

HISPANIC INFLUENCE TRANSFORMS ADVERTISEMENT LANDSCAPE



Figures from the 2010 U.S. Census confirms clearly that the demographic is rapidly increasing. There are now over fifty million Hispanic consumers in America. This is about one in six Americans, making up over fifty percent of the nation's population increase. Therefore, as general market advertising reduces, market spending that is targeted at Hispanics is on the upward trend although not as fast as it was before the recession. For example, during the first six months of this year, Procter & Gamble moved more money towards Spanish-language media and reduced spending on general market consumer TV and magazine. Pharmaceuticals and financial services that have been relatively inactive in the Hispanic marketplace now have increase budgets targeting this group. This development is not so good for some multicultural shops. General-market shops with stronger relationships with big clients are now being attracted because of the increased investment levels. They can easily pull talented workers from small size agencies. The research company IBISWorld, released a list in August that shows the top ten American industries with the fastest growing Hispanic market shares. Ad agencies were fifth on the list. One industry leader has clearly said that what is happening is that general-market agencies are growing their enterprises at multicultural agencies' expense. With the changing American population, this is an apparent business expansion. For example, sometimes last November, Ogilvy launched OgilvyCULTURE which is a cross cultural strategic service plan that got some jobs from British Airways, IKEA, Kodak and other marketers. Robert Orci, the president of Acento (based in L.A) and the chair-elect of the Hispanic Advertising Agencies' Association which is holding its yearly conference in Miami next week says that the Hispanic market is regarded as the general market in certain U.S states and for specific brands. He also says that his agency has been involved with general market reviews and has faced general market agencies in Hispanic reviews. The CEO of Interpublic's Casanova Pendrill, Ingrid Otero-Smart, says her agency located in Costa Mesa, California has a higher likelihood of having clients give new Hispanic projects to any of its general market agencies than for her company to meet general market shops in a pitch for new business. Nowadays, Hispanic consumers have more flexible spending ability than any other multicultural group. It seems Casanova's Pendrill's chief, Otero-Smart, is less bordered about the advance of general-market shops on her area of operation than she is concerned about the sluggishness of the market to heed the signals presented by the recent census reports. She further says that the main issue is to find a way to get marketers to cross the 4 to 5 percent spending levels. If they have budgets that are two to three times this size, general market competition will no longer be important and everyone will have more than enough business to do.