

Advertising in the Hispanic Market

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ABSTRACT

The Hispanic population is the largest minority population in the United States and has been for decades. This research compares magazine print ad pages in 1997 to a similar sample in 2015. The magazines sampled targeted the up-scale Latina audience versus magazines targeting up-scale Anglo women. In 1997 the Latina audience was under represented compared to the Anglo target audience and this difference was highly significant (.002). The replicated 2015 research demonstrates that the relationship has dramatically changed in the intervening years as the t statistic is no longer significant. Conclusions and recommendations are discussed.

Keywords: Advertising, Hispanic market, Print advertising, longitudinal research

INTRODUCTION

The Hispanic population in the United States is growing rapidly. Along with that growth comes substantial and ever-growing purchasing power. This research explores how effectively marketers are capitalizing on the growth and spending power of the Hispanic community. Specifically, this research will explore the advertising content of magazines during this growth period.

HISPANIC ADVERTISING IN THE US

From the 1980 to 1990 the U.S. Hispanic population increased by 50% to 21.9 million. By 2000, the U.S. Hispanic population reached 35.3 million. In 2010, the U.S. Hispanic population increased to 50.5 million. Between 2000 and 2010, the growth rate of the Hispanic population in the US was 43% and four times the growth rate of the overall population (Census, 2010). The Hispanic population has now been the nation's fastest growing minority for more than three decades (Zbar, June 1995; Census, 2010) and accounts for more than 16% of the nation's total population (Census, 2010).

Hispanic purchasing power is very high and based on more than just the rapid growth rate of this population. Hispanic households have higher spending power because they also have a larger family size. "The average size of Latino households is 3.47 people compared with 2.62 for the total population. In addition, the average family size of Hispanics (3.92 people) is greater than the total U.S. population (3.22 people)" (CDC, 2010 pp. 2). In 1990, Hispanic purchasing power was \$210 billion and by 2000 it had increased to \$489 billion. By the year 2009, Hispanic purchasing power had increased to \$978 billion (an increase of 50%) and by the end of 2015, it is predicted to reach \$1.5 trillion, an increase of 53% (Selig Center for Economic Growth).

Research indicates that Hispanic consumers are a distinct target market. Hispanic consumers' emotion towards an ad and reaction to advertising often varies significantly from non-Hispanic consumers (PR Newswire, 2010). Research also indicates that Hispanics are more likely to recall advertising and an entertaining ad is more likely to affect their purchasing decision than it is for non-Hispanic consumers (PR Newswire, 2010). Further, "market researchers say that Hispanic consumers reward companies with unprecedented brand loyalty. And Hispanic consumers are willing to spend more on premium brands than are consumers overall" (Duggan, 1998, pp. 8). Torres and Gelb (2002) indicated that the per dollar payoff from increased Hispanic advertising exceeded the per dollar payoff from increased advertising in general. Further, a 2011 study indicated that there is a strong and positive relationship between ad spending allocated to the Hispanic market and a company's revenue growth (AHAA, 2011).

Prompted by Census data and market research, growth in advertising directed at U.S. Hispanics began to outdo overall advertising growth. However, in 2002, according to the Association of Hispanic Advertising Agencies, this advertising growth fell far short of what was needed to reach the 40 million Latinos that accounted for 13% of the U.S. population. Comparable advertising dollars did not get close to that percentage. Big U.S. advertisers spent 1.8% of their total advertising budget on the Latino market in 1999 and 3.2% in 2001 (Porter, 2002).

From 2006 to 2010, Hispanic advertising remained steady at 5% to 6% of the total advertising budget among the top 500 advertisers. Still well below the Hispanic population percentage but also unaffected by the Great Recession that led to big cuts in overall advertising

budgets in 2008 among the top 500 advertisers (AHAA, 2010). The Association of Hispanic Advertising Agencies (AHAA) took a deeper look at Hispanic advertising dollars by classifying the Top 500 advertisers according to four categories: Best in class, Leaders, Followers, Laggards and In Denial. Companies were categorized based on the percentage of their advertising budget allocated to Hispanic advertising with Best in class companies spending 14.2% or greater and Denial companies spending less than 1% of the advertising budget. Categories in the middle had 6.4%-14.2%, 3.6%-6.3% and 1.0%-3.5% respectively. In 2010, only 5% of the top 500 advertisers were classified as Best in Class. Fifty seven percent of the top 500 advertisers were in Denial (AHAA, 2010).

The growth and purchasing power of the Hispanic population got the attention of some industries early on. Following the slaying of Tejano singer Selena Quintanilla-Perez, *People* magazine put Selena on the cover of their Southwest edition. This Southwest edition promptly sold out. *People* followed up with 525,000 copies of a May 1995 commemorative issue on the singer. This commemorative issue went into a second printing and sold most of another 390,000 copies (Zbar, October 1995).

People was not alone. Other Latina magazines also appeared in the 1990's, including *Hogarama*, *Mundo Deportive*, *Si*, *Latina* and *Vanidades* (Zbar, October 1995). *Latina Magazine* was launched in May of 1996. *Latina* targets the upscale Hispanic woman and is written in both English and Spanish (Zbar, October 1995). *Vanidades* also targets the upscale Hispanic woman but it is written entirely in Spanish.

AN EXAMINATION OF AD CONTENT: THEN AND NOW

Magazines were one of the earliest industries to capitalize on the explosive growth of the Hispanic population. Compared to the general market, Hispanics have a unique relationship with magazines. The Hispanic market is more engaged with magazines and they are more trusting of the advertisements in magazines than the overall market. More Hispanics, as compared to the general market, also feel that reading their favorite magazine is an escape and view magazine ads as a shopping media. The majority of Hispanics agree that magazines provide good ideas of what to buy and useful information about new products. More than 75% of adult Hispanics read magazines (Magazine Publishers of America, 2008).

The question arises as to whether or not advertisers were and are taking advantage of these magazine opportunities. The authors of this research, Pellegrino et.al. (1997) previously examined the advertising content of both Hispanic and Anglo- American upscale women's magazines. The authors compared both *Latina* and *Vanidades* (magazines targeting the upscale Hispanic woman) with their general U.S. counterparts (magazines targeting the upscale Anglo-American woman). These general magazines include: *Cosmopolitan*, *Vogue*, *Glamour*, *Mademoiselle*, *Redbook* and *Mirabella*.

Specifically, the authors looked at the ad content of magazines targeting the upscale Hispanic and Anglo-American woman. First the total number of advertisements appearing in each magazine was determined. The number of advertisements in each magazine was then divided by the total pages available in each magazine. This calculation provided the ad content per page for each magazine under examination. These calculations are indicated in Table 1 (Appendix).

Just by examining the numbers available in Table 1 (Appendix), there appears to be a significant difference between the Hispanic and Anglo-American magazines. However, is this a

statistically significant difference? This question was answered using a t-test to examine the difference between two means. The average ad content/page was determined for both the Hispanic and Anglo-American magazines. A t statistic was then calculated to determine if the average difference was statistically significant. The results are shown in Table 2 (Appendix).

The t statistic calculated was -5.46 and was highly significant. Therefore, it was concluded that there was a statistically significant difference in advertising content per page when comparing *Latina* and *Vanidades* with *Mirabella*, *Redbook*, *Mademoiselle*, *Glamour*, *Vogue* and *Cosmopolitan*. In other words, advertisers were utilizing the Anglo-American magazines much more than the Hispanic magazines.

Has that ad content coverage changed over the years? In order to determine that, the study was replicated for 2015. Both *Latina* and *Vanidades* were used again. They are still among the top 5 Latina magazines. *Glamour* and *Vogue* were also used. More Latina magazines were added including *Cosmopolitan for Latinas*.

A cursory look at the ad content per page in Table 3 (Appendix) indicates that the underutilization of magazine ad content may no longer exist. A t test was again performed to test for a significant difference. The results are available in Table 4 (Appendix).

Therefore, it was concluded that there was not a statistically significant difference in advertising content per page when comparing *Latina* and *Vanidades* etc. with similar Anglo-American magazines in 2015. The Hispanic market has been woefully underserved in the past. It appears that advertising content in Hispanic magazines has improved since 1997.

CONCLUSIONS AND RECOMMENDATIONS FOR FURTHER RESEARCH

Advertising content in Hispanic magazines has improved significantly since 1997. There are however, some indications that the increase in Hispanic magazine readership and ad pages may be stalling. According to the editors of Media Life (2015), “while circulation has remained steady, ad spending on Hispanic titles is well down...as advertisers move more and more of their spending online” (Media Life, 2015, pp. 1).

A further examination of the content of the ads contained in the magazines could also provide further evidence of the effectiveness of Hispanic magazine advertising content. As noted previously, the Hispanic market is unique and advertising strategies must also be unique to reach this consumer.

APPENDIX

Table 1 - Advertising Content Per Magazine Page - 1997

Magazine	# of Ads	# of Pages	Ads/Page
Latina	23.67	106	.22
Vanidades	23.33	132	.18
Mirabella	26.00	102	.25
Redbook	84.67	168	.50
Mademoiselle	108.33	206	.53
Glamour	164.67	298	.55
Vogue	143.50	286	.50
Cosmopolitan	199.67	378	.53

Table 2 - t-test for Equality of Means 1997

Variable	# of Cases	Mean	SD	SE of Mean
Hispanic	2	.2000	.033	.023
Anglo-American	6	.4779	.111	.045

t statistic = -5.46, significance level = .002

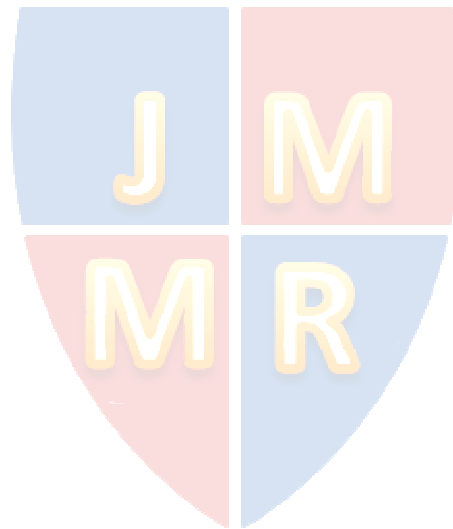
Table 3 - Advertising Content Per Magazine Page 2015

Magazine	# of Ads	# of Pages	Ads/Page
Latina	62.1	119.2	.52
Vanidades	34.83	126	.28
TV y Novelas	24.125	112	.22
Mujer	59	85.33	.69
Glamour	171	308	.56
Vogue	111.67	219.33	.51
Cosmopolitan for Latinas	43.17	146	.30

Table 4- t test for equality of means 2015

	Language	N	Mean	Std. Deviation	Std. Error Mean
Ad	English	6	.522090 006079679	.072977 118942278	.029792 784051163
	Spanish	1 5	.423179 000986601	.195619 518464697	.050508 742480459

t statistic = 1.190, significance level = .249



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