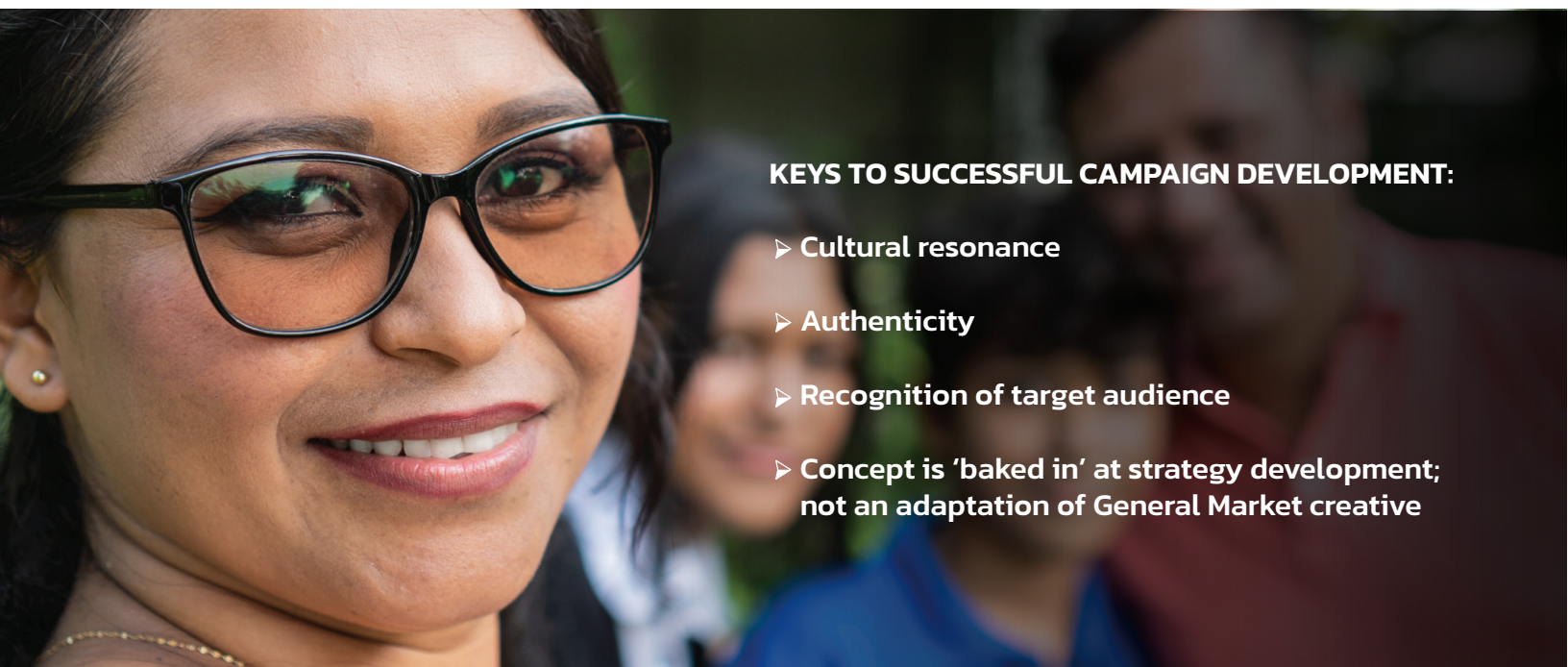
20% of the U.S. workforce
is comprised of Hispanic workers

TOP PERFORMING CAMPAIGNS GENERATE 50% HIGHER PURCHASE INTENT AMONG HISPANIC CONSUMERS

Cultural relevance beyond language

72% of Hispanics more likely to
connect with ads that show their
culture.

Cultural authenticity helps drive
relevance and engagement



KEYS TO SUCCESSFUL CAMPAIGN DEVELOPMENT:

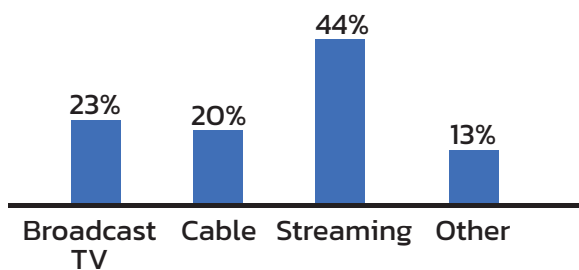
- ▶ Cultural resonance
- ▶ Authenticity
- ▶ Recognition of target audience
- ▶ Concept is 'baked in' at strategy development;
not an adaptation of General Market creative

ACTIVATING THE HISPANIC OPPORTUNITY



REACHING HISPANIC CONSUMERS

Pct of Time Consuming TV



Changes and evolution in media consumption

- ▶ Broadcast Spanish TV remains a strong element of the media mix, especially for OTO sports and entertainment events such as Latin Grammys and Liga MX.
- ▶ Hispanic appetite for digital content is driving opportunities for new ways of connecting with Hispanic consumers.



52% of Hispanics spend at least one hour a day on social media vs. **38%** of non-Hispanic Whites
 Hispanics share social media content 5x more than non-Hispanic Whites

NEW OPPORTUNITIES FOCUSED ON MOBILE FIRST

A majority of Hispanics are more likely to stream and view videos on smartphones or tablets

- ▶ 90% of Hispanics stream videos on their mobile devices
- ▶ A smartphone is a more cost-effective option than a cable subscription
- ▶ Content language is not 'either/or' – few Hispanic consumers watch exclusively Spanish-language content
- ▶ Mobile-first opportunities include Podcast listenership – 34% of Hispanic adults, particularly U.S. born
- ▶ Influencer content particularly Instagram and TikTok YouTube – 38% of Hispanic millennials turn to YouTube for news



33% of Hispanic consumers are more likely to use social networks to engage with brands vs. **21%** of non-Hispanics

KEYS TO SUCCESSFUL HISPANIC OUTREACH

Internal organizational factors that will impact program success

- ▶ Alignment and buy-in at all levels of the organization; senior leadership, middle management, brand managers
- ▶ Support corporate objectives
- ▶ Establish a roadmap of measurable objectives with check-in points such as:
 - ▶ Consumer research
 - ▶ Test market program that builds the business case
 - ▶ Engage internal expertise (i.e. ERGs) or external partners
- ▶ Engagement with 'boots on the ground' including sales teams, brokers, retail partners. Their collaboration and support can be crucial to program success

Commitment to cultural understanding and relevance

- ▶ Take time to understand cultural nuances and how Hispanic consumers engage with your brand
- ▶ Develop a commitment to the community that goes beyond generating sales
- ▶ Plan for long-term engagement
- ▶ Generate executions that are authentic and resonate with consumers
 - ▶ Engage beyond language
 - ▶ Recognize heritage and that many Hispanics are at home in both cultures
- ▶ Food, music, and sports provide opportunities for engagement that are relevant and reflect important cultural touchpoints



LET OUR TEAM HELP YOU ACHIEVE YOUR COMMUNICATION GOALS



The Sherpa Marketing Solutions team is a full service, Southern California-based marketing and advertising agency dedicated to turning our clients' challenges into opportunities.

- More than 20 years of experience assisting local and Fortune 500 clients in the creation and implementation of successful Hispanic marketing campaigns including Wells Fargo Bank, American Honda, Albertsons supermarkets, Nestlé USA, and many others
- Fully bilingual and bicultural in-house team ready to address cultural and language nuances in all communications
- Results-oriented, experienced team
- Work directly with senior – level experts
- Certified small business / minority-owned business

We look forward to hearing from you!

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Sherpa Marketing Solutions is a minority-owned business certified by national and and local organizations:

