



# **Power of Hispanic Consumers**

**A Compelling Argument for Reaching Out to Hispanic Consumers**

# Contents of This Study

- The Hispanic Population
- Hispanic Demographic Profile
- Hispanic Consumer Behavior Profile
- Hispanic Radio Profile





# The Hispanic Population

# Beyond the Hype:

## How Significant Is the Hispanic Population?

- There are now 39.9 million Hispanics living in the United States, which accounts for 13.7% of the population
- One in every seven Americans is of Hispanic origin
- By 2010, nearly one person out of every six living in the U.S. will be of Hispanic origin
- Hispanic Americans have become the biggest minority in the nation

# What Exactly Is “Hispanic”?

- For the purposes of this study, “Hispanic” is a person who defines him-/herself as being of Hispanic origin or descent
- “Hispanic” does not define country of origin or primary language; only ethnic background
- The U.S. Census, as well as Arbitron’s Scarborough database, defines a person’s ethnicity as well as their race



# Why Are Hispanics Valuable Consumers?

**Hispanics have an estimated buying power of \$686 billion as of 2004.**

- California alone has a Hispanic buying power of \$198.5 billion
- Texas follows, with \$119.3 billion
- Florida has \$63.7 billion
- New York has \$56.6 billion
- Illinois finishes out the top five markets, with \$31.3 billion in Hispanic buying power

# Hispanic Buying Power Growth 1990-2009

- Between 1990 and 2009, Hispanic buying power is growing at an annual compound rate of 8.2 percent
- This is almost double the non-Hispanic buying power growth rate of 4.9 percent
- Projected Hispanic buying power by 2008 will be \$923 billion
- By 2009, Hispanics will account for nine percent of all U.S. buying power, up from 5.2 percent in 1990

# Hispanics in the U.S. Have Diverse Origins

<b>Mexican</b>	<b>25 Million</b>	<b>66.9%</b>
<b>Central or South American</b>	<b>5.3 Million</b>	<b>14.3%</b>
<b>Puerto Rican</b>	<b>3.2 Million</b>	<b>8.6%</b>
<b>Other Hispanic</b>	<b>2.4 Million</b>	<b>6.5%</b>
<b>Cuban</b>	<b>1.4 Million</b>	<b>3.7%</b>

Source: U.S. Census Bureau – June 2003



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# Top 10 Scarborough USA+ Hispanic Markets Based on Hispanic Population 18+

<b>Los Angeles</b>	<b>4,559,255</b>
<b>New York</b>	<b>2,769,550</b>
<b>Miami</b>	<b>1,326,700</b>
<b>Chicago</b>	<b>1,046,950</b>
<b>Houston</b>	<b>1,017,640</b>
<b>San Francisco</b>	<b>920,980</b>
<b>Dallas</b>	<b>855,265</b>
<b>San Antonio</b>	<b>734,220</b>
<b>Phoenix</b>	<b>653,650</b>
<b>San Diego</b>	<b>526,025</b>



Source: Scarborough USA+, DMA® - Release 1, 12-month, 2004



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# What Is the U.S. Hispanic Population Like?

- Younger age profile than average in the United States
- Larger families
- More full-time employment than average
- Heavy spending, particularly in certain categories



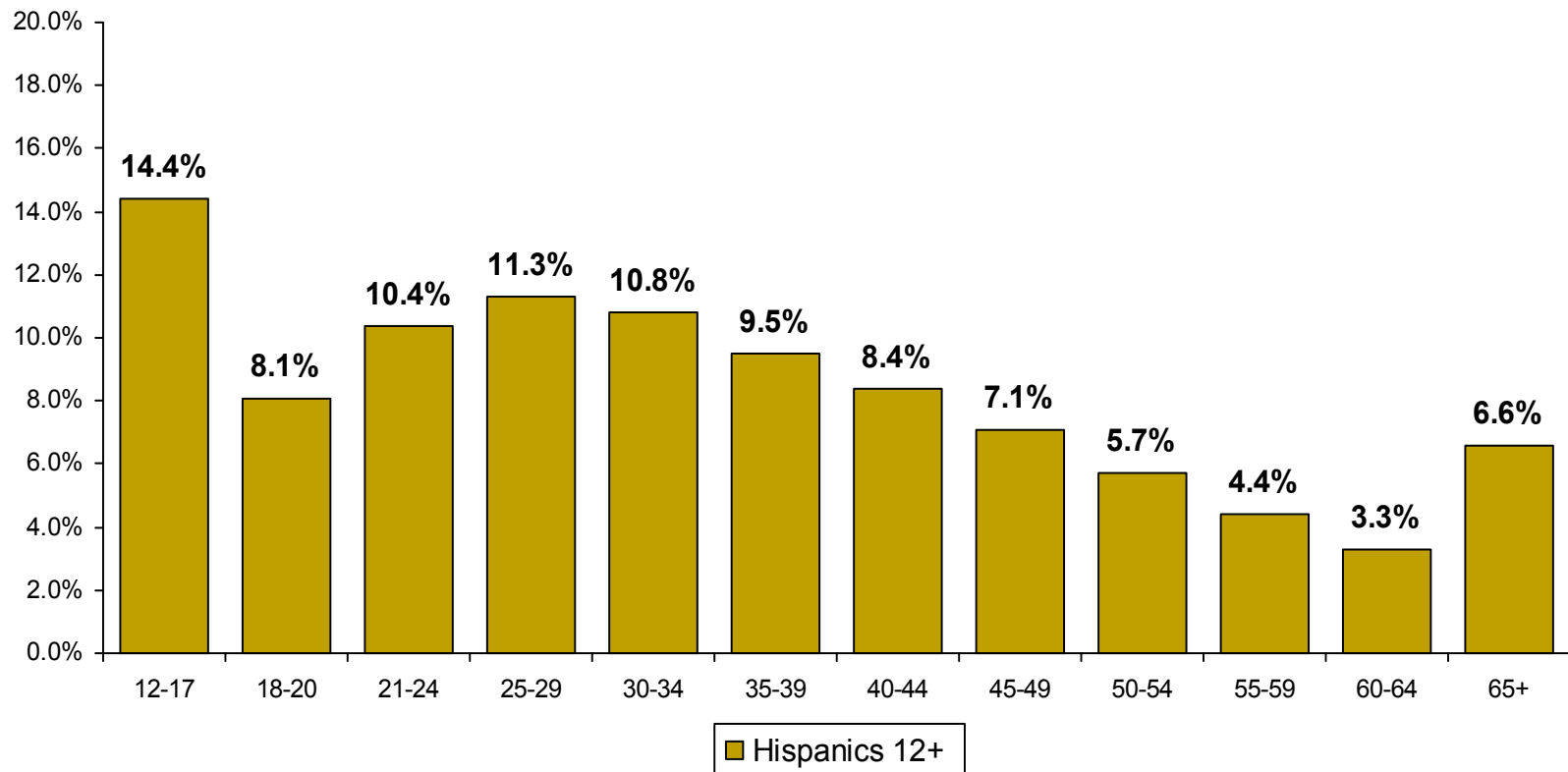


# Hispanic Demographic Profile



© 2004 Arbitron Inc.

# Age Profile

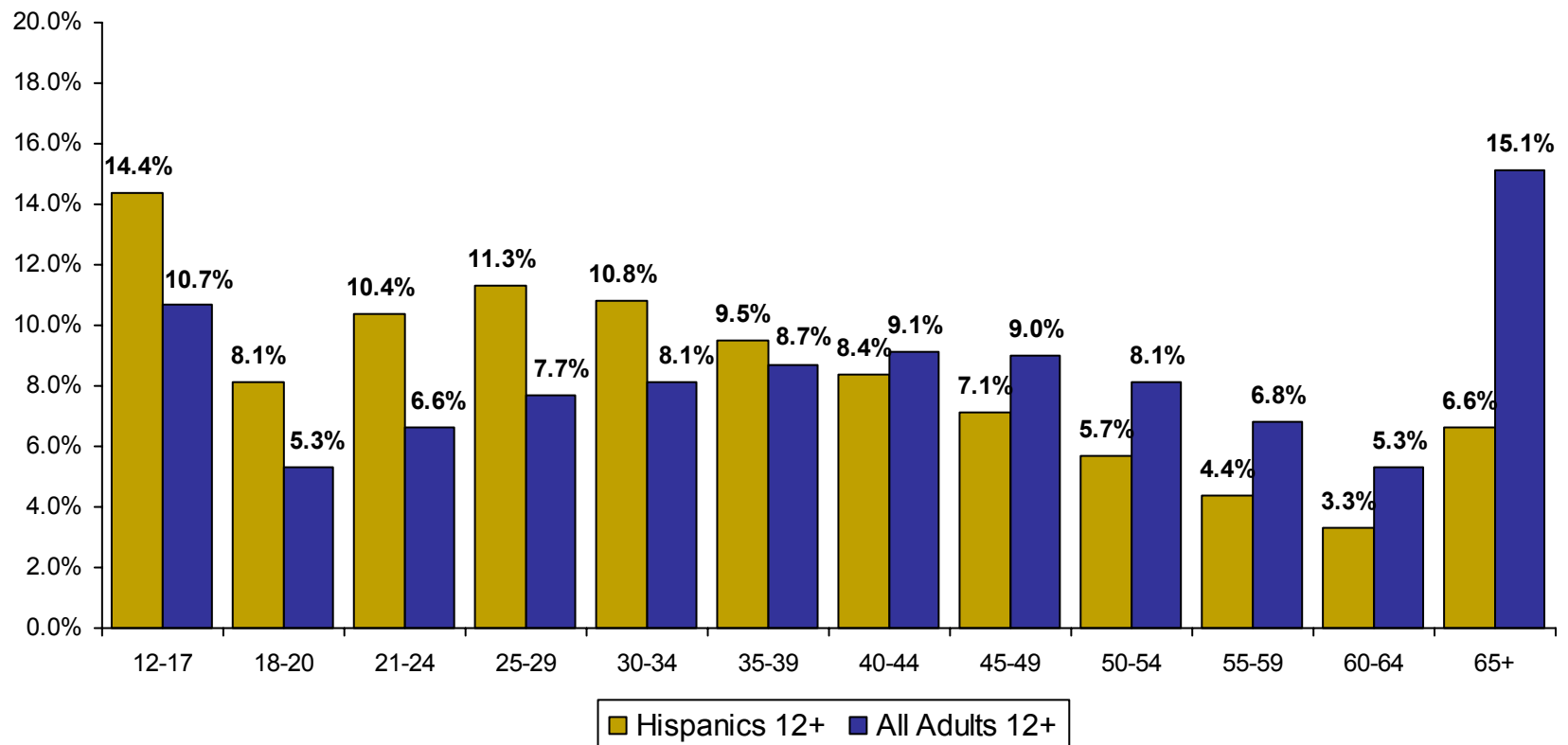


Source: Claritas 2004 population estimates



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# Hispanics Are Younger Than the General Population

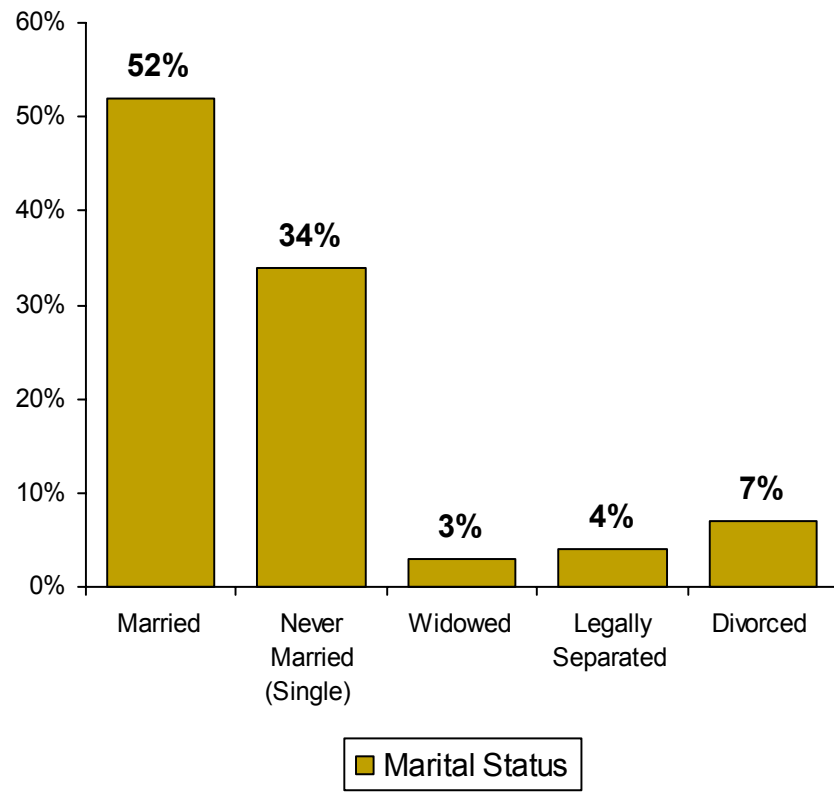
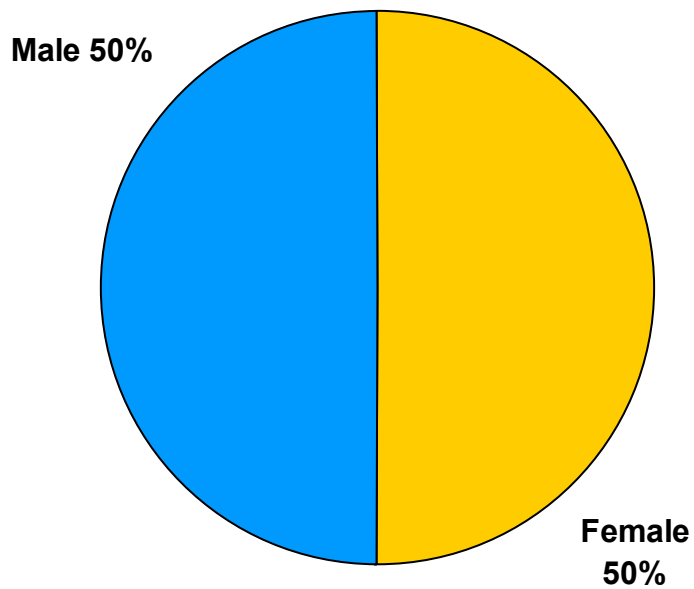


Source: Claritas 2004 population estimates



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# Gender and Marital Status

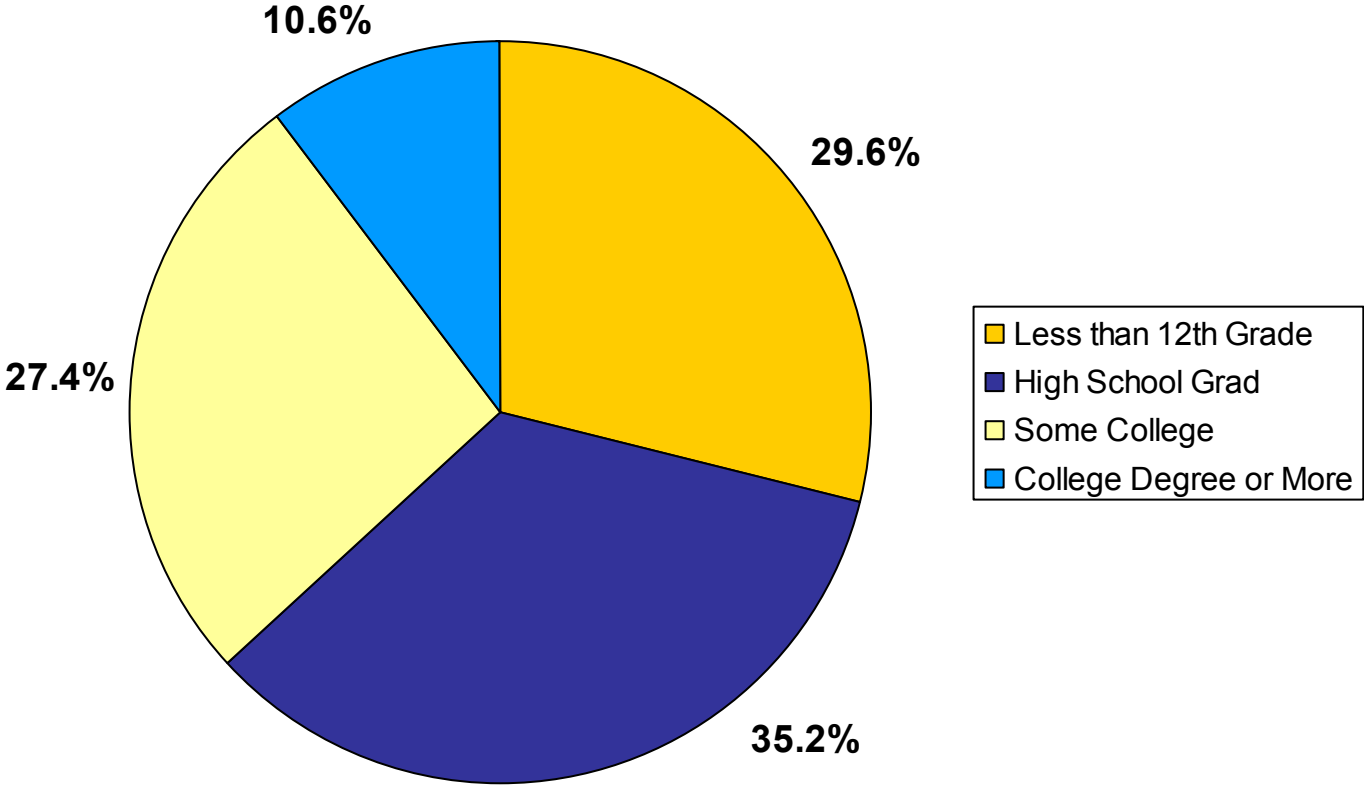


Source: Scarborough USA+, Release 1, 12-month, 2004



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# Over One-Third of Hispanics Have Some College Education, College Degree or More

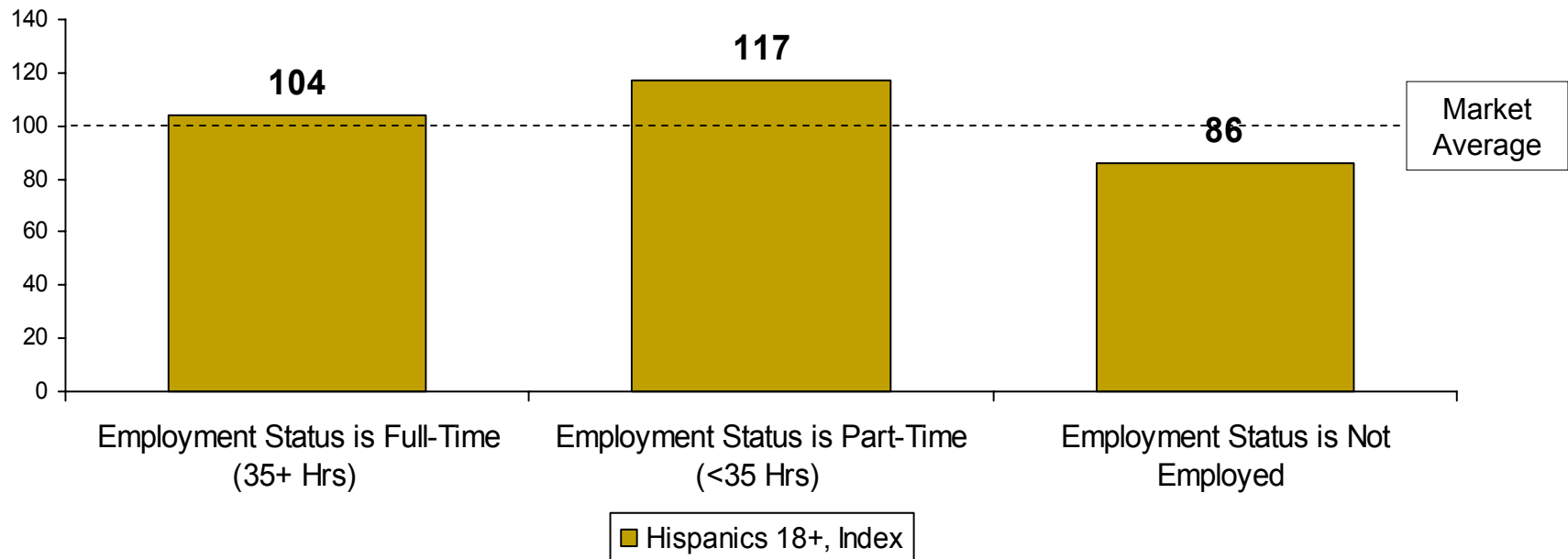


Source: Scarborough USA+, Release 1, 12-month, 2004



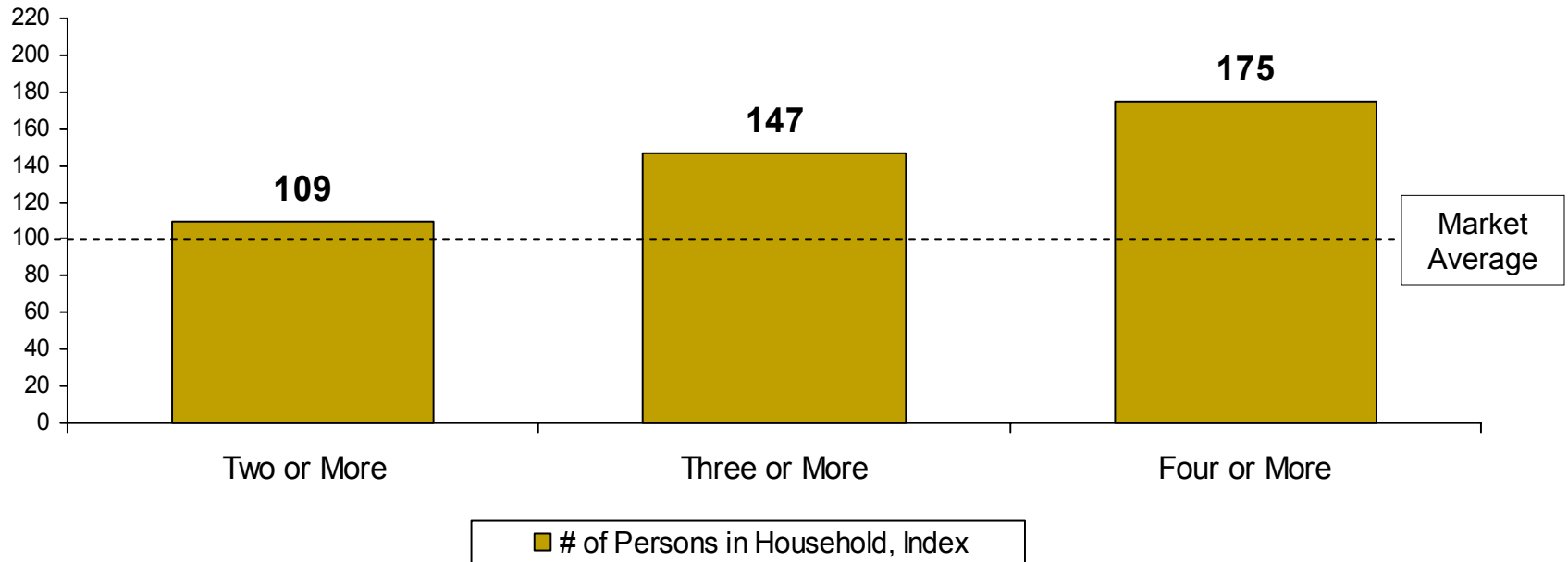
# Hispanic Consumers Are More Likely to Be Employed Than the Average Person in the United States

There are 14 million Hispanics 18+ employed full-time in the United States



# Hispanics Spend, in Part, Due to Larger Household Sizes

**55.1 percent of Hispanic households have four or more members**

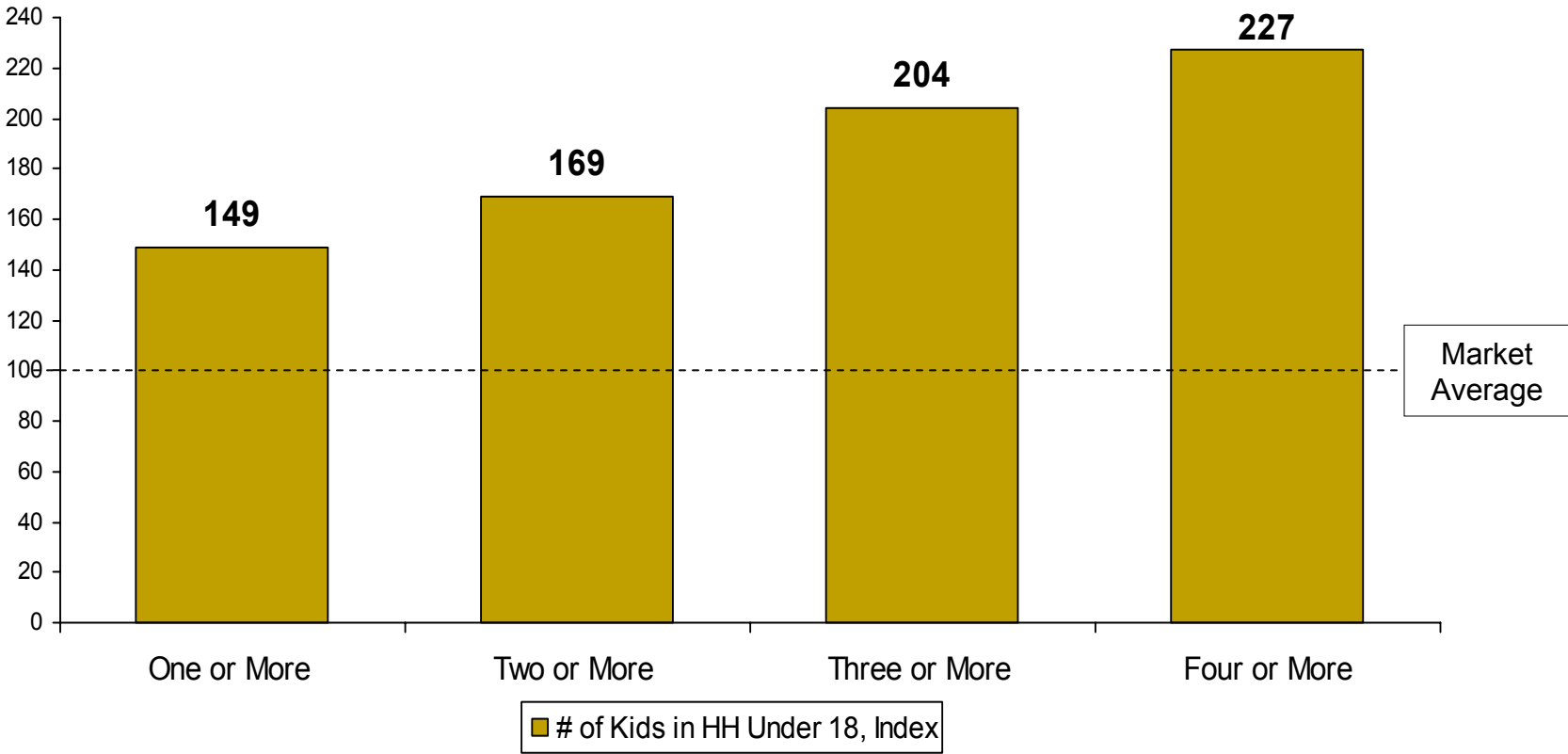


Source: Scarborough USA+, Release 1, 12-month, 2004



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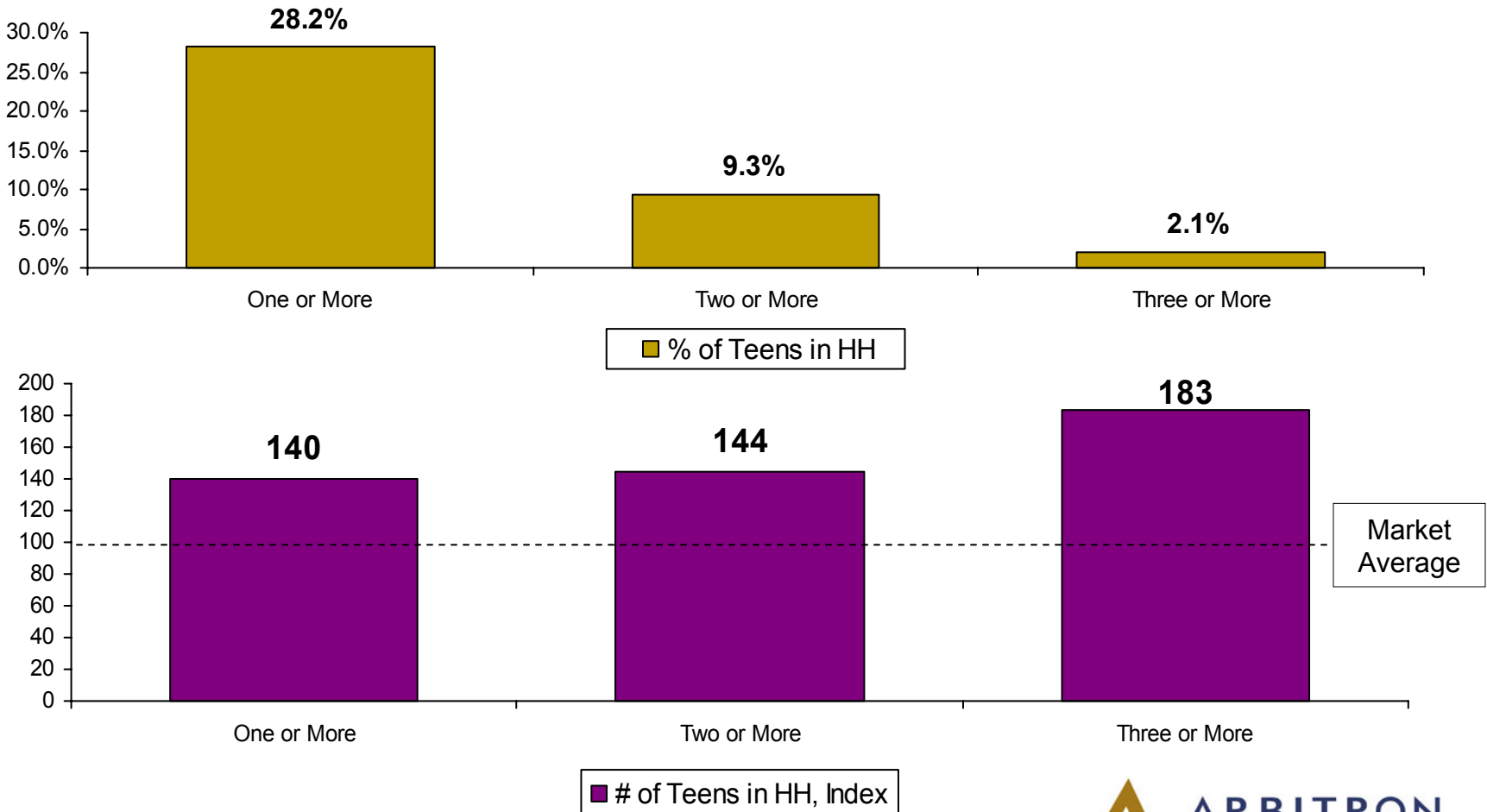
# High Incidence of Children In Hispanic Households



Source: Scarborough USA+, Release 1, 12-month, 2004



# High Incidence of Teens in Hispanic Households

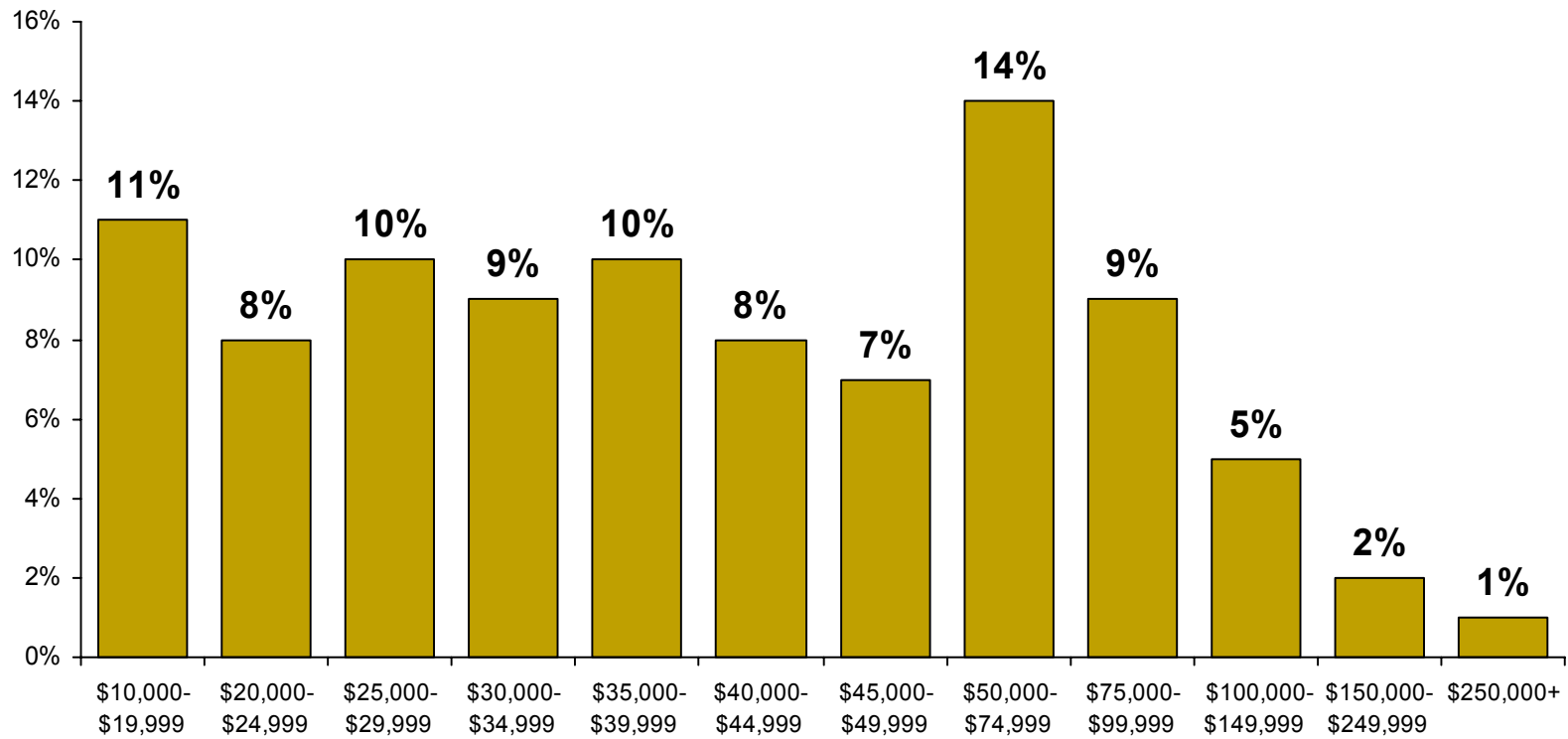


Source: Scarborough USA+, Release 1, 12-month, 2004



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# Household Income

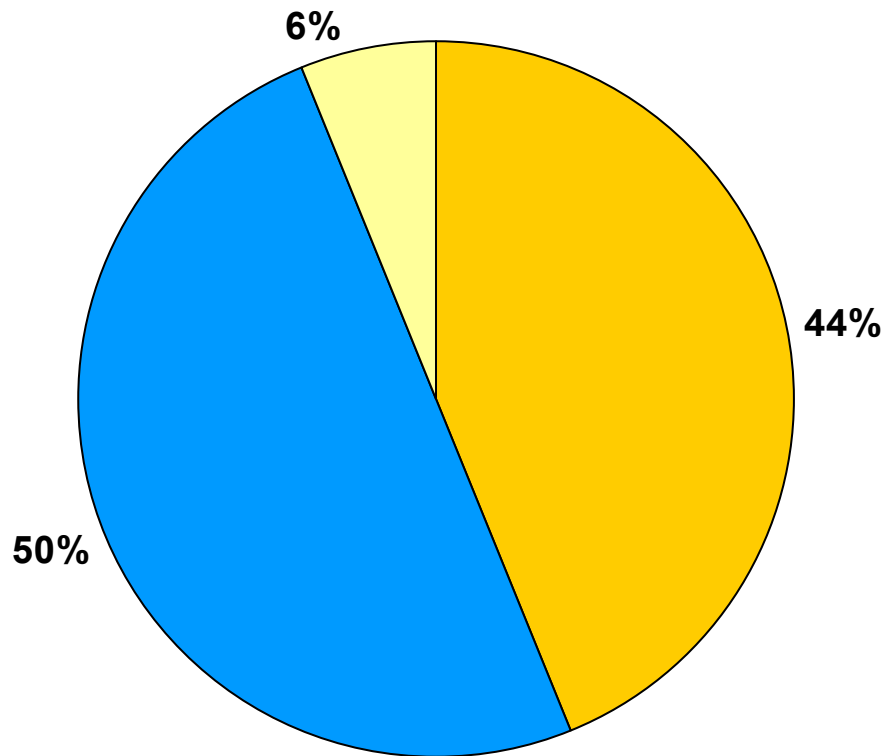


Source: Scarborough USA+, Release 1, 12-month, 2004

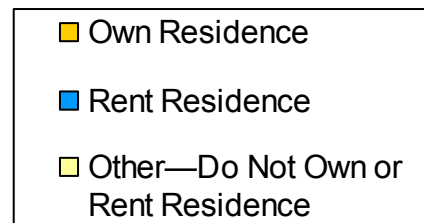


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# Residence Status



- More than 11.6 million Hispanics 18+ are homeowners
- Nearly three million Hispanics 18+ own homes valued at \$250,000 or more

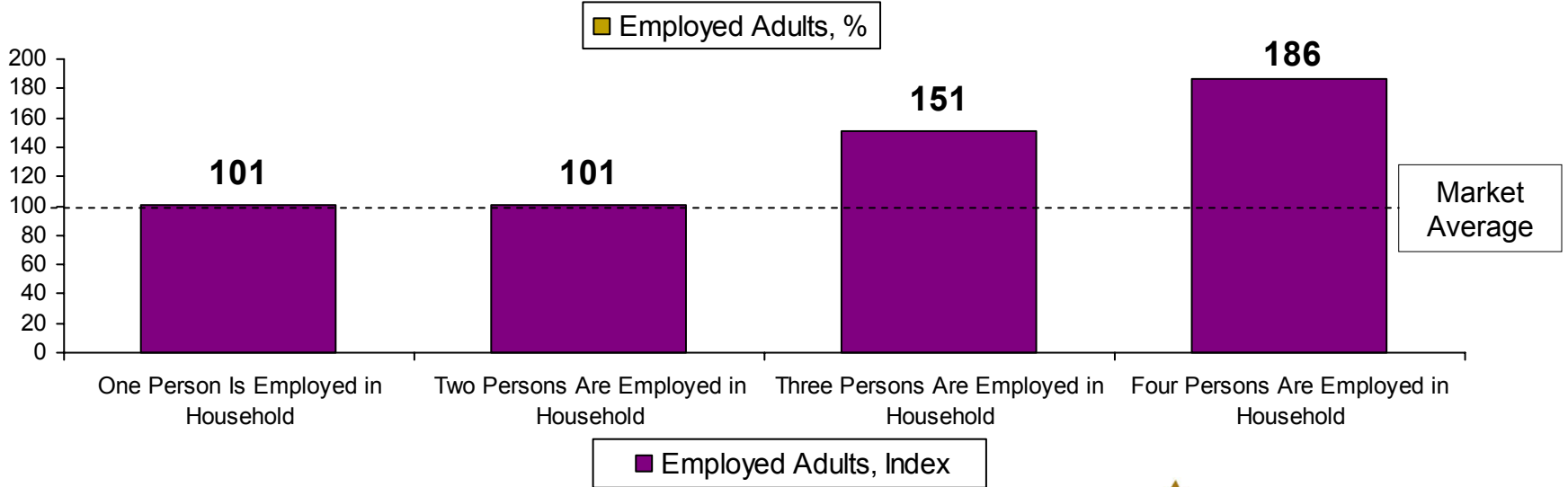
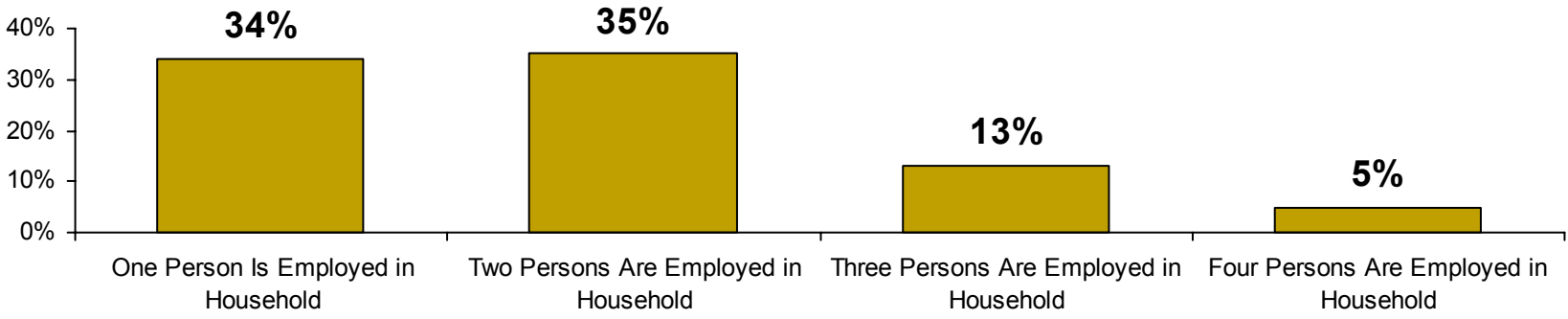


Source: Scarborough USA+, Release 1, 12-month, 2004



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# Multiple Earners Live in Hispanic Households



Source: Scarborough USA+, Release 1, 12-month, 2004

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# Hispanic Consumer Behavior Profile



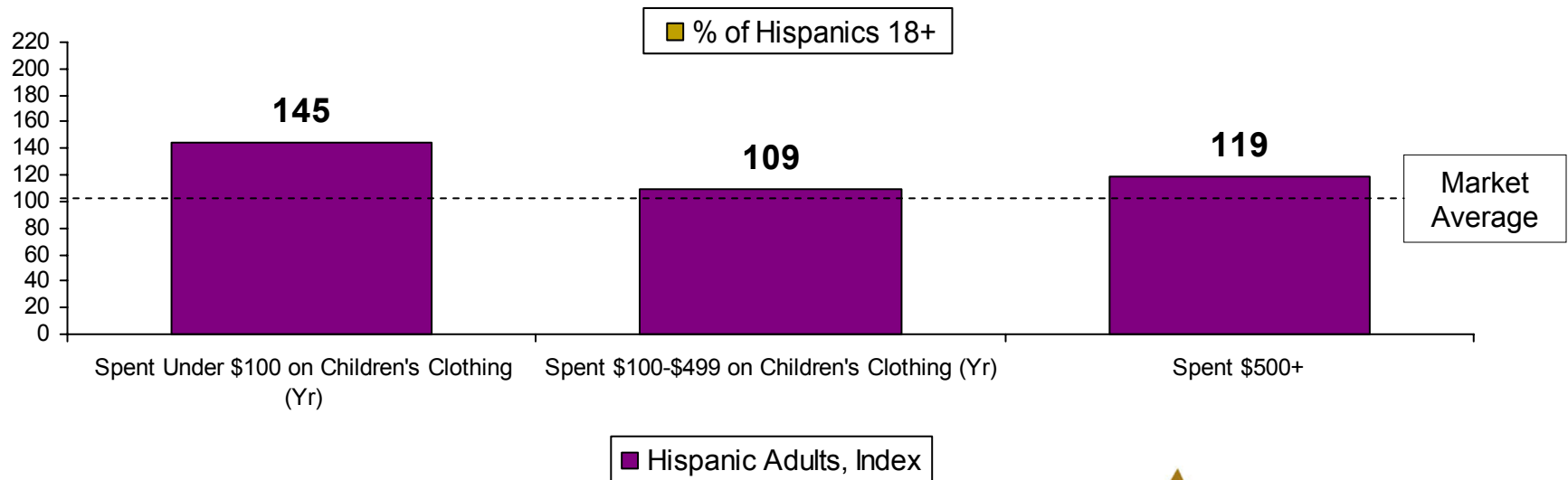
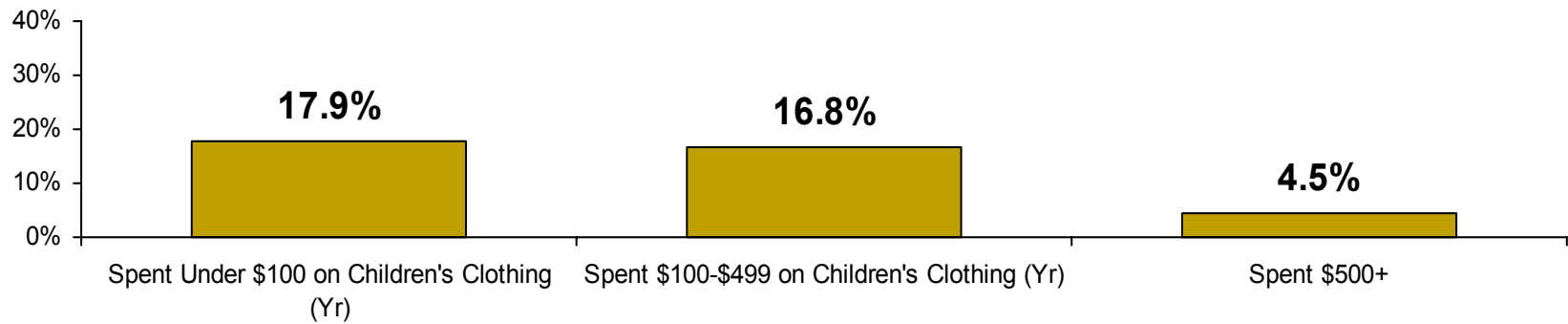
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# In Which Categories Do Hispanics Spend the Most Money?

- Children's Clothing
- Infants' Clothing
- Athletic Shoes and Clothing
- Telephone Services
- Groceries



# Hispanic Adults Are More Likely To Spend Money on Children's Clothing...

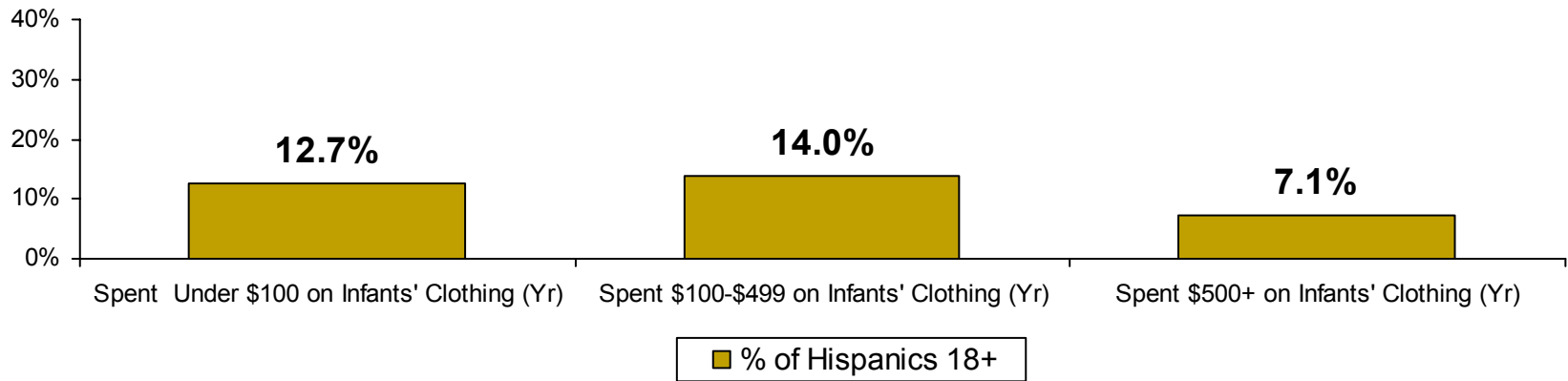


Source: Scarborough USA+, Release 1, 12-month, 2004



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# ...and Infants' Clothing

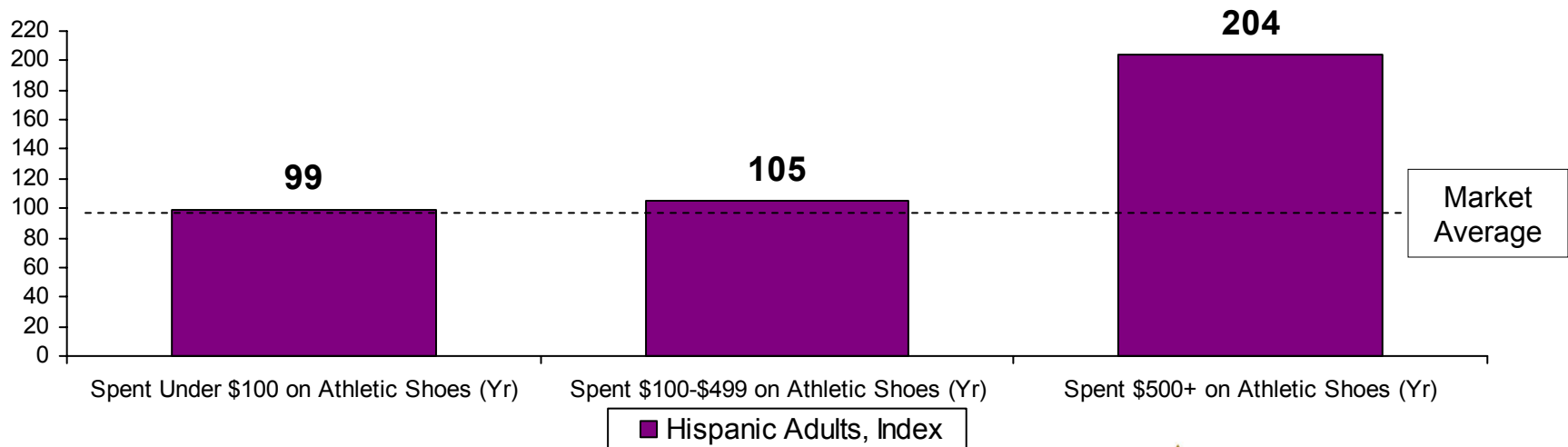
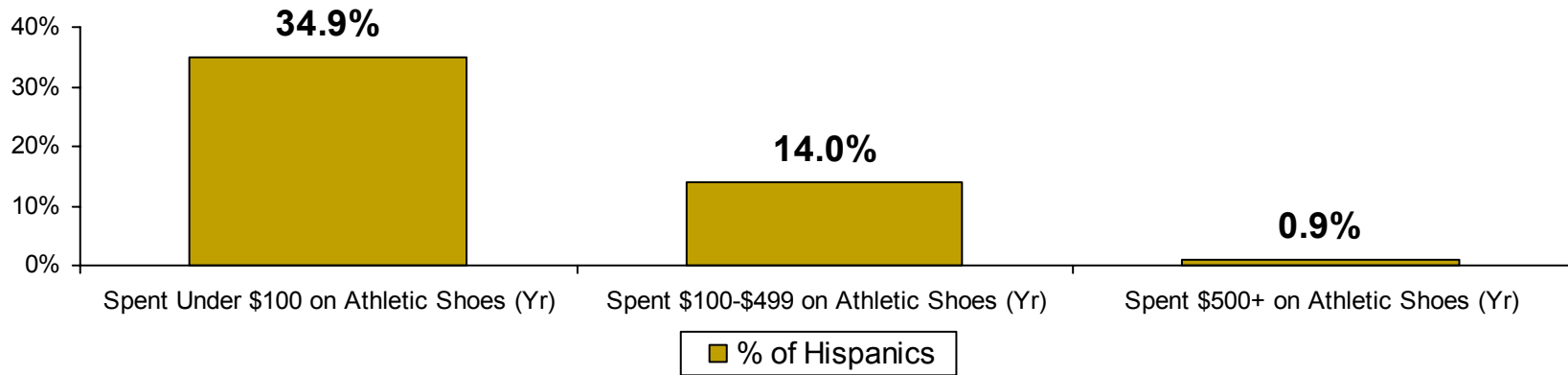


Source: Scarborough USA+, Release 1, 12-month, 2004



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# Hispanic Adults 18+ Spend on Athletic Shoes



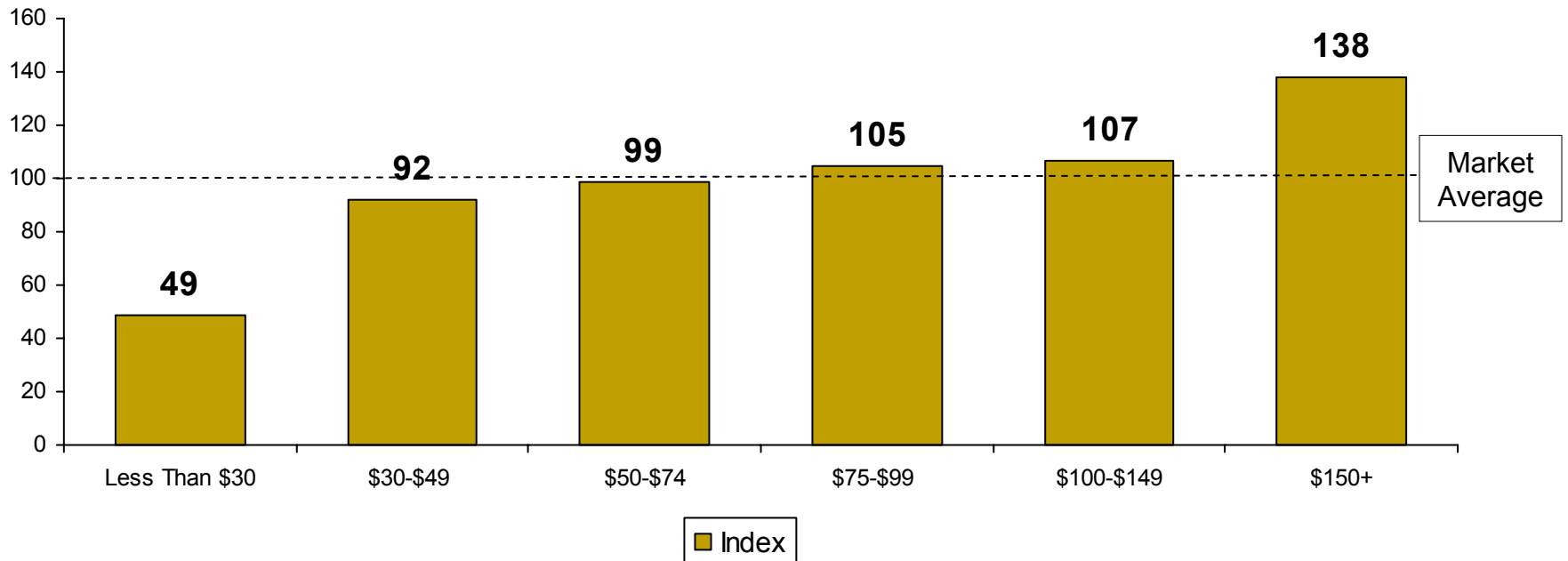
Source: Scarborough USA+, Release 1, 12-month, 2004



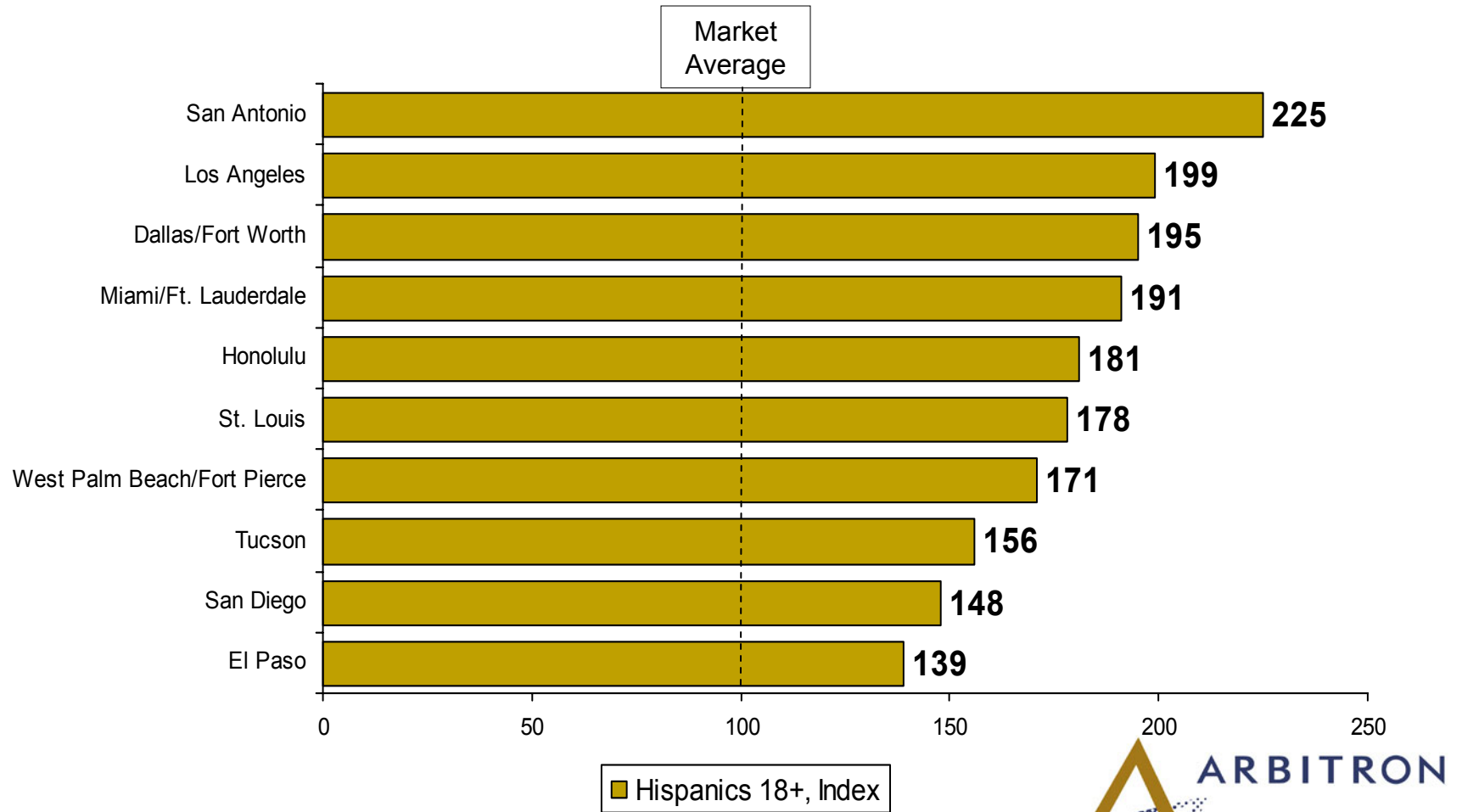
© 2004 Arbitron Inc.

# Cell Phone Expenditure per Month

Nine percent of Hispanics spend over \$100 per month on cell phone bills. Only seven percent of the non-Hispanic population spends over \$100



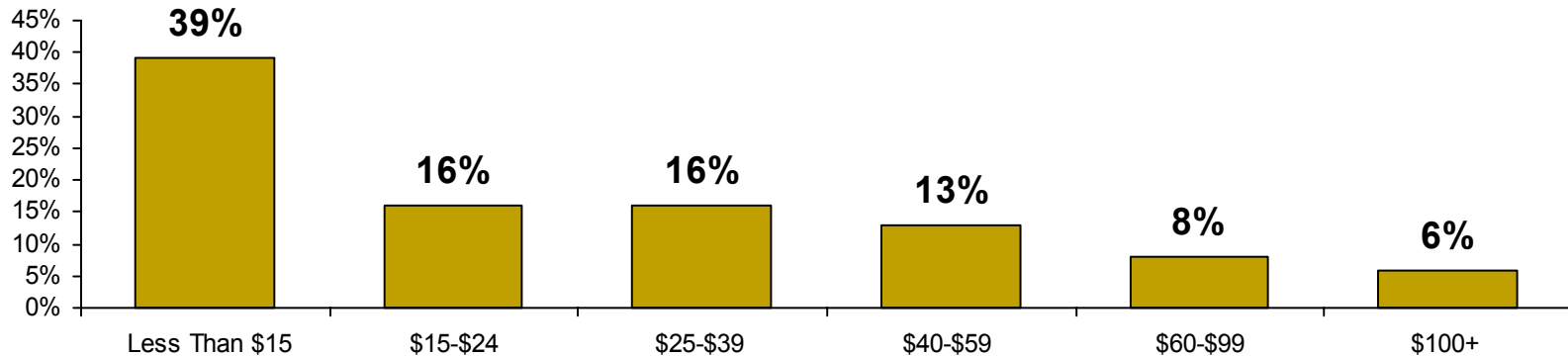
# Markets with the Highest Concentration for Cell Phone Expenditures over \$100/Month



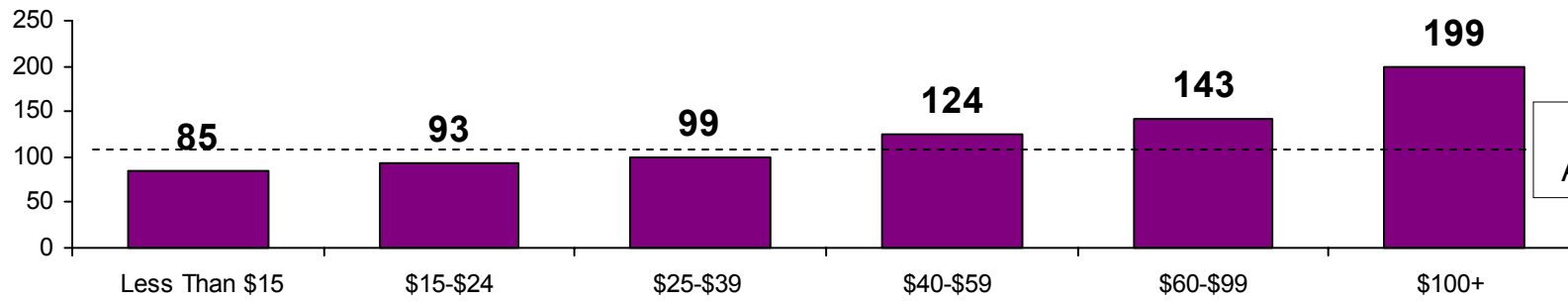
Source: Scarborough USA+, Release 1, 6-month, 2004

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# Hispanic Spending on Long Distance



■ Amount Spent, %



■ Amount Spent, Index

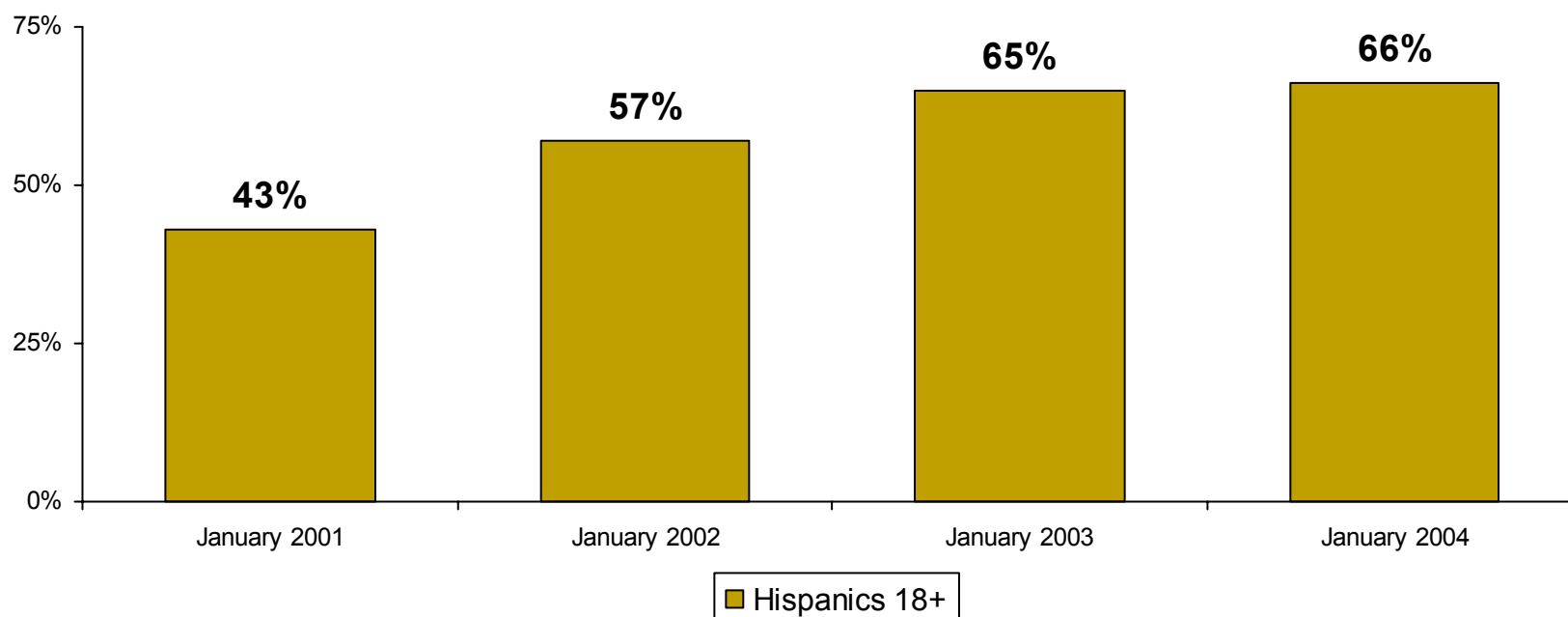
Market Average



Source: Scarborough USA+, Release 1, 12-month, 2004

# Internet Access Is Increasing for Hispanic Consumers

**52 percent of Hispanic adults 18+ own a computer (over 13.7 million)**



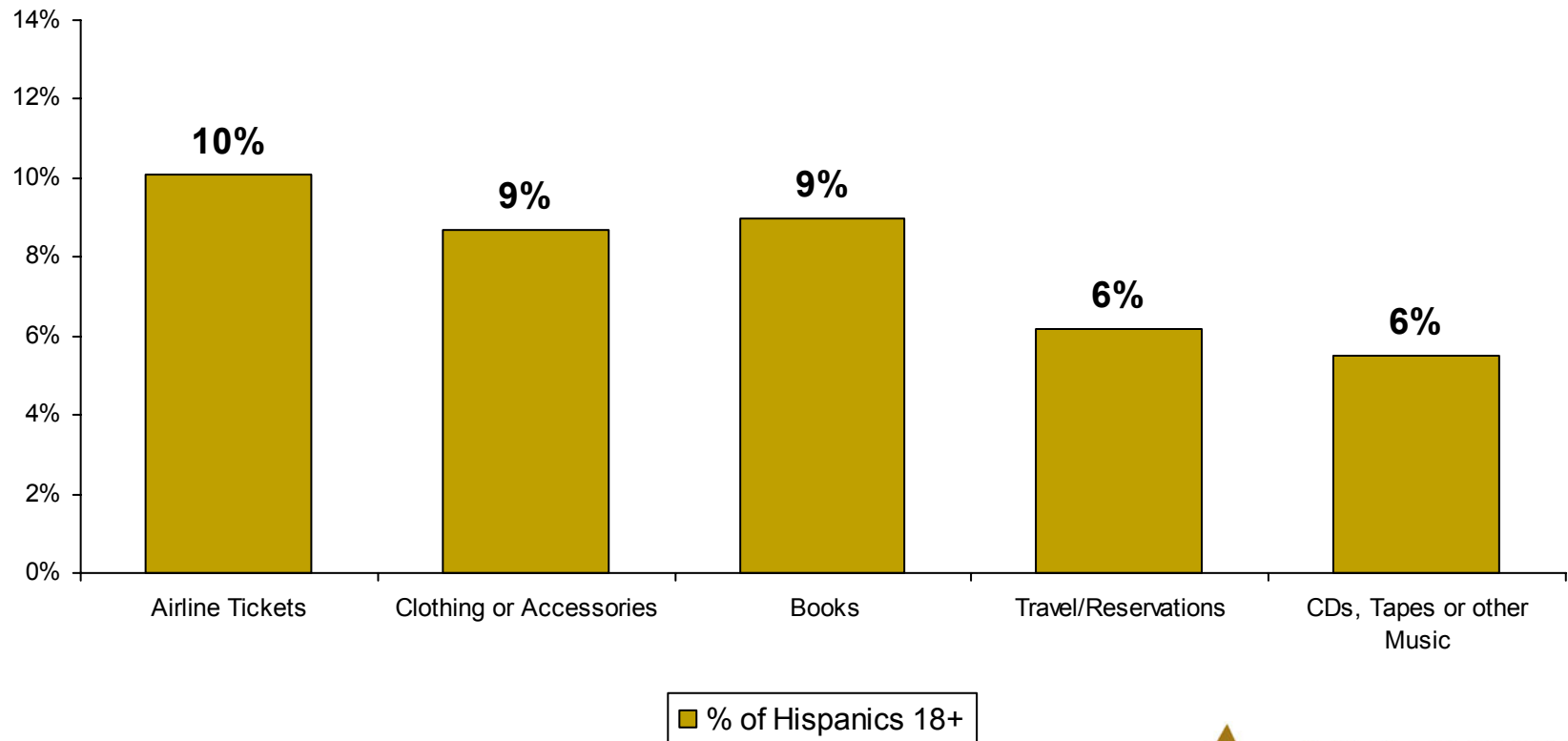
Sources: Scarborough USA+, Release 1, 12-month, 2004, and Arbitron/Edison Media Research Internet & Multi-Media Study 6-12



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# Purchases Online

Over 21 percent have spent \$100+ on Internet purchases!

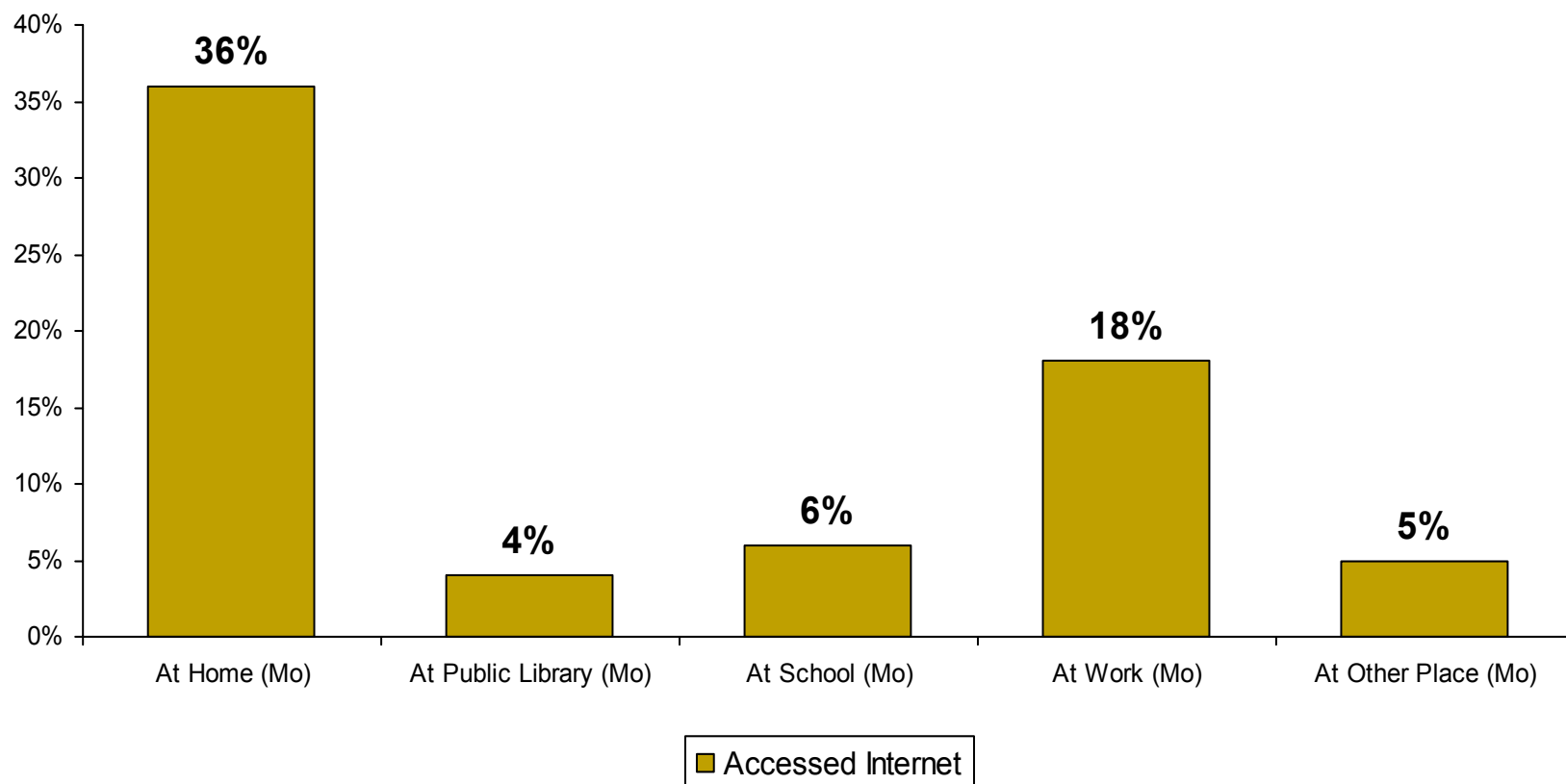


Source: Scarborough USA+, Release 1, 12-month, 2004



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# More Likely to Access Internet from Home

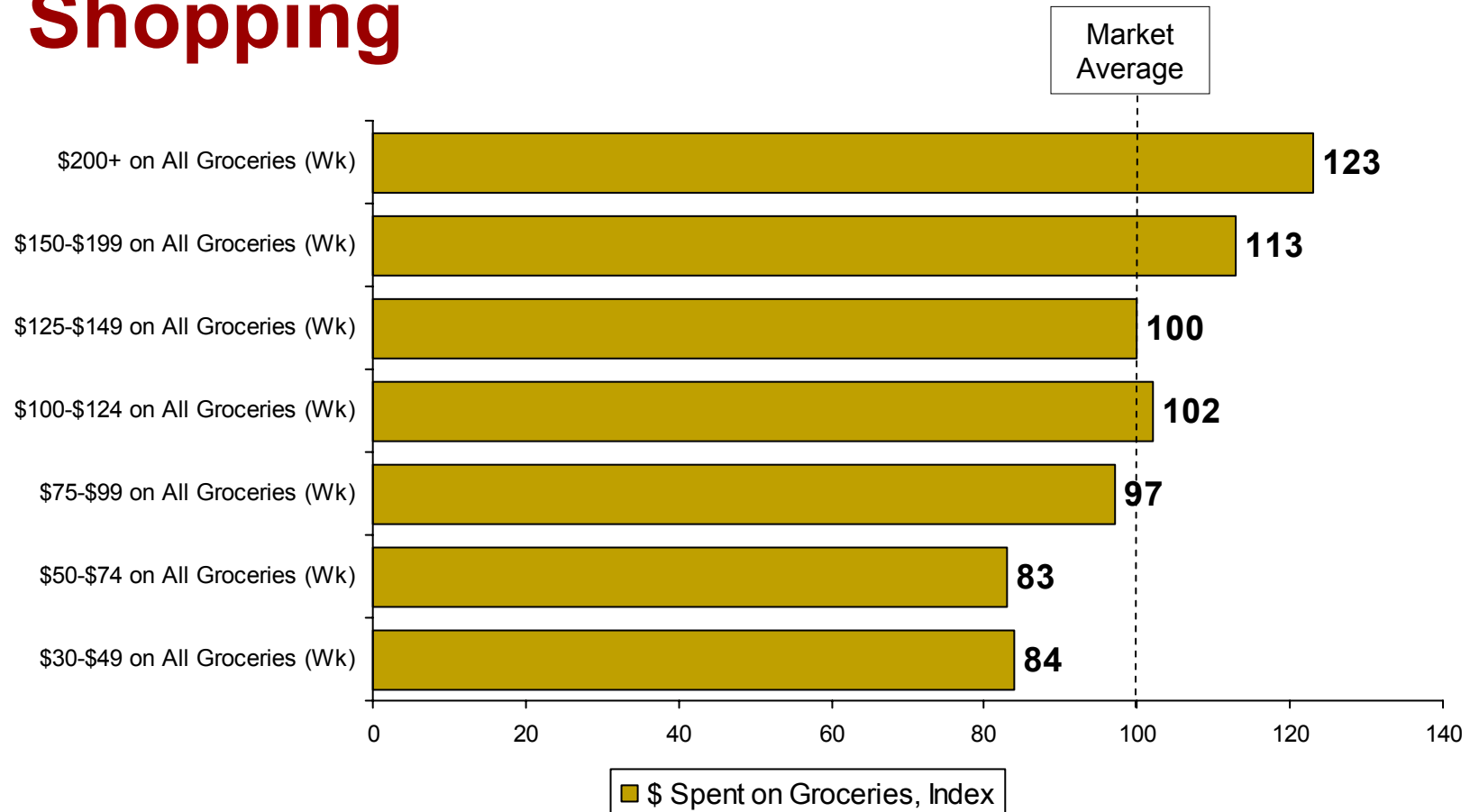


Source: Scarborough USA+, Release 1, 12-month, 2004



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# Hispanic Spending Includes Above-Average Weekly Grocery Shopping



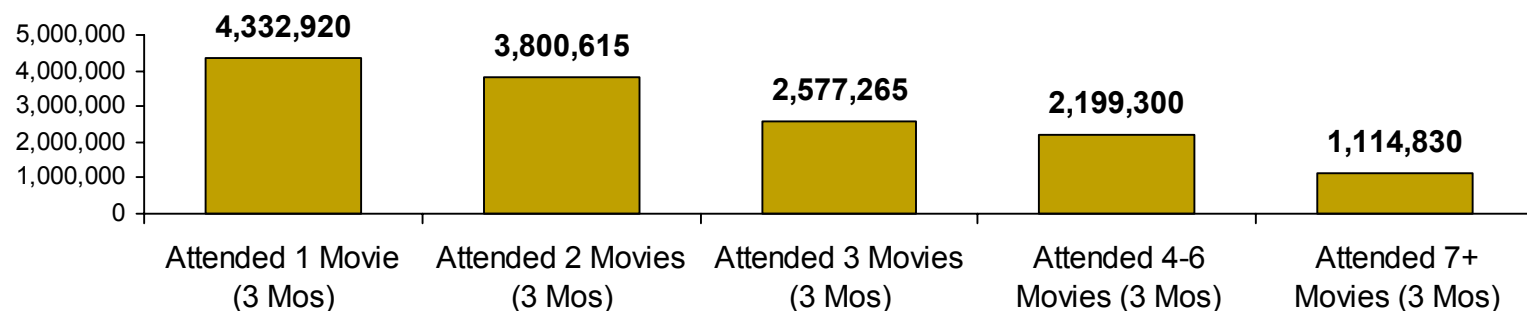
Source: Scarborough USA+, Release 1, 12-month, 2004



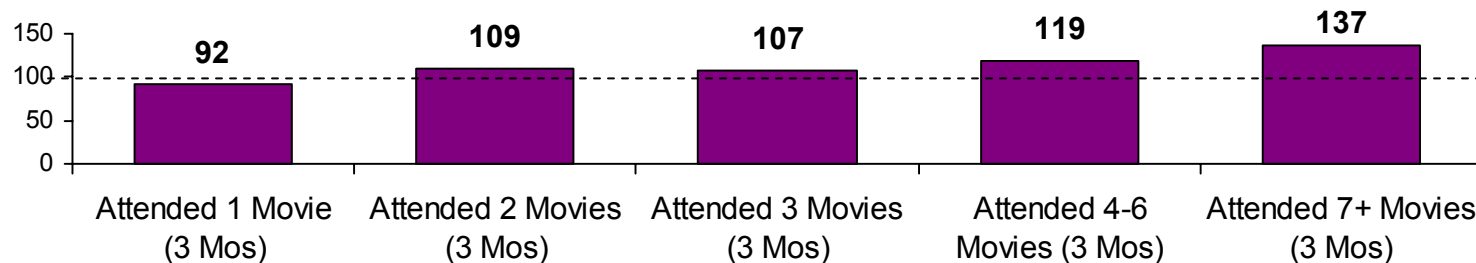
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# A Tremendous Amount of Money Is Spent at the Movies!

Hispanics are 81 percent more likely to see a movie on opening weekend than the average person in the market



# of Hispanics

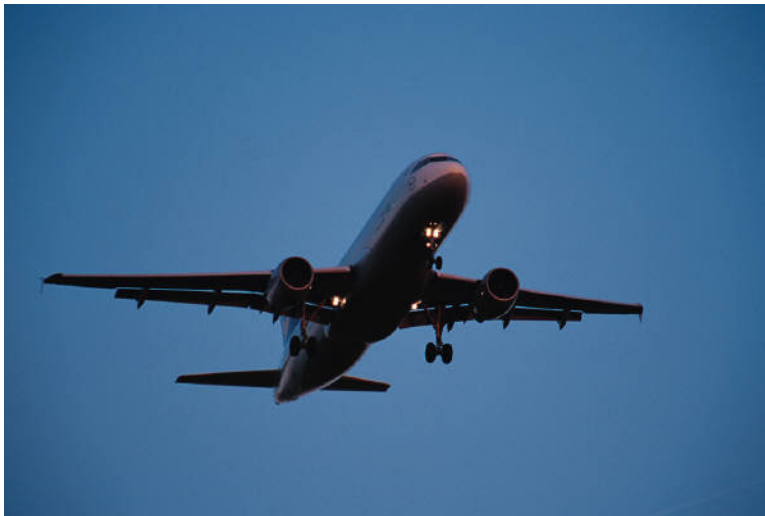


Hispanics 18+, Index

Market Average

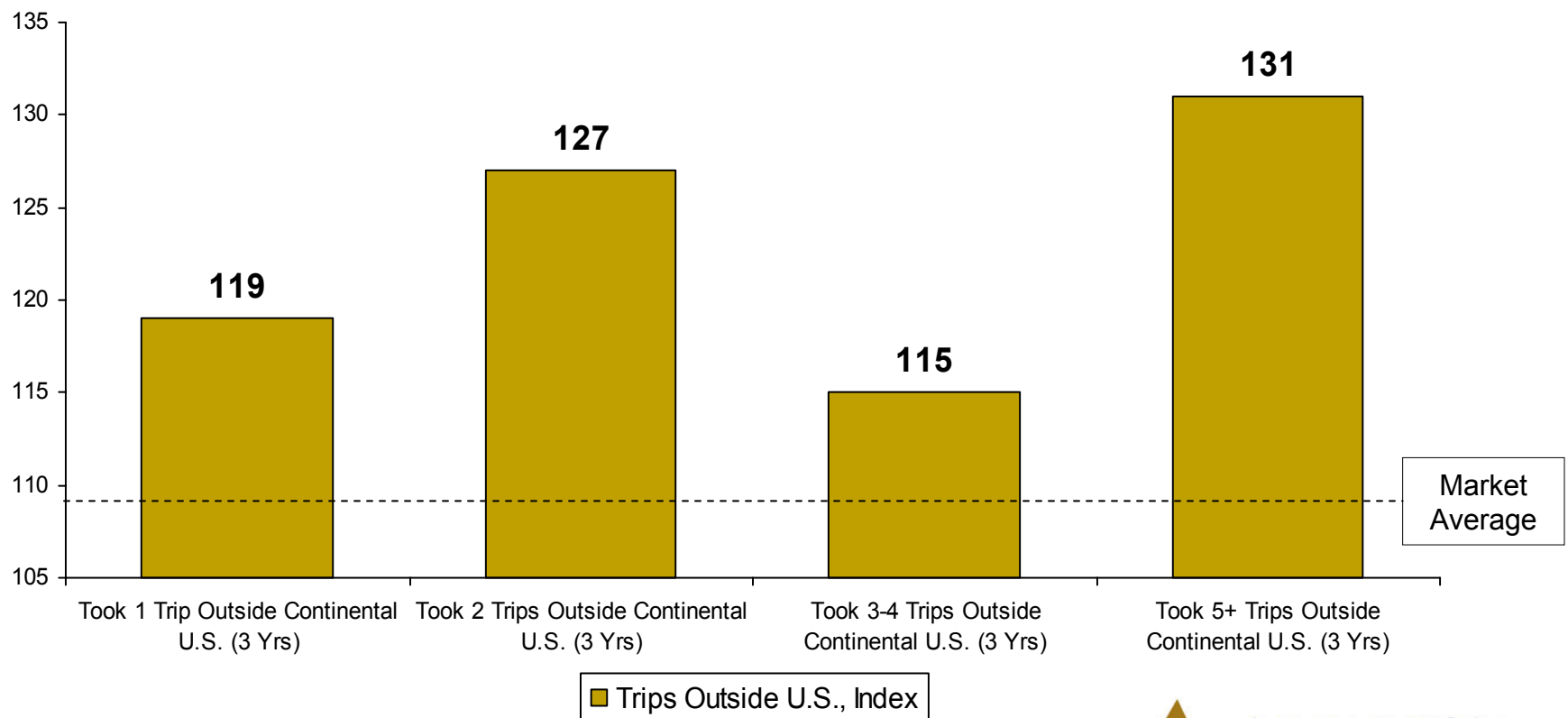
# Hispanic Adults Are Travelers; They Travel Outside of the U.S.

Many have families in different countries outside of the U.S., and their travel habits reflect this



# Hispanics Are Likely to Take Several Trips Outside the Continental U.S. per Year

Top destinations are Mexico, South America and Central America



Source: Scarborough USA+, Release 1, 12-month, 2004



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# Top Auto Brands Owned by Hispanic Adults 18+

<b>Ford</b>	<b>29%</b>
<b>Chevrolet</b>	<b>22%</b>
<b>Toyota</b>	<b>14%</b>
<b>Honda</b>	<b>11%</b>
<b>Dodge</b>	<b>11%</b>
<b>Nissan</b>	<b>9%</b>
<b>Pontiac</b>	<b>5%</b>
<b>Oldsmobile</b>	<b>5%</b>



Source: Scarborough USA+, Release 1, 12-month, 2004



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# New Auto Models That Hispanic Adults Plan to Buy Next Year

<b>New Van or Minivan</b>	<b>140</b>
<b>New Pickup Truck</b>	<b>128</b>
<b>New Compact Car</b>	<b>122</b>
<b>New SUV</b>	<b>122</b>

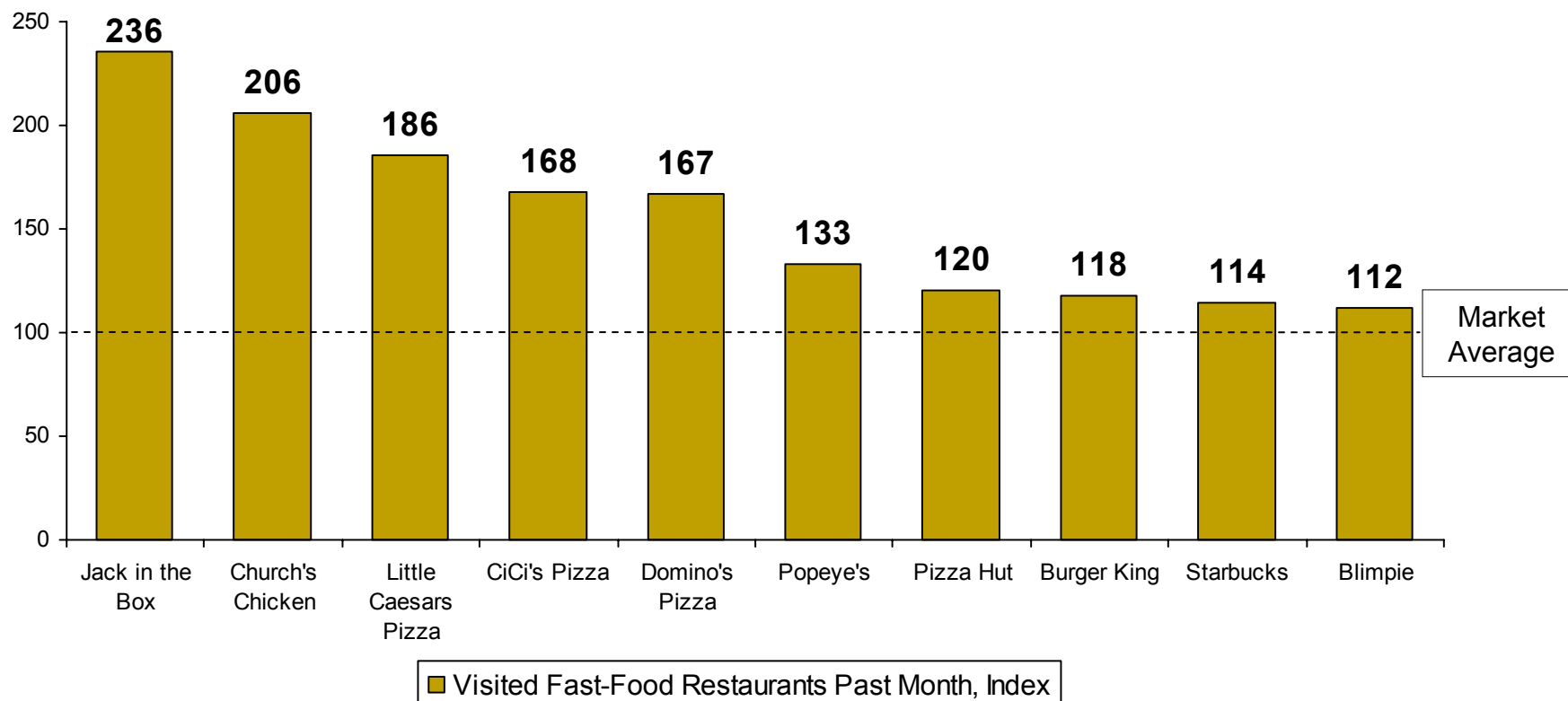


Source: Scarborough USA+, Release 1, 12-month, 2004



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# Fast Food and Soft Drinks Are Excellent Categories for Hispanics 18+

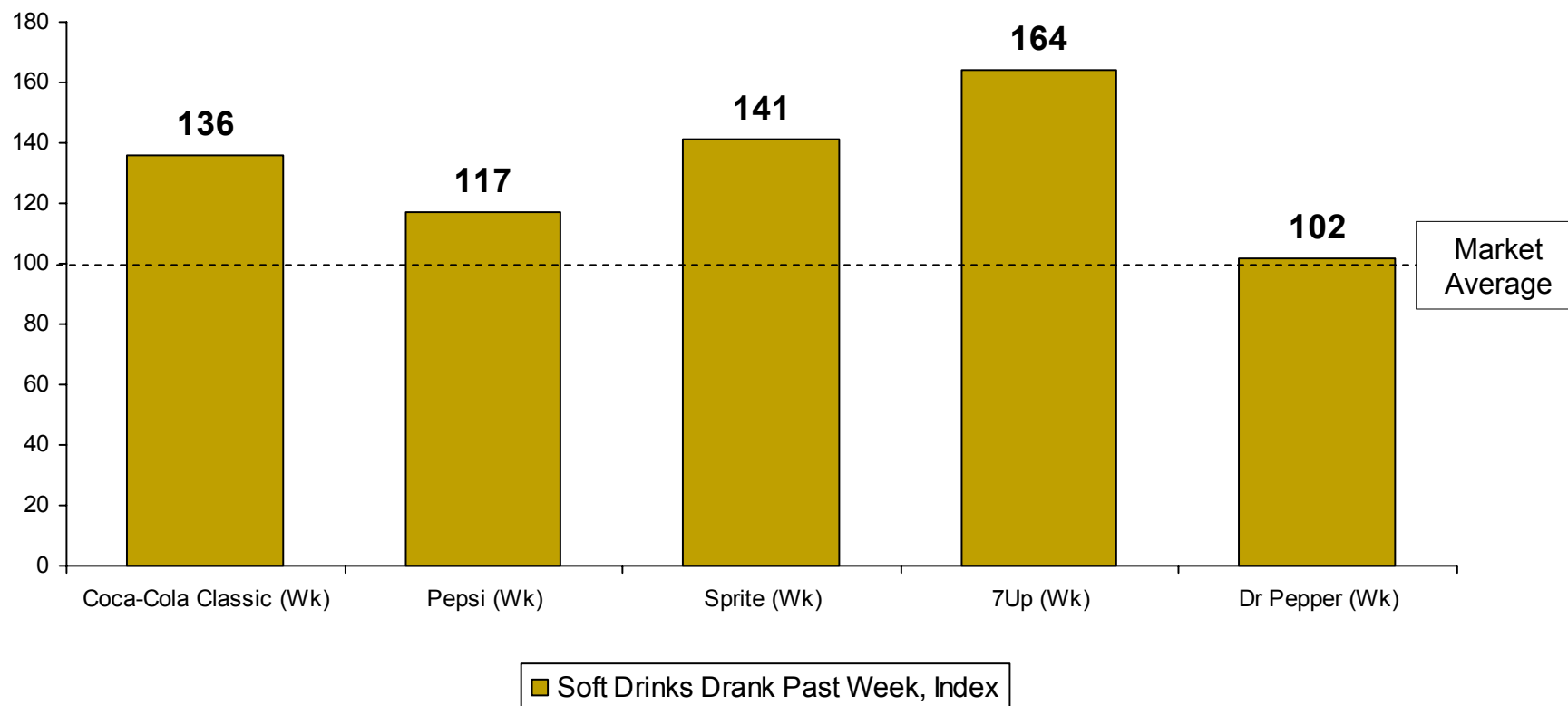


Source: Scarborough USA+, Release 1, 12-month, 2004



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# Which Soft-Drink Brands Are Hispanic Consumers Most Likely to Buy?



Source: Scarborough USA+, Release 1, 12-month, 2004



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# Hispanic Radio Profile



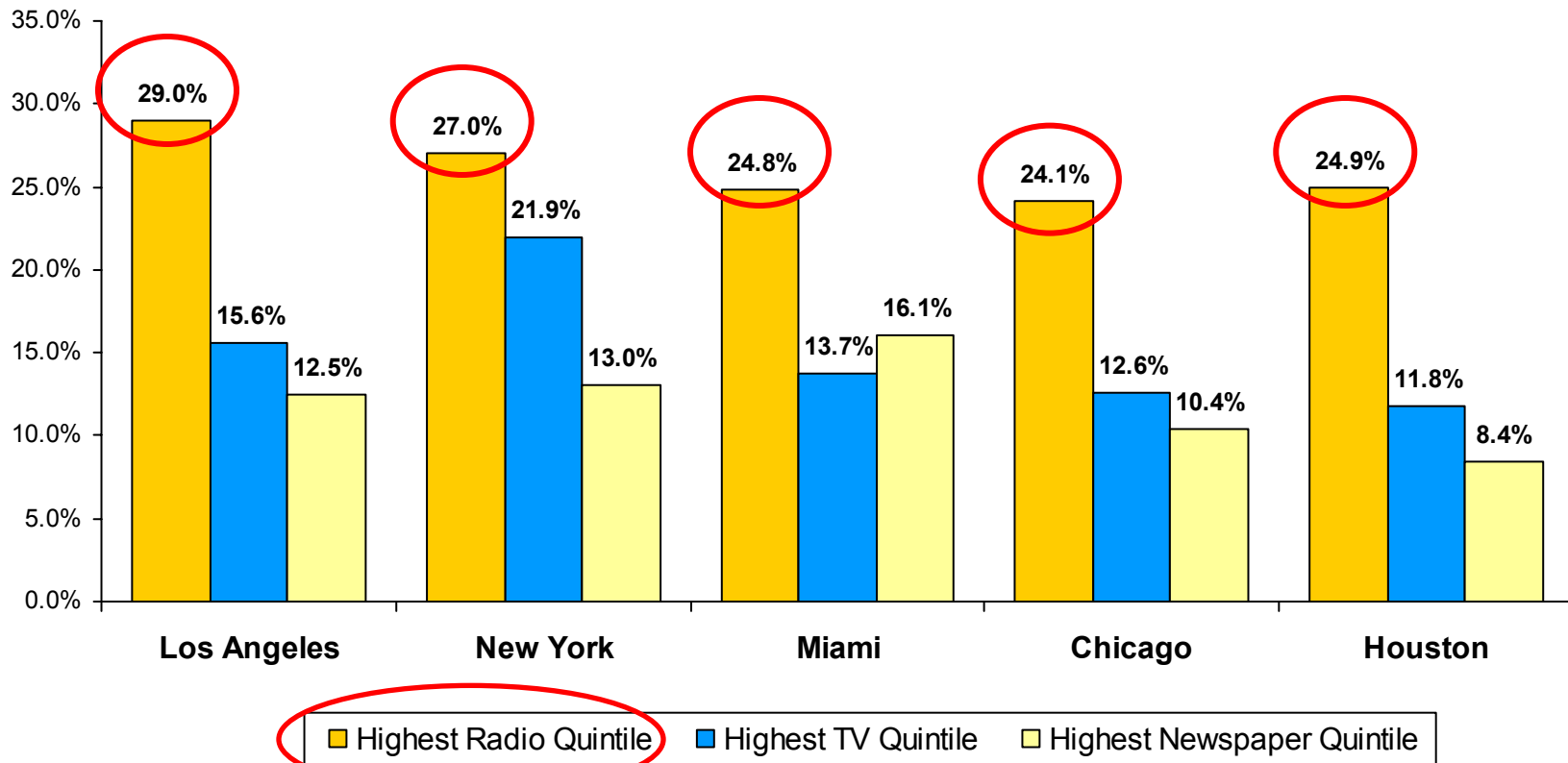
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# How Do Hispanic Consumers Use Radio?

- Are heavier users of radio than newspaper or television
- Spend a significant amount of time with radio
- Spend half their radio time with Spanish formats



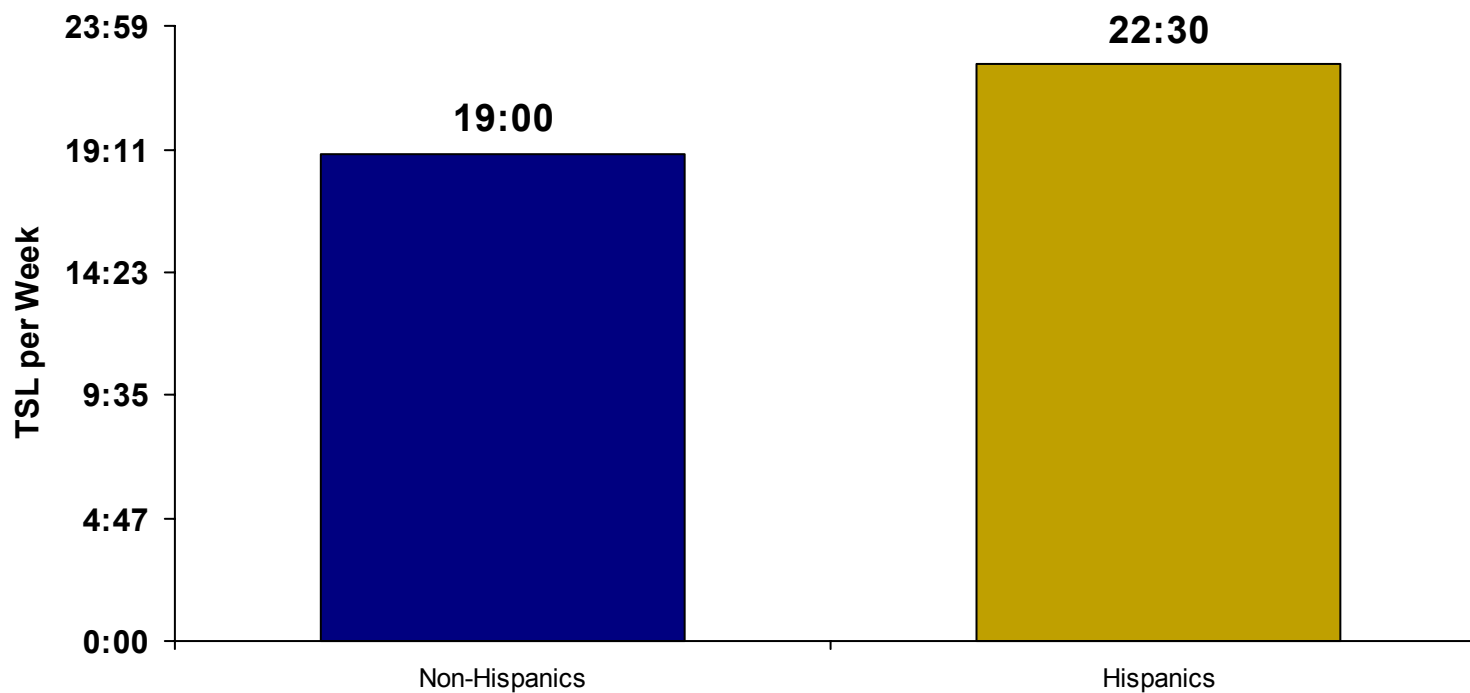
# Hispanics Are Heavy Radio Users!



Source: Scarborough Release 1, 2004; individual market reports for top five Hispanic markets

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# Hispanics Spend More Time with Radio than Non-Hispanics

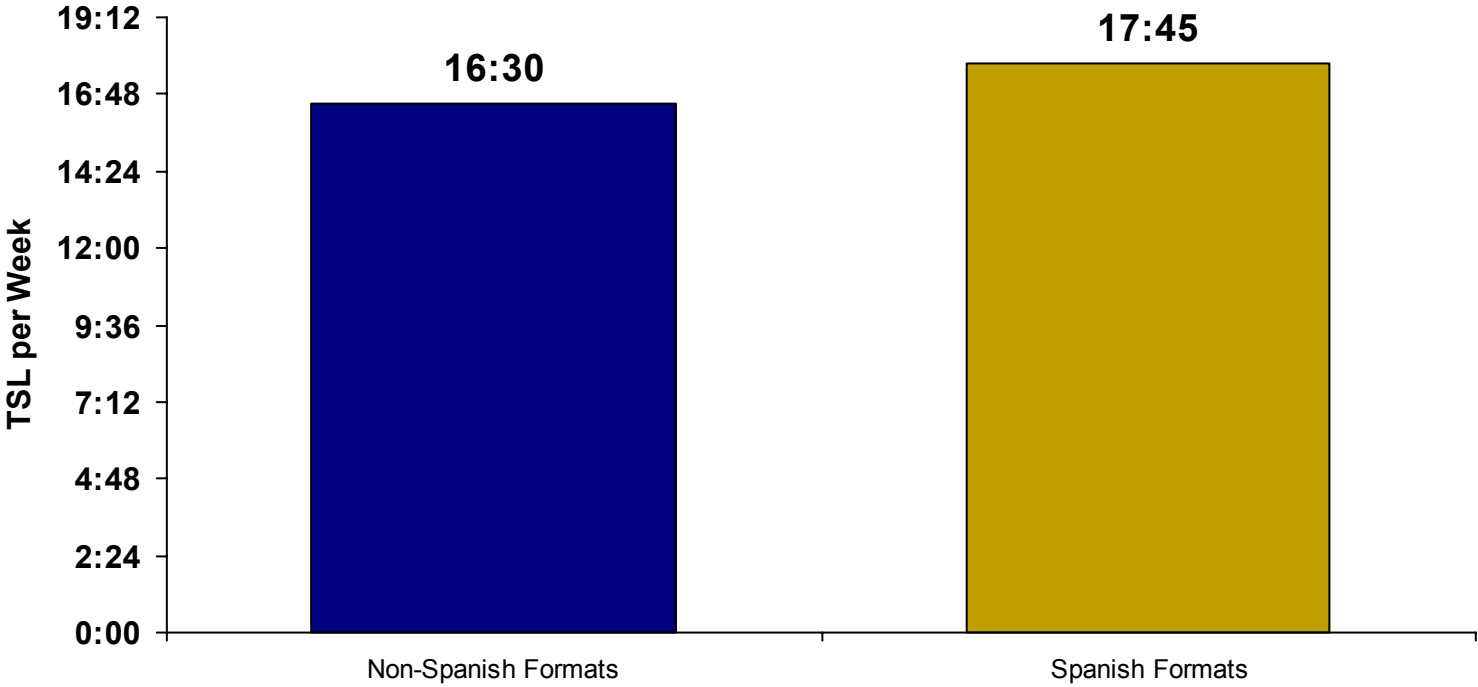


Source: Arbitron Inc. MaximiSer® NRD, Spring 2004



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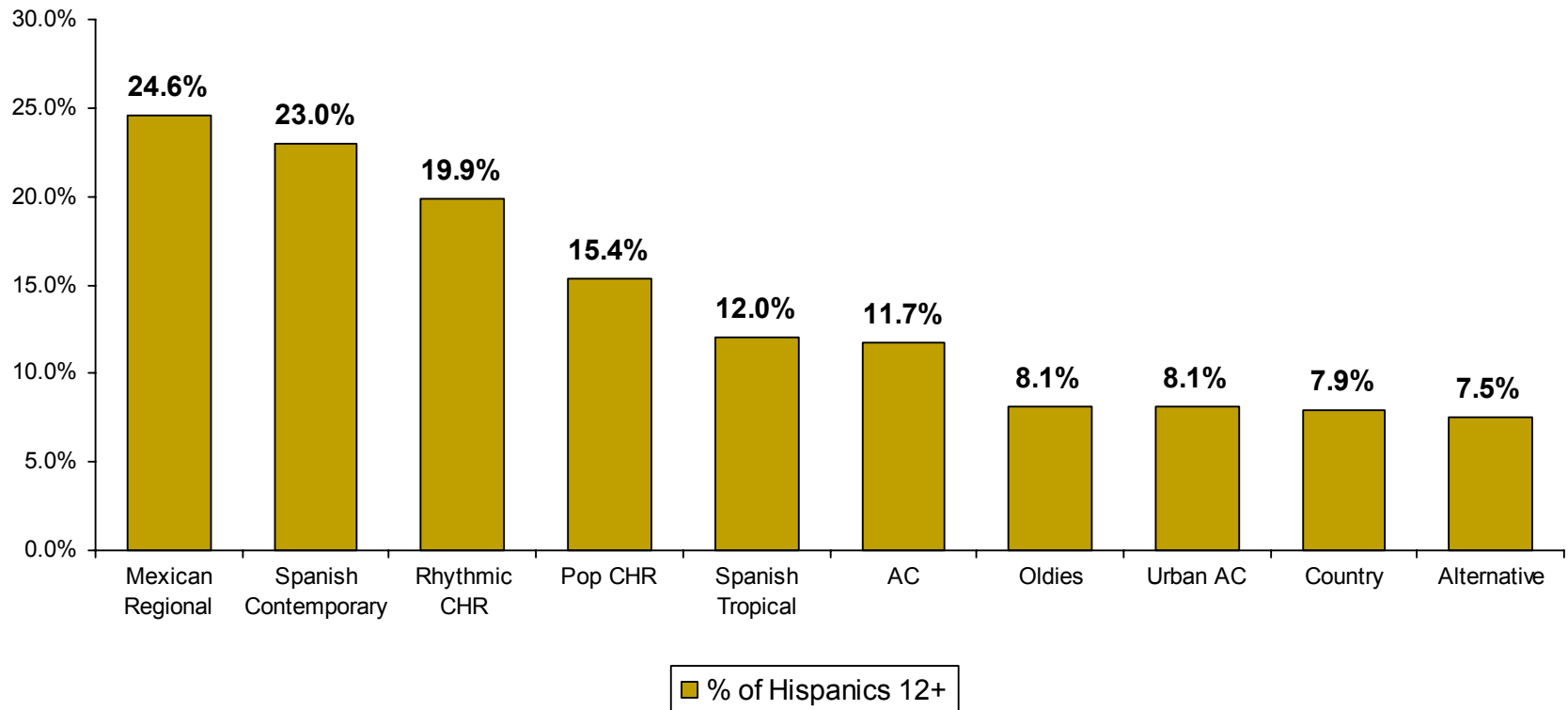
# Hispanics Spend More Time with Spanish Formats than Other Formats



Source: Arbitron Inc. MaximiSer NRD, Spring 2004



# Favorite Radio Format Groups



Source: Scarborough USA+, Release 1, 12-month, 2004



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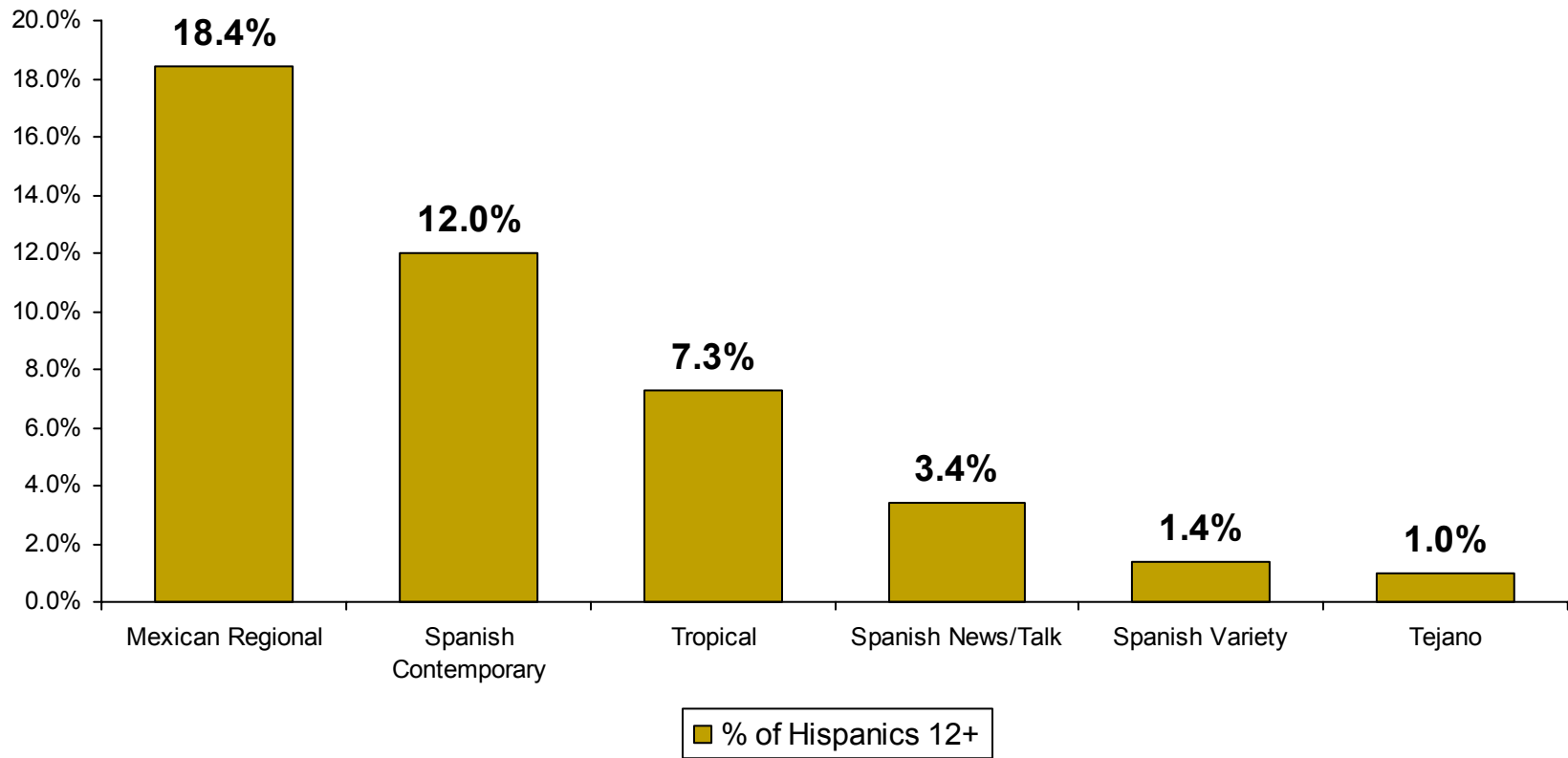
# “Spanish Language” Is Not a Format; It Is a Group of Formats

**Spanish-language radio includes the following formats:**

- Mexican Regional
- Spanish Contemporary
- Spanish News/Talk
- Spanish Oldies
- Spanish Tropical
- Spanish Variety
- Tejano



# Favorite Spanish Formats



Source: Arbitron, *Hispanic Radio Today*, 2004 Edition



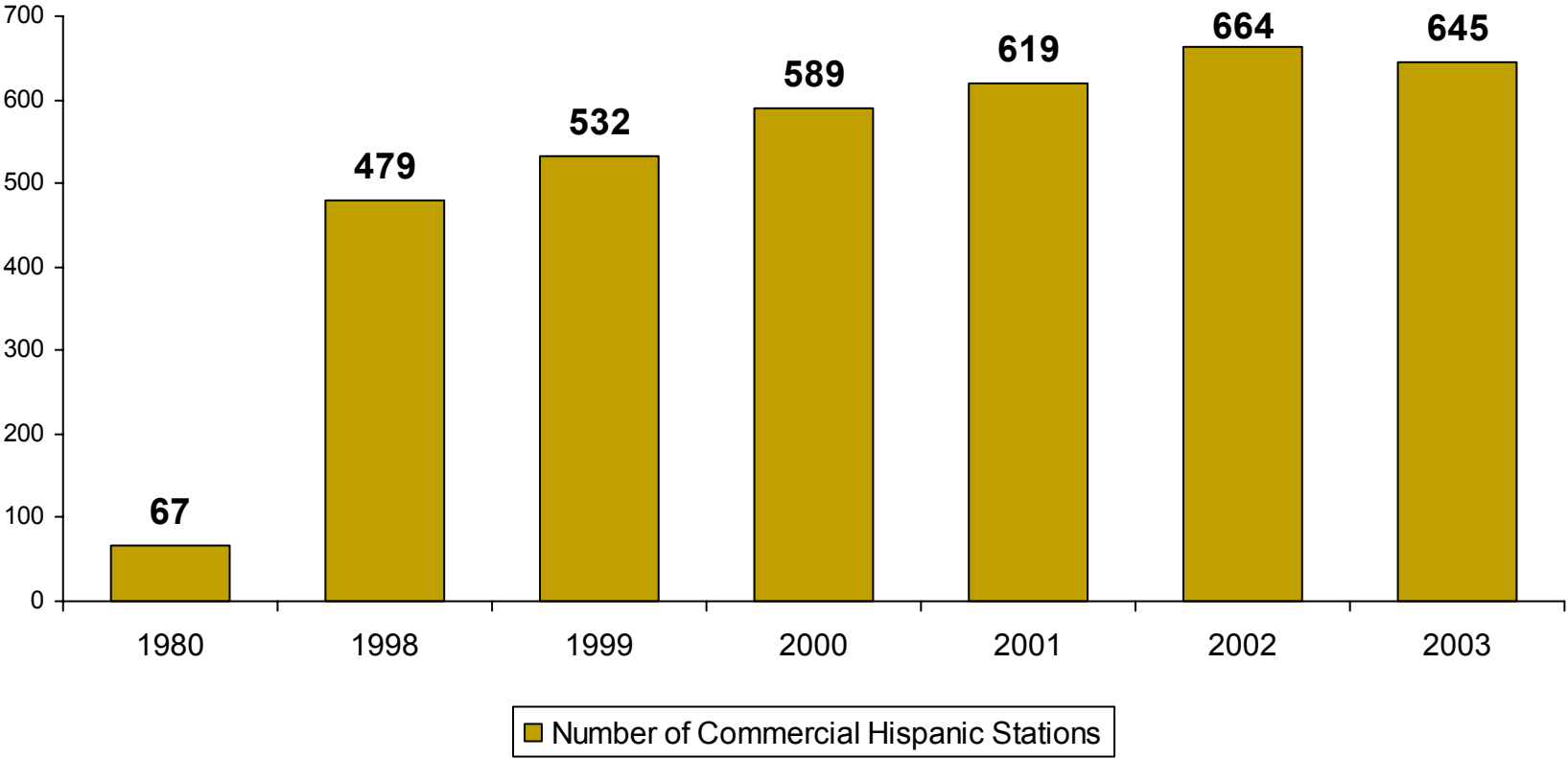
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# **The Number of Spanish-Language Radio Stations Has Increased**

**The number of Spanish-language radio stations has increased by a multiple of 10 in the past 20 years and has almost doubled Spanish radio's share**



# Commercial Hispanic Radio Station Growth in the U.S.

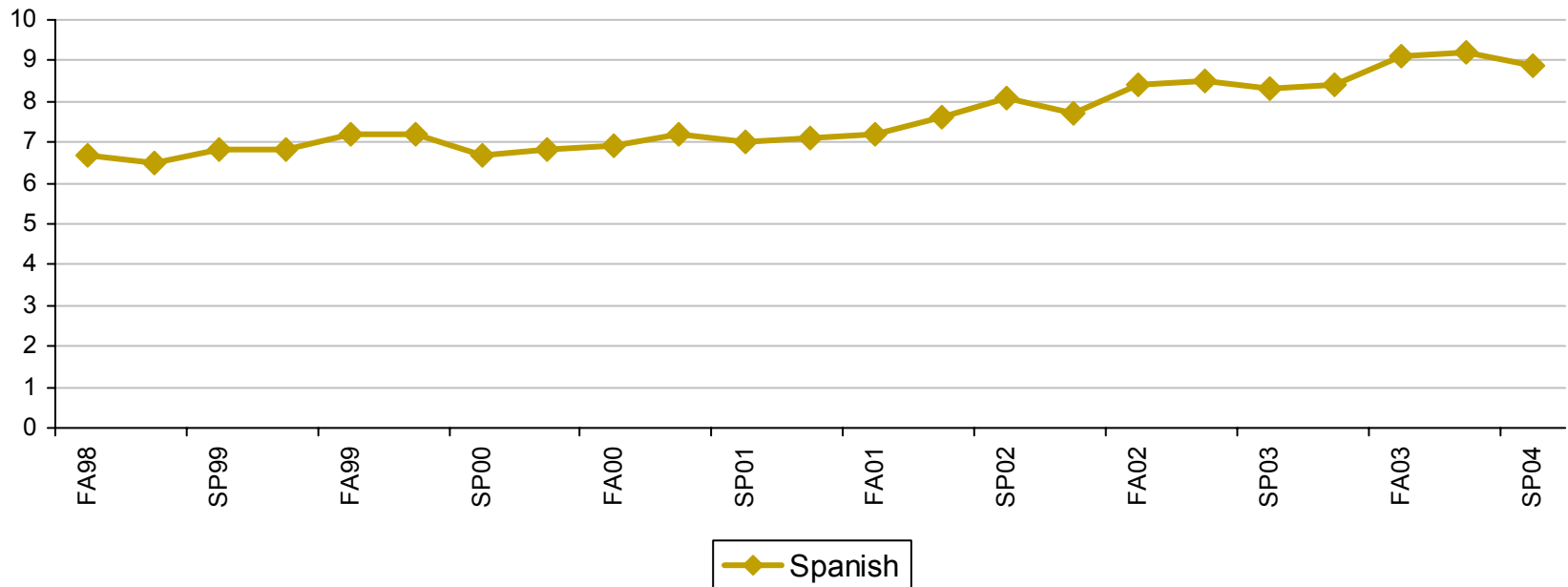


Source: Arbitron, *Hispanic Radio Today*, 2004 Edition



# More People Than Ever Are Listening to Spanish-Language Radio

From Fall of 1998 through Spring of 2004, Spanish-language radio continues its steady growth share from a 6.7 to over an 8!



Source: Arbitron, American Radio Listening Trends, Fall 1998 – Spring 2004



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# Spanish Formats with the Most Listening by Region

<b>South Central</b>	<b>Mexican Regional</b>
<b>Mountain</b>	<b>Mexican Regional</b>
<b>Pacific</b>	<b>Mexican Regional</b>
<b>East North Central</b>	<b>Mexican Regional</b>
<b>South Atlantic</b>	<b>Spanish Contemporary</b>
<b>Middle Atlantic</b>	<b>Spanish Tropical</b>
<b>New England</b>	<b>Spanish Tropical</b>
<b>West North Central</b>	<b>Spanish Variety</b>

Source: Arbitron *Hispanic Radio Today*, 2004 Edition



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# Most Popular Markets for the Music— Difference in Regional Appeal

## Mexican Regional

- El Paso
- Fresno
- Los Angeles
- Houston
- Riverside/San Bernardino
- Phoenix
- Dallas-Ft. Worth
- San Antonio
- Austin
- Las Vegas

## Spanish News/Talk

- Fresno
- Los Angeles
- Houston
- New York
- San Francisco
- Memphis
- El Paso
- San Jose
- Chicago

# Most Popular Markets for the Music? Difference in Regional Appeal

## Tropical

- Miami
- New York
- Riverside/San Bernardino
- Los Angeles
- Nassau/Suffolk
- Orlando
- Hartford
- New Haven/Middlesex
- Tampa
- West Palm Beach/Boca Raton

## Spanish Contemporary

- El Paso
- Miami
- Los Angeles
- Fresno
- Houston
- Riverside/San Bernardino
- San Diego
- San Jose
- Orlando
- Las Vegas

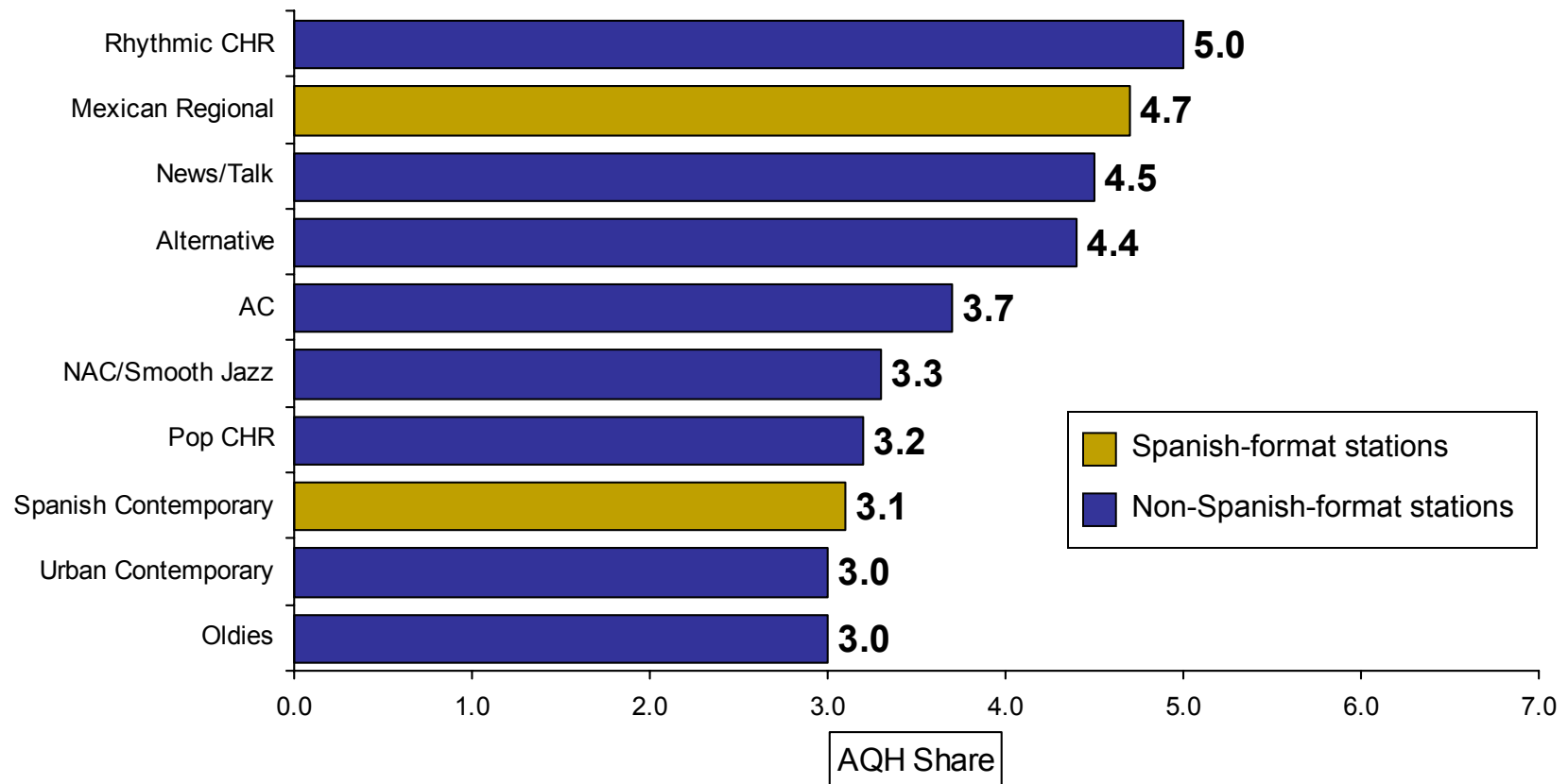


**In the Nation's Largest Cities,  
Some of the Top Radio Stations  
Are Spanish-Language...**

**...Not Just Among Hispanics, but  
Among Everyone**

# Top Stations in Los Angeles

## Persons 12+



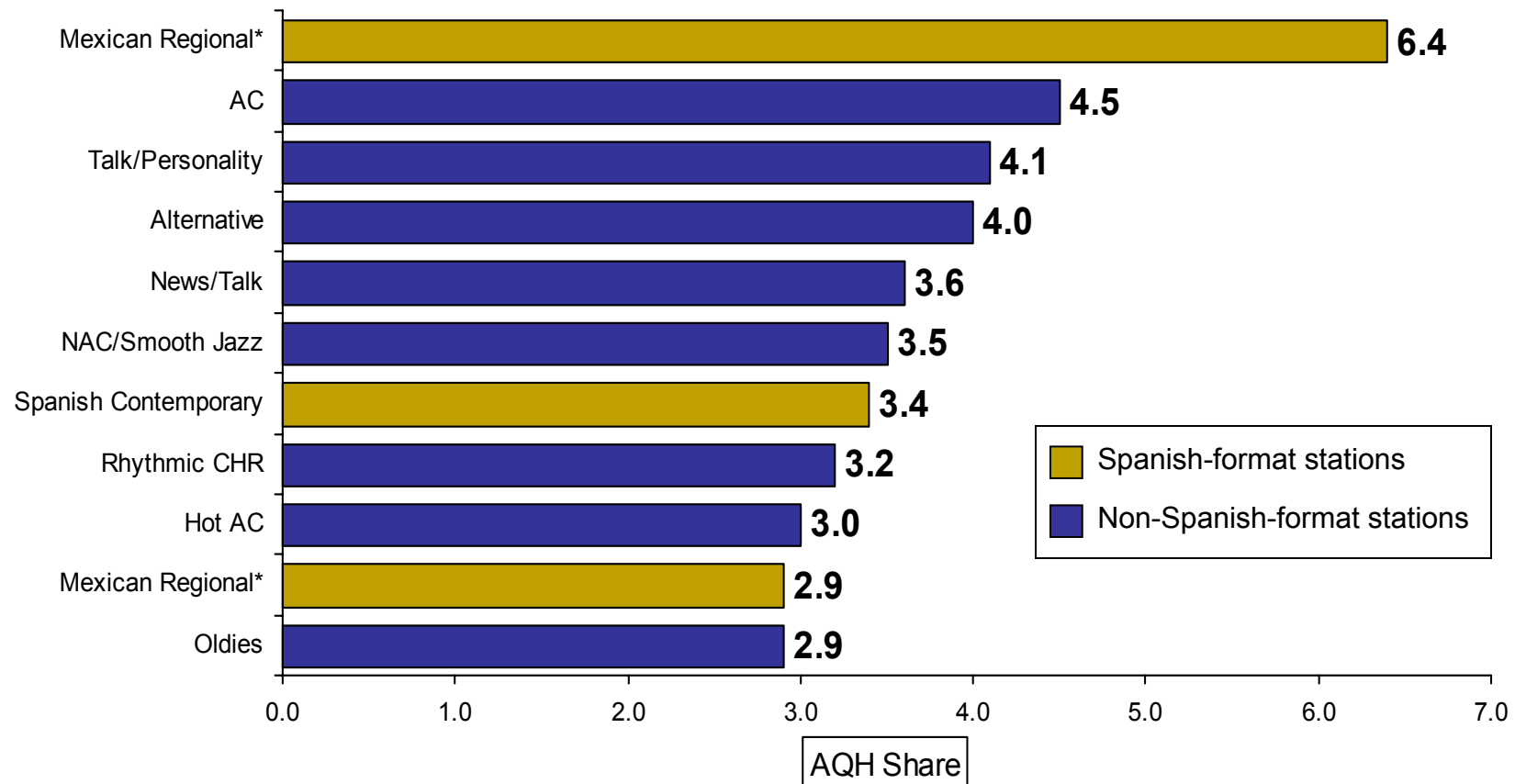
Source: Arbitron Spring 2004 Survey, P12+, Mon-Sun 6AM-Mid, Los Angeles



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# Top Stations in Los Angeles

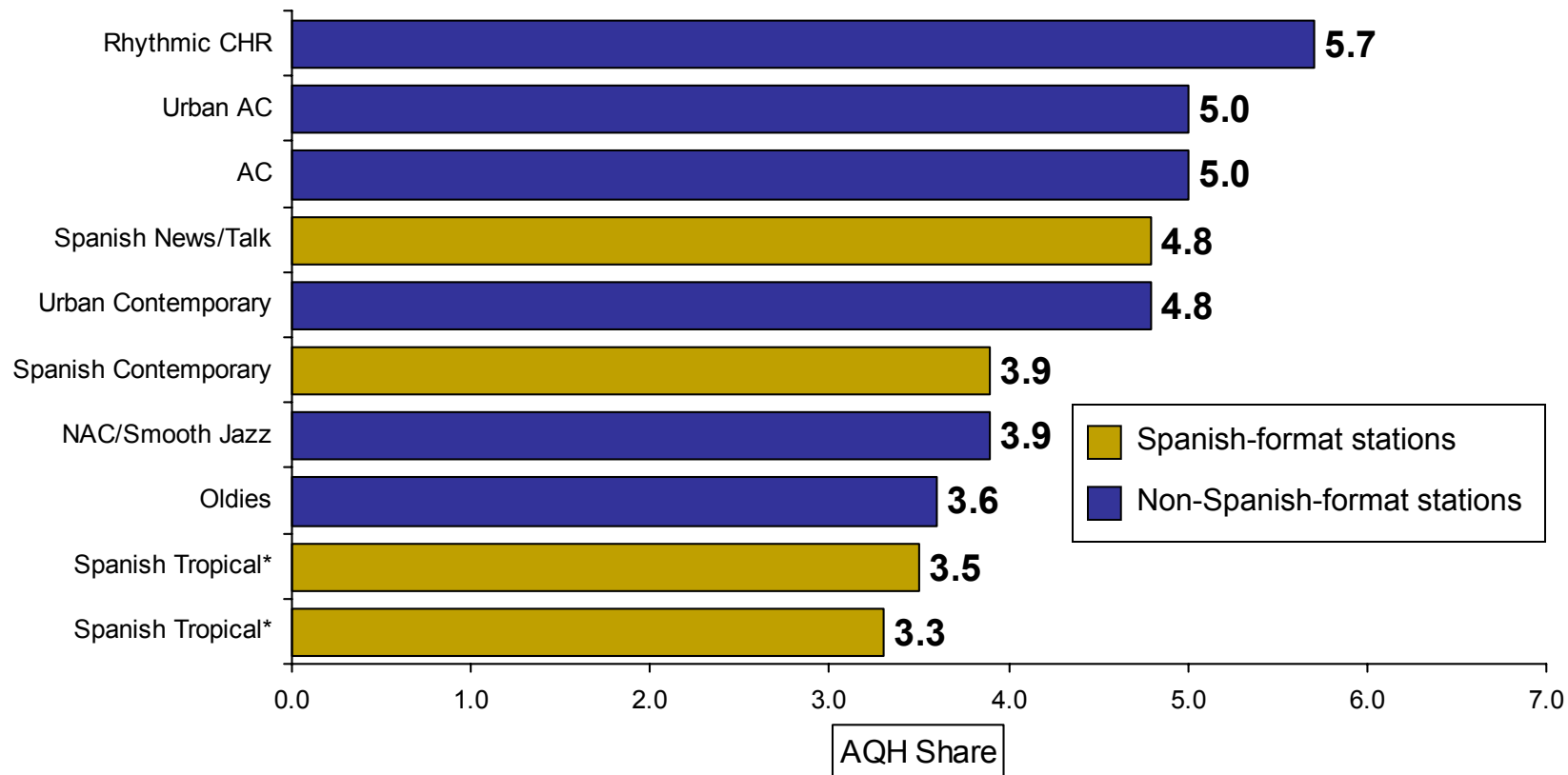
## Persons 25-54



\* Different stations in this format.

# Top Stations in Miami

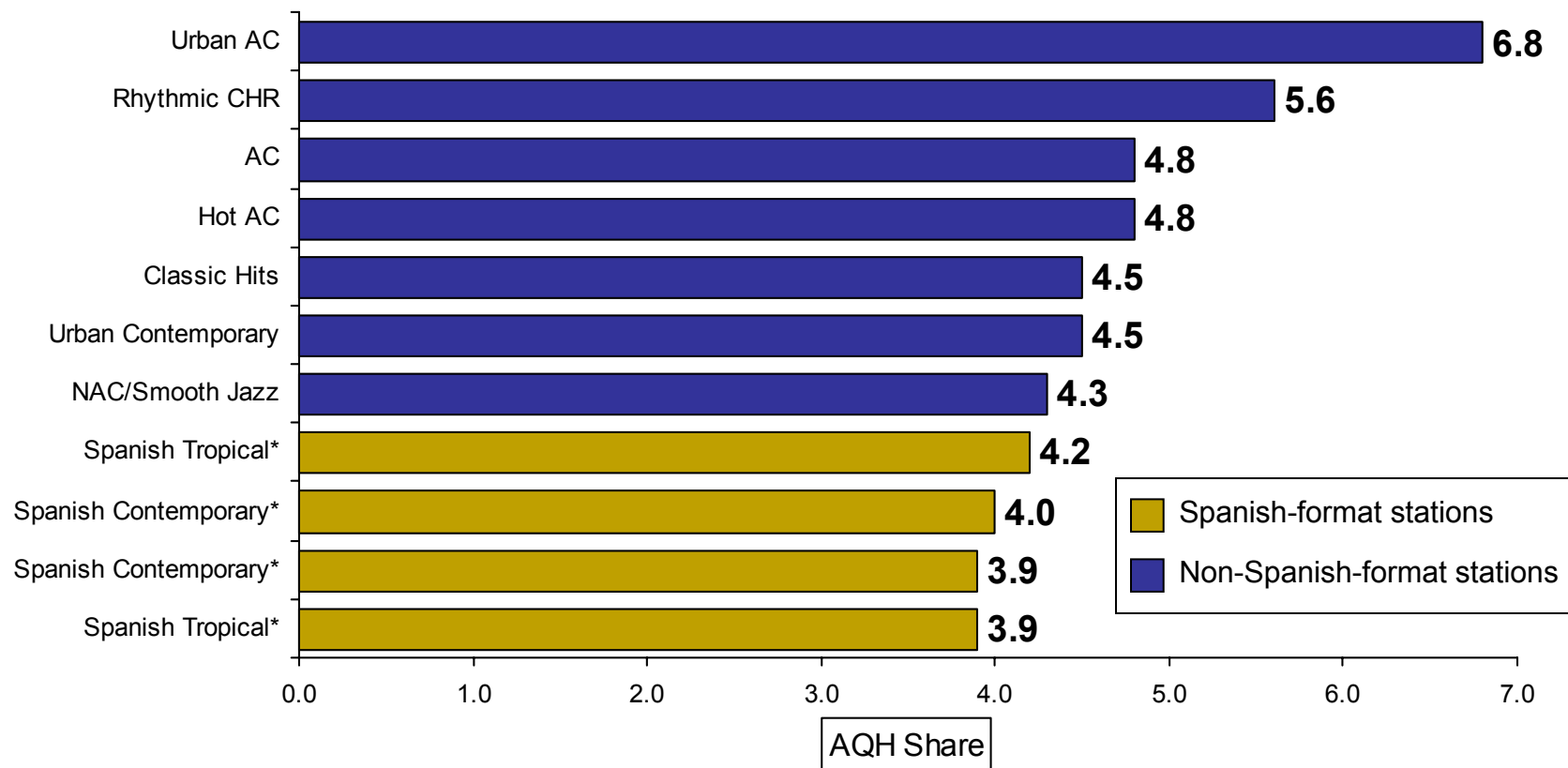
## Persons 12+



\* Different stations in this format.

# Top Stations in Miami

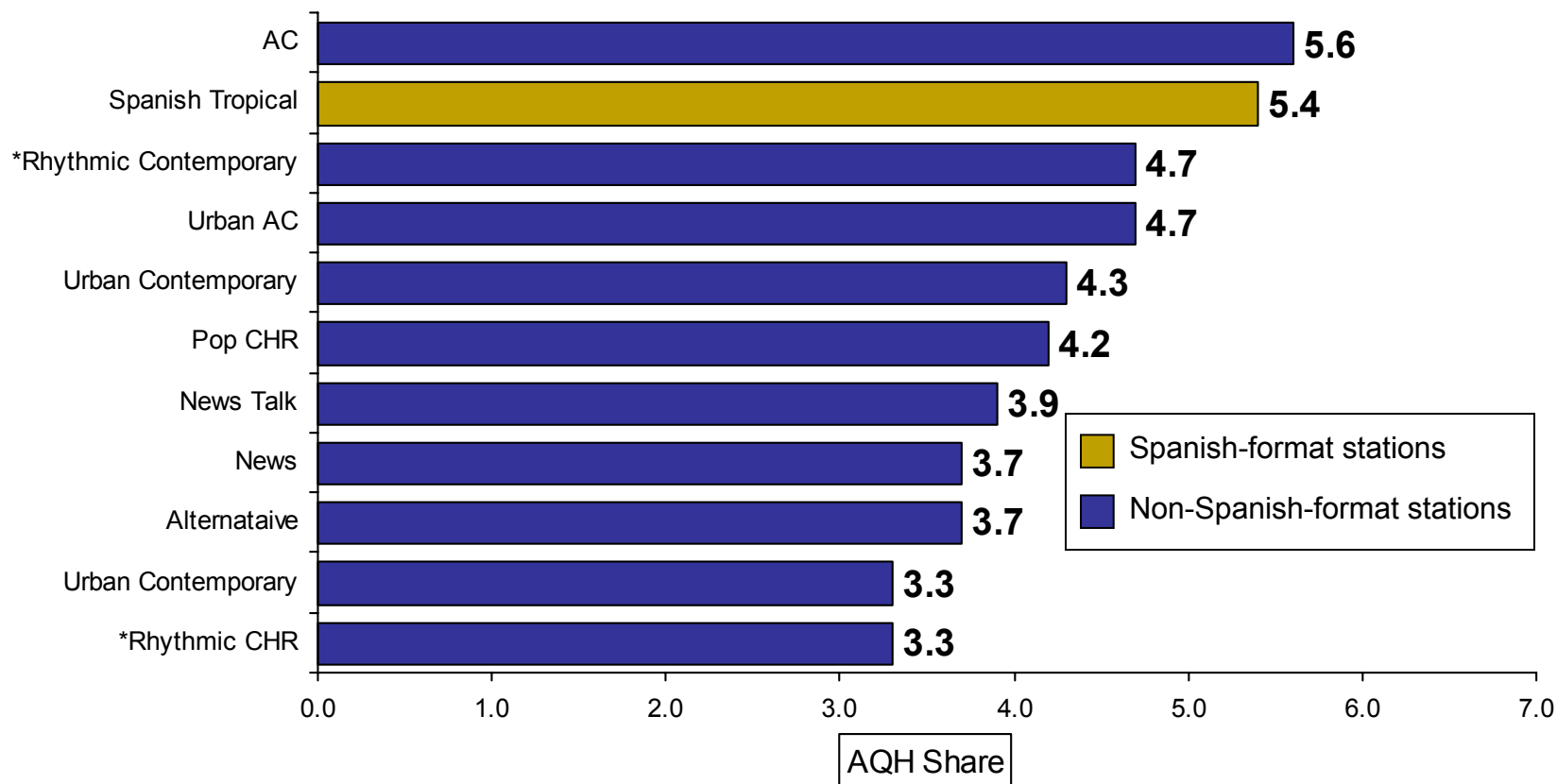
## Persons 25-54



\* Different stations in these formats.

# Top Stations in New York

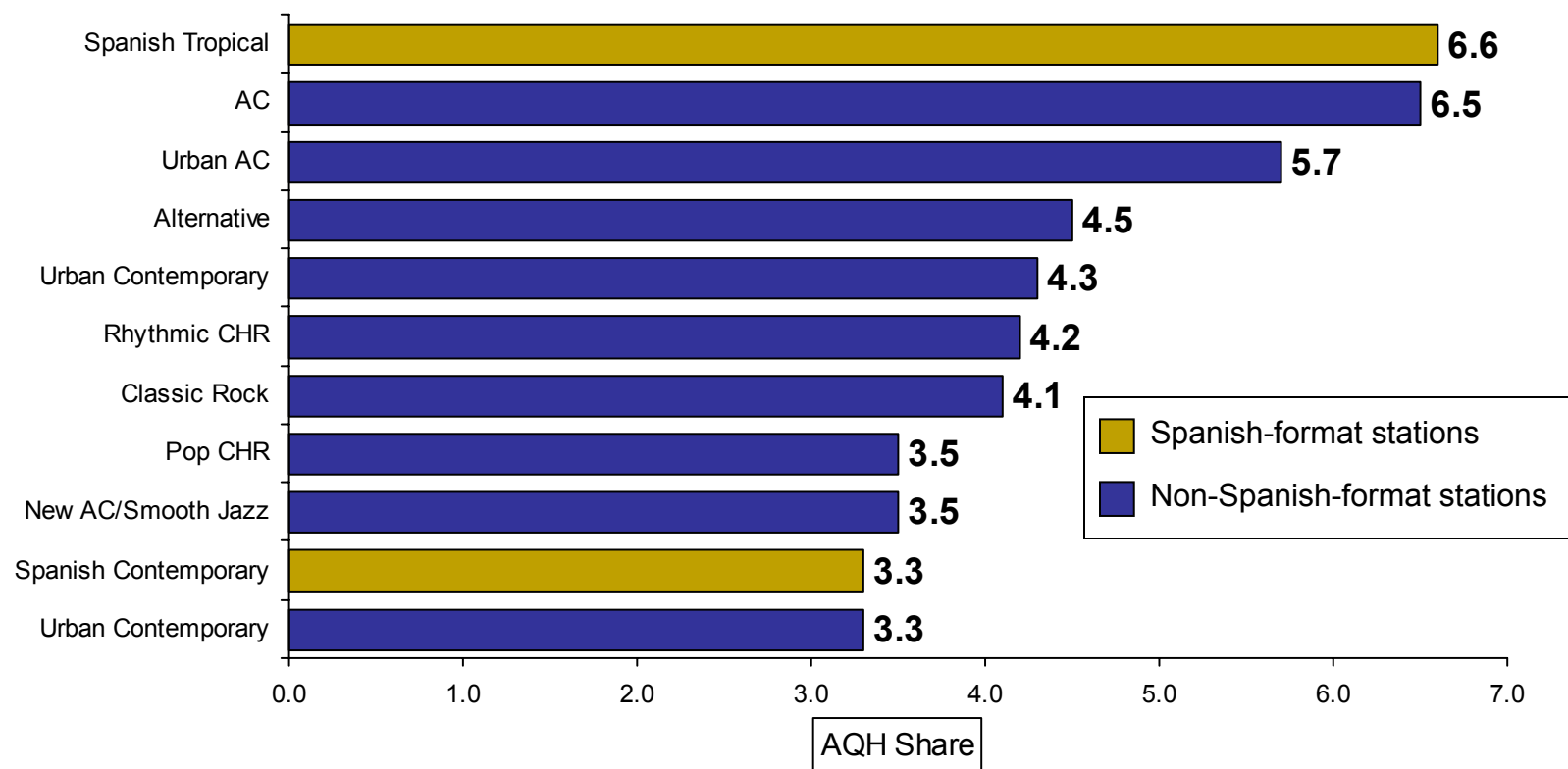
## Persons 12+



\* Different stations in this format.

# Top Stations in New York

## Persons 25-54



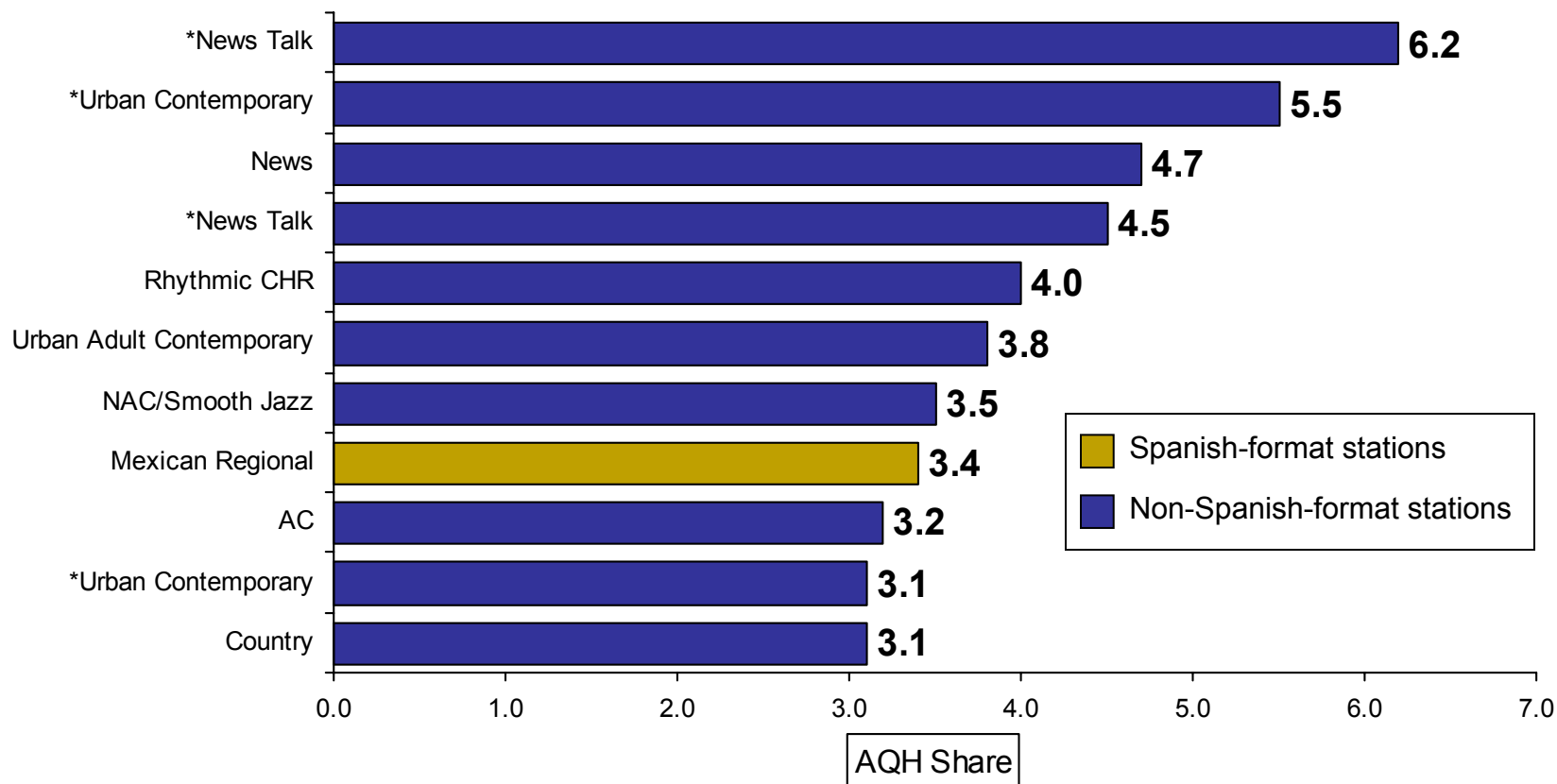
Source: Arbitron Spring 2004 Survey, P25-54, Mon-Sun 6AM-Mid, New York



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# Top Stations in Chicago

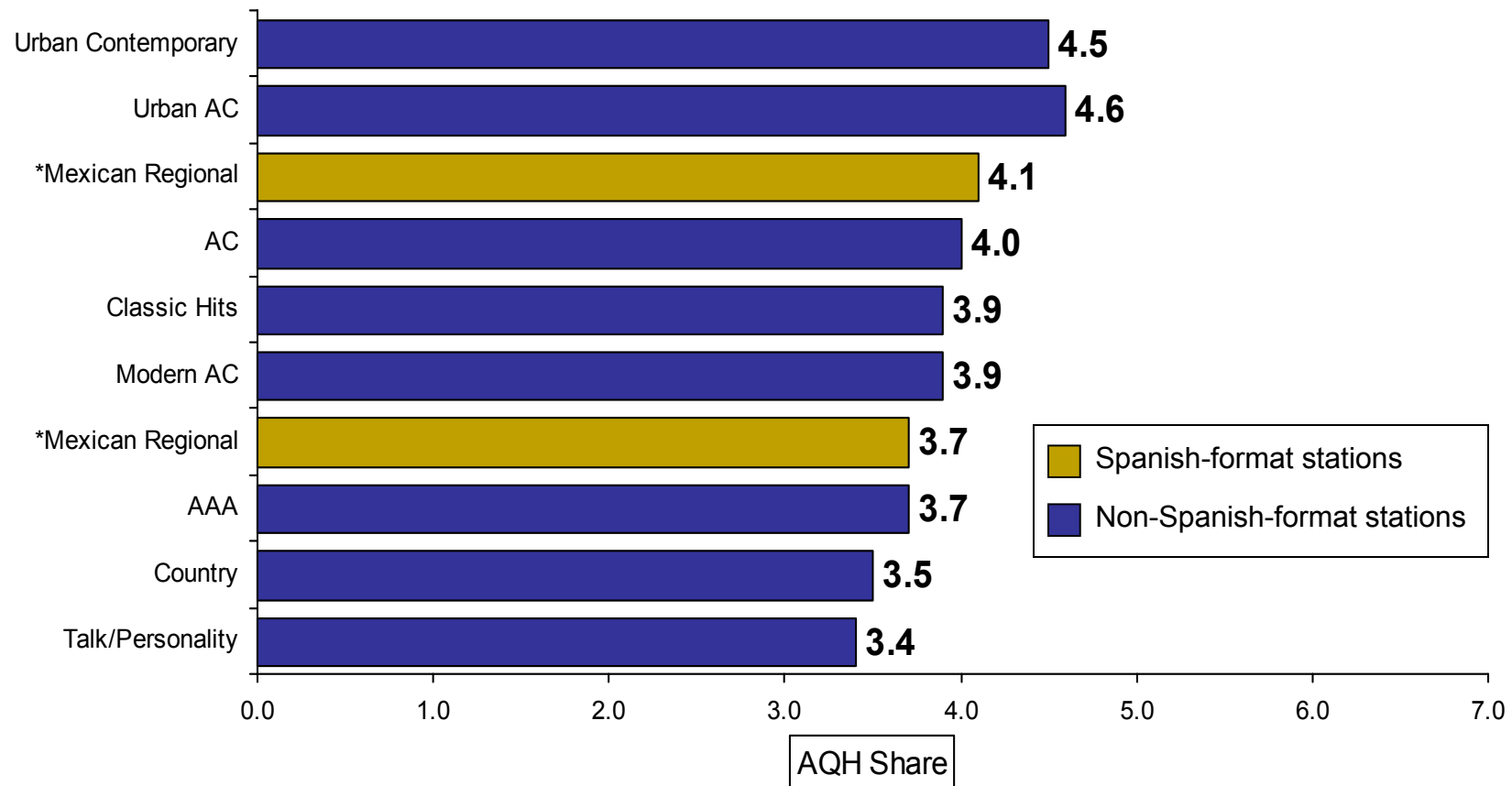
## Persons 12+



\* Different stations in this format.

# Top Stations in Chicago

## Persons 25-54



\* Different stations in this format.

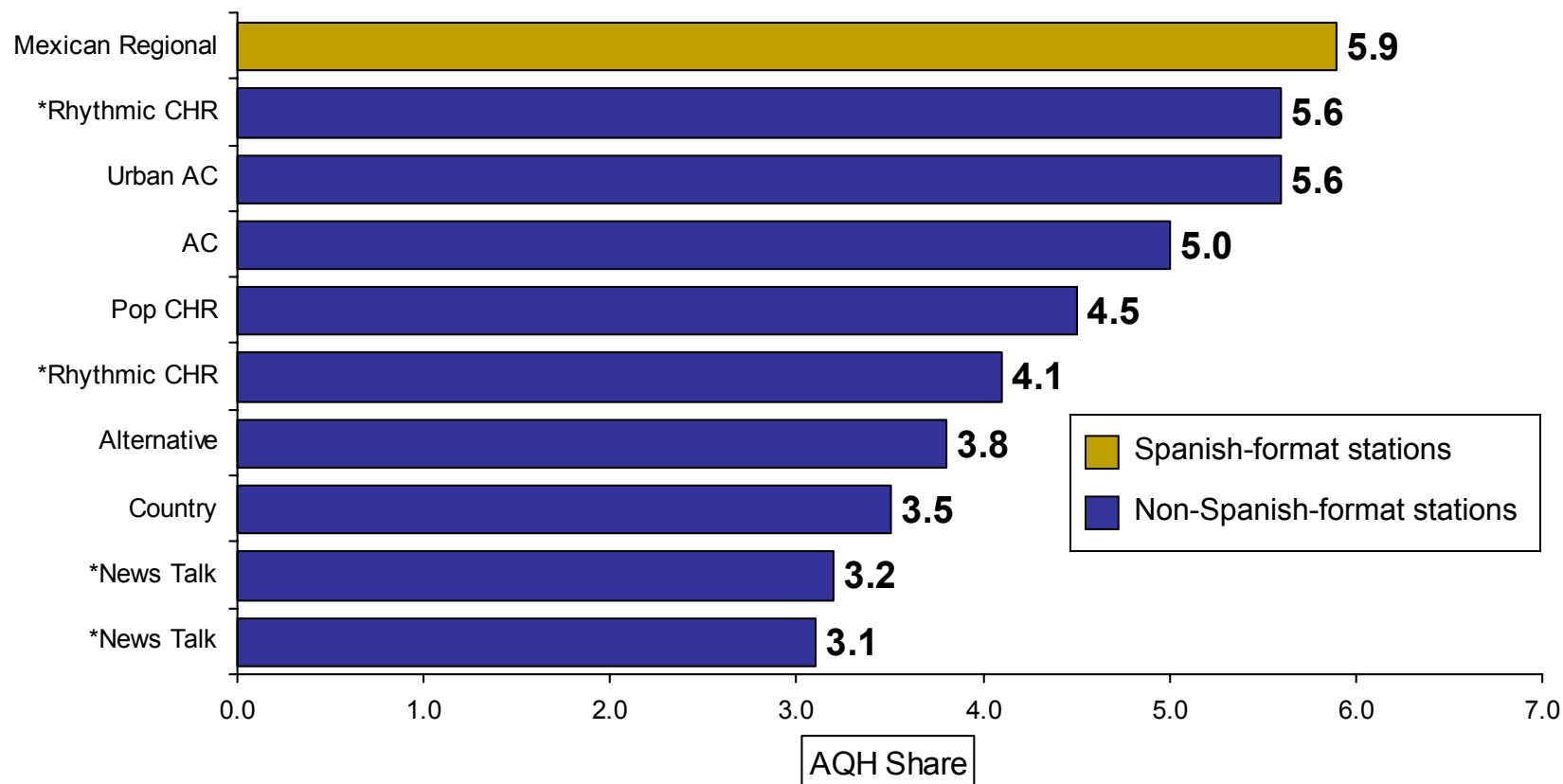
Source: Arbitron Spring 2004 Survey, P25-54, Mon-Sun 6AM-Mid, Chicago



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# Top Stations in Houston

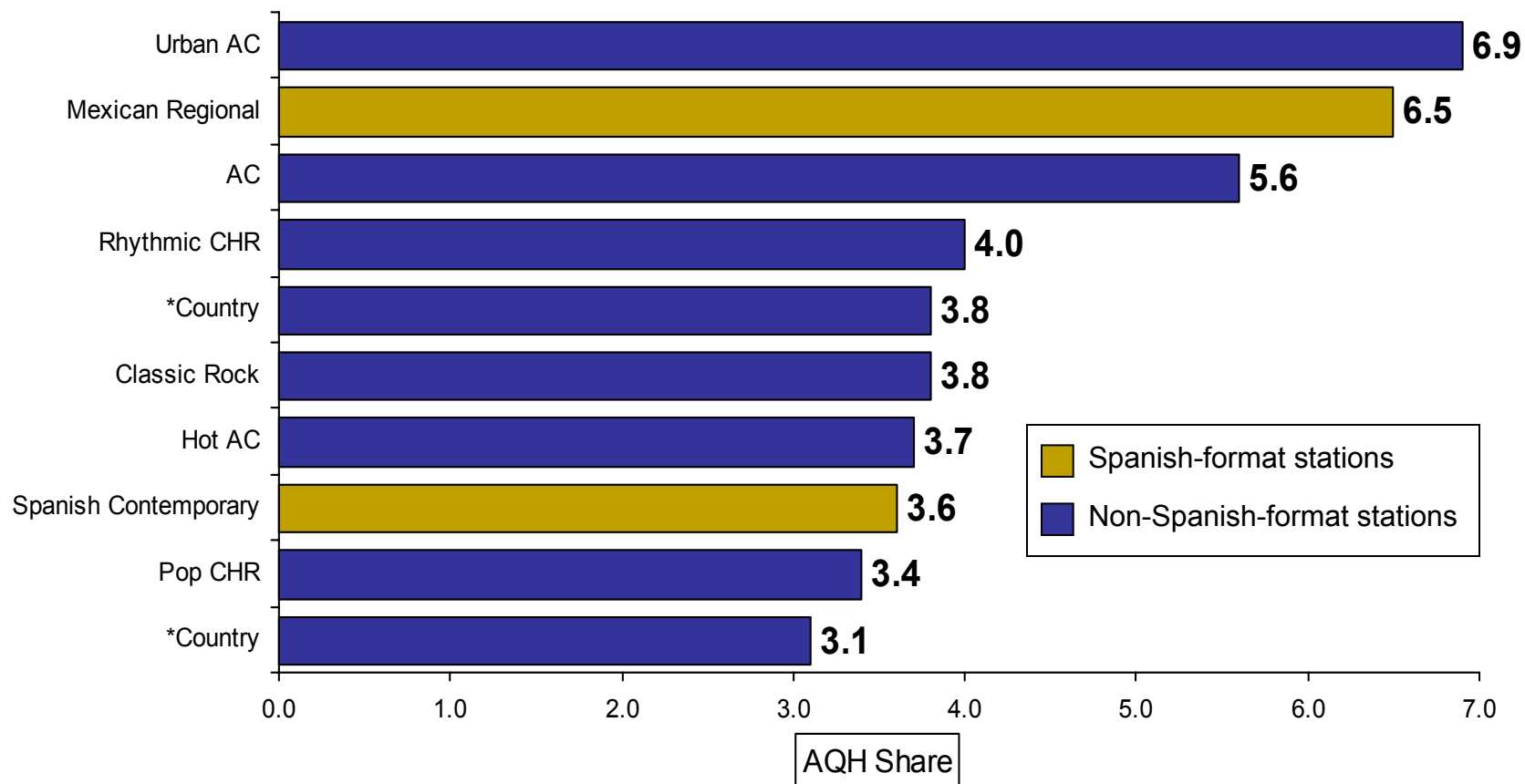
## Persons 12+



\* Different stations in this format.

# Top Stations in Houston

## Persons 25-54



\* Different stations in this format.



## **Advertisers Are Taking Note of This Desirable Target Audience**



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# Top 12 Advertisers Cultivating the Hispanic Market

2003 Rank	Advertisers	2003	2002
1	Procter & Gamble	\$89.1	\$69.7
2	Altria ( <i>formerly Phillip Morris</i> )	\$60.7	\$64.1
3	General Motors	\$55.2	\$50.6
4	McDonald's	\$48.1	\$41.9
5	Sears, Roebuck & Co.	\$42.5	\$41.6
6	Toyota Motor Co.	\$40.0	\$39.2
7	Americatel	\$39.0	\$32.9
8	Pepsi-Cola Co.	\$38.9	\$34.7
9	AOL Time Warner	\$36.8	\$33.9
10	Coca-Cola	\$34.8	\$41.4
11	AT&T	\$33.4	\$44.8
12	Johnson & Johnson	\$32.8	\$25.8

Gross Media Expenditures in Millions

Source: Hispanic Business Inc; ranked on 2003 expenditures



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# Hispanic Advertising Industry Growth

Year	Billings	Percent Change
1998	\$1.7 Billion	-
1999	\$1.9 Billion	+11%
2000	\$2.4 Billion	+27%
2001	\$2.0 Billion	-17%
2002	\$2.4 Billion	+24%
2003	\$2.7 Billion	+13%

Source: 1998 through 2001 Hispanic Business Inc.;  
2002 and 2003 Advertising Age-Hispanic Fact Pack, 2004 Edition



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# Summary

- The U.S. Hispanic population is growing rapidly and is now the biggest minority in the country
- Hispanic Americans have \$686 billion in spending power, and it is growing at twice the annual rate of non-Hispanic spending power
- Diverse countries of origin contribute to the regional differences in the Hispanic population
- Hispanic consumers are heavy users of radio and spend significant time with Spanish radio



# To Reach Hispanic Consumers

- Look in specific categories to find out where they really are spending their money
- Don't ignore regional differences. Because of various countries of origin, the makeup of markets changes from coast to coast. This affects consumer behavior and media usage
- Remember that "Spanish Language" is not a radio format. It is a group of formats consisting of diverse musical and programming tastes, from Tropical to Talk



# For More Information on Spanish-Language Radio, Please Visit [www.arbitron.com](http://www.arbitron.com)

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