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Hispanic/Latino Market Profile

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Dynamics of Changing Populations

As the U.S. population continues to diversify, advertising and marketing professionals need all the more to understand the changing markets and major trends affecting their clients/customers, products and services. Magazine Publishers of America created the Market Profiles series to provide advertisers, agencies and MPA members with an in-depth look at demographic groups that are at the core of the United States' changing populations.

The Market Profiles gather and synthesize the most recent findings from dozens of sources in order to help marketers communicate more effectively with these important consumer segments. The series includes profiles of the Hispanic/Latino, African-American, Asian-American and Teen markets.

This profile focuses on the impact of the Hispanic/Latino market, which is changing at a rapid pace. How is it changing? A few examples include:

- **Population**—Estimated to grow 126.4% from 1990 to 2011
- **Purchasing power**—Estimated to have reached \$798 billion dollars in 2006
- **Spending power**—Expected to reach \$1.2 trillion in 2011, exceeding the \$212 billion reported in 1990 by 457%

The Hispanic/Latino Market Profile provides insights on this expanding market, offering an overview of Hispanic/Latino geographic trends, language preference, media use and a roundup of advertising spending data.

To access additional copies of this and other market profiles, please visit MPA's website, www.magazine.org/marketprofiles. For further detail on content, please e-mail infocenter@magazine.org.

Sources: U.S. Census Bureau; Synovate U.S. Diversity Markets Report 2006; Selig Center's Multicultural Economy Report 2006

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Market Definitions

Hispanic: Relating to or derived from the people, speech or culture of Spain or Portugal

Widespread usage of the term “Hispanic” dates back to the 1970s, when the Census asked Hispanics to self-identify as Mexican, Puerto Rican, Cuban, Central/South American or “other Hispanic.” Origin can be viewed as the heritage, nationality group, lineage, or country of birth of the person or the person’s parents or ancestors before their arrival in the United States. People who identify their origin as Spanish, Hispanic, or Latino may be of any race (Black/African-American, White/Caucasian, Asian, Native American) or mixed race.

Latino: People of “Latin-American” descent

While the terms Hispanic and Latino are used interchangeably, they do have different connotations. The Latino National Survey found that 35% of respondents preferred the term “Hispanic,” whereas 13.4% preferred the term “Latino.” More than 32% of respondents said either term was acceptable, and 18.1% indicated they did not care.

This report uses both terms to refer to the same group, except when quoting sources directly.

Did You Know?

- “Hispanic” is an ethnicity, not a race.
- The Census tracks six races: White, Black, Asian, American Indian/Alaska Native, Native Hawaiian/Pacific Islander and “some other race.”
- The 2000 Census was the first that allowed Americans to self-identify as multicultural. Seven million respondents designated themselves as multicultural:
 - 48% of Hispanics identified as “White only”
 - 42% of Hispanics identified as “Some other race”
 - 2% of Hispanics identified as “Black only”
 - 17% of Hispanics also reported belonging to two or more races

Sources: *Webster’s 3rd International Dictionary*, U.S. Census Bureau 2000; Latino National Survey 2006

Snapshot of the Hispanic/Latino Market

The influence of Hispanics/Latinos is evident throughout American culture: music, dance, food and fashion are just a few examples of the powerful effect this market segment has on mainstream America. Given the sheer size and economic impact of the market, it's no wonder.

Now 44.8 million strong, Hispanics/Latinos are a fast-growing, diverse population in the United States. With growth surging nearly 58% from 1990 to 2000—more than four times the growth rate of the U.S. population—and approximately 23% from 2000 to 2006, Hispanics/Latinos comprised 14.7% of the total population in 2006.

More significantly, the community is expected to keep growing at a strong and steady clip—by 2010, it is estimated that there will be 50 million Hispanics/Latinos or 16% of the total U.S. population. By 2050, 28% of the entire U.S. population is projected to be Hispanic/Latino (estimated to be 122 million).

From 2000 to 2006, the purchasing power of Hispanics/Latinos climbed more than 63% to \$798 billion. By 2011, it will top \$1.2 trillion, according to the University of Georgia's Selig Center for Economic Growth. The estimated 8.7% compound annual growth from 2000 to 2007 is 80% greater than that of the rest of the U.S. population.

While the challenges of marketing to Hispanics/Latinos are great, largely because of the range of cultures from which Hispanics/Latinos hail and their varying degree of language preferences, the opportunities are vast.

Hispanic/Latino Market Opportunities

- Size, growth and spending power
- Skews younger than the U.S. population—particularly strong teen market
- Urban population concentrations (roughly 55% of Hispanics/Latinos live in the top 10 urban areas) allows relatively easy geographic targeting
- Pan-Latino identity: bound by common language (Spanish) and/or common immigrant experiences

Hispanic/Latino Market Challenges

- Hispanics/Latinos hail from 22 different countries—each with its own cultural nuances
- Varying levels of acculturation, language usage and assimilation, which can influence language preference

Sources: Selig Center for Economic Growth 2006; Synovate U.S. Diversity Markets Report 2006

Market Segmentation

Traditionally researchers have segmented the Hispanic/Latino market by country of origin. Today, however, marketers and their agencies use a variety of factors, including length of U.S. residency, degree of acculturation and language preference/usage, to determine their communication strategies.

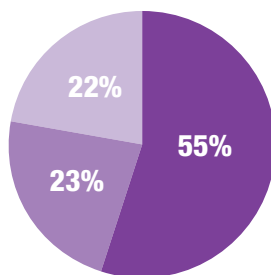
Hispanic/Latino Residency

According to the Synovate U.S. Markets Report, the average length of residency among foreign-born Hispanics/Latinos nationally is more than 17 years, while 62% of all foreign-born Hispanic/Latino adults have lived in the United States 15 years or less. Most foreign-born Hispanics/Latinos from Puerto Rico, Cuba or the Dominican Republic have lived in the United States 15 years or longer.

Acculturation Levels

The Hispanic/Latino market is often divided by levels of acculturation: mostly acculturated or U.S. dominant; partially acculturated (also called “assimilated” or bicultural); or relatively unacculturated (“isolated” or Hispanic dominant). Surveys may produce different findings. For example, the *People en Español* Hispanic Opinion Tracking (HOT) Study found that of Hispanics/Latinos in the United States:

- **55% are relatively unacculturated**
- **23% are partially acculturated**
- **22% are mostly acculturated**



Source: *People en Español* HOT Study 2006

Market Segmentation *continued*

On the other hand, according to Synovate’s research, three-quarters of Hispanics/Latinos are acculturated or partially acculturated; one-quarter fall into the unacculturated category.

Within the three groups—acculturated, partially acculturated and unacculturated—Hispanics experience differing levels of cultural tension. Synovate uses this concept of cultural tension to explain why and how people acculturate and to what extent. For example, a new immigrant without well-developed support mechanisms must learn to survive and thrive in the U.S. economy. The more unlike the host culture (i.e., the U.S. dominant culture), the more the immigrant must adapt to resolve the internal conflicts about how to work, eat, find shelter, socialize and realize dreams. As acculturation is necessary to meet these basic needs, tension builds unless it is resolved, i.e., acculturating.

Hispanics/Latinos with low cultural tension may:

- Have friends and family in the United States
- Seek out exposure to non-Hispanic things
- Feel comfortable among non-Hispanics

Hispanics/Latinos who feel high cultural tension may:

- Maintain ties with family and friends abroad
- Join Hispanic organizations
- Emphasize the uniqueness of Hispanics and Hispanic culture in the United States

Source: Synovate U.S. Diversity Markets Report 2006

Hispanic/Latino Acculturation Levels

Acculturated

(minimal to no cultural tension)



Partially Acculturated

New Latinos (low cultural tension)



American Latinos (medium cultural tension)



Traditionals (high cultural tension)



Unacculturated

Unacculturated Stable (low cultural tension)



Unacculturated Traditionals (medium to high cultural tension)



Source: Synovate U.S. Diversity Markets Report 2006

Language Preference

As marketers make choices on how to communicate with the Hispanic/Latino market—in English or Spanish—they often look at the consumer’s first language, physical location, degree of acculturation and/or age. Bilingualism, especially among acculturated Hispanics/Latinos, is of particular interest to marketers. It continues to be a point of discussion on whether to advertise in Spanish or English.

Language use varies widely among Hispanics/Latinos according to whether they are at home or work. The longer Hispanics/Latinos have lived in the United States, the more likely they are to speak English primarily.

Source: Synovate U.S. Diversity Markets Report 2006

Language Preference

At Home		Out of Home	
Spanish	56%	Spanish Only	16%
English	18	Mostly Spanish	24
Both	26	English Only	16
		Mostly English	33
		Both Equally	6
		No Answer	5

Source: Hispanic Fact Pack, 2006

Source: Hispanic Fact Pack, 2006

Language Usage by Hispanic Adults

	Speaking at Home	Speaking at Work
Spanish	56%	31%
English	18	51
Both	26	15
No Answer	0	3

Source: Synovate U.S. Diversity Markets Report 2006

Primary Language Among Latinos by Generation in the United States Spoken at Work:

	First Generation	Second Generation
Spanish Dominant	18%	6%
English Dominant	67	80
Bilingual	12	10
No Answer	3	4

Source: Synovate U.S. Diversity Markets Report 2006

Cheskin Research found that Hispanic/Latino teens respond best to bilingual ad messages—especially from English-language celebrities “who happen to slip in some Spanish”—because it mirrors their own usage patterns.

Sources: Synovate U.S. Diversity Markets Report 2006; *People en Español* HOT Study, 2001

Population Growth Trends by Country of Origin

The three largest Hispanic/Latino nationalities represented in the United States are from Mexico, Puerto Rico and Cuba. Mexicans represent nearly 67% of the entire Hispanic/Latino population. However, all of these segments charted double-digit growth surges from 1990 to 2006. Some specific examples to note include:

- The Mexican population segment has grown the most since 1990, steadily increasing at an overall rate above or near 50%
- Though increasing only 19% from 1990 to 2000, Cuban Hispanics/Latinos showed the second highest percent of growth of the groups overall between 2000 to 2006, increasing 37%
- “Other Hispanics” increased 82.7% overall from 1990 to 2006, but experienced a -7% decrease from 2000 to 2006. This category is extremely diverse, comprised of 19 countries, which may account for its growth volatility over the years

U.S. Hispanics by Country of Origin

Country	1990 (millions)	2000 (millions)	1990-2000 Percent Growth	2006 (millions)	2000-2006 Percent Growth
Mexico	13.5	20.6	53%	30.0	45%
Puerto Rico	2.7	3.4	25	3.9	14
Cuban	1.0	1.2	19	1.7	37
Other Hispanics	5.0	10.0	97	9.3	-7

Source: Synovate U.S. Diversity Markets Report 2006

Where Do Other Hispanics/Latinos Hail From?

	(millions)
Central America	4.1
South America	2.4
Dominican Republic	1.4
Other	1.5

Source: Synovate U.S. Diversity Markets Report 2006

In terms of Hispanic/Latino market composition, the ranking of the three major groups within the Hispanic/Latino population did not change from 2000 to 2006. Some specifics to note include:

- The percentage of the overall Hispanic/Latino population of Mexican descent increased by 8.3 percentage points
- The percentage of the total Hispanic/Latino population of Puerto Rican descent decreased by one percentage point, though their total population grew by nearly 500,000 or 14%

U.S. Hispanics by Country of Origin by Percent of Total Hispanic Population

	1990	2000	2006
Mexico	60.3%	58.5%	66.8%
Puerto Rico	12.2	9.6	8.6
Cuban	4.7	3.5	3.8
Other Hispanic	22.8	28.4	20.8

Source: Synovate U.S. Diversity Markets Report 2006

Did You Know?

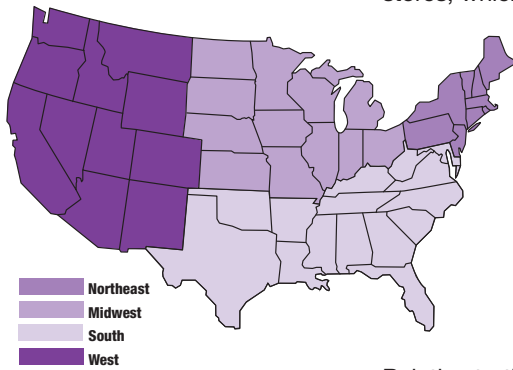
- By 2011, nearly one person out of every six living in the United States will be of Hispanic/Latino origin.

Sources: Synovate U.S. Diversity Markets Report 2006; Selig Center Multicultural Economy Report 2006

Areas of Geographic Concentration by Country of Origin

The three primary country groups show affinities for different regions, creating their own areas of concentration nationwide. For example, more than three-quarters of all Cubans reside in the South.

Market clustering allows marketers to capitalize on regional/cultural nuances by fine-tuning product, distribution and/or ad messaging. For instance, in New England, Cingular Wireless converted stores to serve the growing Hispanic/Latino consumer market better by converting signage and communications to both English and Spanish. Bilingual salespeople were employed to serve customers in both languages and to handle the needs of Hispanic/Latino consumers. Cingular Wireless took the bilingual concept nationwide, converting more than 420 stores, which were selected according to Hispanic population density in the neighboring area.



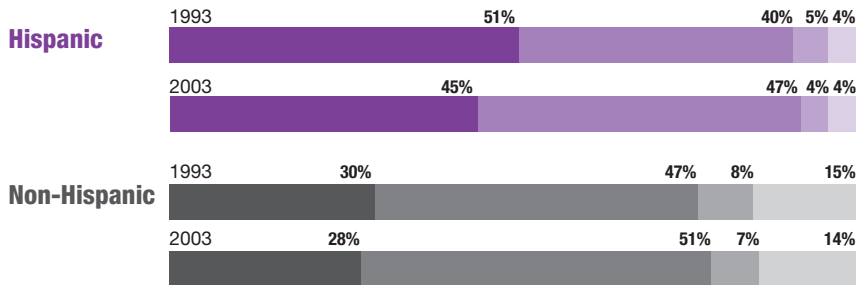
Geographic Distribution of Hispanic/Latino Population

	Northeast	Midwest	South	West
Mexican	3%	9%	33%	55%
Cuban	12	3	77	8
Puerto Rican	59	9	26	6

Source: U.S. Census Bureau 2005

Relative to the general population, Hispanic households are much more likely to be located in metropolitan areas. In the past 10 years, however, Hispanic household growth has been most heavily concentrated in the suburbs. The number of Hispanic households in the suburbs nearly doubled between 1993 and 2003; in urban areas, the number of Hispanic households only increased by half for the same period. Even so, the increase in Hispanic households in the central cities of metropolitan areas accounted for all of the growth within these cities. Overall, central cities would have experienced an overall decrease in the number of households were it not for growth in the Hispanic/Latino population.

Distribution of Hispanic and Non-Hispanic Households in Urban, Suburban and Non-Metropolitan Towns and Rural Areas, 1993 and 2003



Key: Central City, Suburban, Towns, Rural

Source: "Hispanic Housing in the United States," Institute for Latino Studies 2006

Sources: U.S. Census Bureau 2005; Synovate U.S. Diversity Markets Report 2006; PR Newswire US, 9/20/2006; "Hispanic Housing in the United States," Institute for Latino Studies 2006; U.S. Census Bureau News 8/11/05

Areas of Geographic Concentration by U.S. City

Hispanics/Latinos tend to settle in the 10 metropolitan areas listed below. These 10 markets alone comprise 60% of the entire U.S. Hispanic/Latino population. And, because they number more than one million in each of the top 10 cities, Hispanic/Latino residents greatly contribute to the cultural and economic fabric in these locations.

Top 10 U.S. Hispanic/Latino Markets

	Population (millions)	General Market Rank	Percent of Area's Population	Buying Power (billions)	Percent U.S. Born	Primary Country of Origin by Market	
Los Angeles	8.4	2	46.7%	128	18%	Mexico	80%
New York	4.3	1	20.7	78	29	Puerto Rico	31
Miami	2.1	14	48.6	41	14	Cuba	46
Chicago	1.9	3	19.5	31	20	Mexico	81
Houston	1.9	9	33.6	27	26	Mexico	81
San Francisco	1.7	5	23.7	37	16	Mexico	76
Dallas/Fort Worth	1.6	6	24.5	23	20	Mexico	88
Phoenix	1.2	12	26.6	18	20	Mexico	93
San Antonio	1.2	35	53.8	16	57	Mexico	91
Rio Grande Valley	1.1	—	—	—	42	Mexico	96

Source: Synovate U.S. Diversity Markets Report 2006

Did You Know?

- If the Hispanic/Latino population of the top 10 markets were combined, they would represent 8.5% of the total U.S. population.
- New York features the greatest diversity of Hispanics/Latinos: 31% are Puerto Rican; 21% are Dominican; 11% are Mexican. Also, Hispanics/Latinos in New York have the highest level of acculturation and speak English at work most frequently compared to the rest of the nation.
- Laredo, Texas, has the highest percentage of Hispanic/Latino residents in the entire United States: 95%.

Sources: Synovate U.S. Diversity Markets Report 2006

Hispanic/Latino Consumer Profile: Young and Increasingly Affluent

The Hispanic/Latino market skews younger than the rest of the U.S. population, giving advertisers solid access to some of the most coveted demographic groups. The median age of the Hispanic/Latino population in 2006 was much younger (27.2 years) compared to that of the population as a whole (36.4 years). In fact, about half of Hispanic/Latino males and females fall into the 20- to 49-year-old age bracket.

Hispanics/Latinos Median Age

United States	36.4
Hispanics/Latinos	27.2
Mexicans	25.5
Puerto Ricans	29.2
Central Americans	28.9
Dominicans	28.6
South Americans	33.5
Spaniards	35.6
Cubans	40.5

Source: U.S. Census Bureau, American Community Survey, August 2006

About a third of the Hispanic/Latino population was under 18, compared with one-fourth of the total population. And with Hispanic/Latino birth rates increasing 75% from 1995 to 2005, both the Hispanic/Latino and overall youth market are expected to continue to thrive.

While the Hispanic/Latino median income is lower than the U.S. average, sources affirm that more Hispanics/Latinos are moving into the middle class (earning at least \$40,000). In fact, in the top 85 metropolitan areas in 2001, 14.3% of Hispanics/Latinos aged 18 to 34 earned household incomes of \$50,000 or more versus 13.6% of the general population aged 18 to 34 in the same 85 metropolitan areas.

Also, Hispanics/Latinos are an increasing proportion of the total affluent market (defined as adults with household incomes of \$100,000 or more). From 1991 to 2000, the growth of affluent Hispanics/Latinos rose 126%.

Hispanic/Latino Median Household Income

	2003	2006	Percent Change
United States	\$43,318	\$46,326	6.9%
Hispanic/Latino	\$33,103	\$35,967	8.7

Source: U.S. Census Bureau, American Community Survey, August 2006

Did You Know?

- Seventy-six percent of Hispanics/Latinos in Chicago are employed, followed by 67% in Los Angeles and 64% in New York.
- Eighty-one percent of Hispanic/Latino adults in Miami have completed high school.

Sources: U.S. Census Bureau 2003/2006; Selig Center's Multicultural Economy Report 2006; *Sales & Marketing Management*, 2001; Survey Buying Power; Tomas Rivera Policy Institute; American Baby Group 2000; Synovate U.S. Diversity Markets Report 2006

Hispanic/Latino Teen and Youth Markets

Teens (12- to 19-year-olds), in general, are sought after as the ultimate consumers and creators of trends. The Hispanic teen segment may be one of the most important markets for future-oriented marketers to understand, according to Cheskin Research. Cheskin Research reported that:

Hispanic teens “provide rich insights into larger issues affecting the future of the American consumer identity. . . . And with a current spending power of \$20 billion and a projected growth rate six times higher than the rest of the teen market, Hispanic teens are a force in and of themselves.”

The Hispanic/Latino teen influence is evident in virtually every product category, from food to personal care to fashion. In response, a broad range of companies are playing to Hispanics/Latinos' preferences and purchasing power. For example, Neutrogena and Aveeno Active Naturals, owned by Johnson & Johnson, now offer a scrub, a peel, a night treatment, an eye cream and moisturizer to attract Hispanic consumers looking for skin care products tailored to their needs. Hostess brand launched Las Delicias de Hostess in 2005, a line of 10 new snack cake products catering to the Hispanic/Latino consumer, appearing in San Diego, Dallas and Phoenix. The new line of snacks features “pastelitos” or cakes flavored with pineapple, strawberry or chocolate; “panque” or mini-pound cakes, with strawberry and pineapple fillings; cupcakes with pineapple or “dulce de leche” fillings, and “concha,” a chewy yeast roll with sugar topping.

The Hispanic/Latino culture pulses with music that is routinely at the top of the mainstream charts and Hispanic/Latino styles permeate American culture. In fact, marketers predict that Hispanic/Latino-influenced fashion will soon generate at least half the sales of the urban market (African-American, Hispanic/Latino and/or Asian-American). The Hispanic/Latino focus on image is also core to this group's heavy consumption of beauty products.

Did You Know?

- In 2020, the Hispanic/Latino teen market will balloon 62% larger than today—growing six times faster than the rest of the teen market.
- In 2006, Hispanic/Latino teens constituted 20% (an estimated 6.3 million) of the U.S. teen population.
- In 2006, Hispanics/Latinos under the age of 20 accounted for more than 38% of the total Hispanic population in the United States.
- The average percentage of the Hispanic teen population in the top 10 Hispanic/Latino markets is 43.1%.
- Eighty percent of the teen population in Los Angeles is Hispanic/Latino.

Sources: Cheskin Research, “Hispanic Teens Are the New Avatars of Cool,” 2006; Selig Center's Multicultural Economy Report 2006; Cheskin Research, *Nuestro Futuro: Hispanic Teens in Their Own Words* 2006; Juan Tornoe, Learning to Speak to Latino Complexions, *Hispanic Trending* 2006; “New Interstate Bakeries Snacks Target Hispanics”, *New York Times*, “Latino Style Is Cool...” 4-15-01; *Kansas City Business Journal* 8/2005; Cheskin Research, *Nuestro Futuro: Hispanic Teens in Their Own Words*, 2006; AHAA Knows Latinos Conference 2006; Cheskin Research, *The Wonderful and Lucrative Enigma of the Hispanic Teens* 2006

Hispanic/Latino Magazine Readers

More than 75% of adult Hispanics/Latinos read magazines—more than 11 issues read per month, which is similar to the U.S. average. Mirroring the overall Hispanic/Latino population, these adult Hispanic/Latino readers are significantly younger, which impacts their income level and the presence of children at home.

Hispanic/Latino and Total Adult Population Magazine Readers

	Total Adults	Hispanic/Latino Adults
Read Magazines	84.3%	75.4%
Average Number of Issues Read in a Month	11.2	11.6
Age		
18 – 34	32.3%	53.1%
35 – 49	30.6%	29.4%
50+	37.1%	17.5%
Median Age	43.7	33.6
Household Income		
Median Household Income	\$56,728	\$45,192
Education		
Graduated High School or More	87.9%	67.3%
Attended College or More	56.6%	37.2%
Employment		
Employed	66.4%	71.5%
Not Employed: Retired	15.4%	5.4%
Home Ownership		
Own Home	70.4%	46.5%
Marital Status		
Married	56.8%	49.4%
Children < 18 Living at Home		
1+ Children in Household	41.7%	60.6%

Base: Magazine readers Source: MRI Fall 2006

Did You Know?

- Eighty percent of Hispanic/Latino teens are magazine readers, a rate that is similar to that of total U.S. teens (78%).
- Hispanic/Latino teen magazine readers have a median of \$85.64 in spending money per month, not including spending money from a job—7.4% higher than the median of \$79.72 per month for all U.S. teens.

Sources: Simmons Market Research Bureau 2005; Teenage Research Unlimited; Telenacion; MRI Fall 2006; NCS/NCHS Fall 2003 Adults Full-Year Unified; Cheskin Research, POV on Growth Strategies—Hispanic Teens, 2006; MRI 2006 Teenmark Study

Hispanic/Latino Magazine Engagement

When looking at consumer engagement across media, researchers have found that Hispanics engage more with magazines than with other major media. Research conducted by Synovate Research for the Hispanic Magazine Coalition found that the relationship Hispanics have with magazines differs from the relationships they have with other media. For example:

- For Hispanics/Latinos, magazines are the medium that most provide practical advice and “makes me smarter”
- Three out of four (72%) Hispanics/Latinos view TV as an entertaining medium.

However, when answering the question, “How would you compare reading your favorite magazine to your experience in watching television?,” 75% of Hispanics/Latinos agreed that they feel that TV is more for “zoning” or “vegging out” than magazines

Hispanic Experiences Across Media

	Magazines	TV	Radio	Internet
Provides me with practical advice	57%	51%	42%	47%
It makes me smarter	44	37	34	36
It entertains me	63	72	61	52

Source: Synovate Research 2006 for Hispanic Magazine Coalition

The top experiences that drive magazine engagement are similar overall for Hispanics/Latinos and the general market—six out of the top 10 are the same, particularly when it comes to experiences of relaxing and sharing information in social situations. A few differences between Hispanics/Latinos and the general market’s top 10 experiences include:

- Experiences of community and emotional connection rank higher for Hispanics/Latinos
- A desire for accuracy, truth and objectivity ranks higher for the general market

Ranking of Statements about Favorite Magazine by Level of Engagement

Rank Hispanic Magazine Readers

1	It is a quiet time
2	My goal is to relax with the magazine
3	Gives me something to talk about
4	It features people who make you proud
5	Helps me to see that there are good people in the world
6	I bring up things I’ve read in this magazine in conversations with many other people
7	I show things in this magazine to friends or family members
8	I like to kick back and wind down with the magazine
9	I like to have the magazine around so that others might read it
10	Some articles in this magazine touch me deep down

General Market Readers

I trust magazines to tell the truth
It is a quiet time
I really like the tips in this magazine
I show things in this magazine to friends or family members
Gives me something to talk about
I bring up things I’ve read in this magazine in conversations with many other people
My goal is to relax with the magazine
I don’t have to worry about accuracy with this magazine
Is unbiased in its reporting
I like to kick back and wind down with the magazine

Note: Bold type indicates statements unique to reader segment.

Source: Synovate Research 2006 for Hispanic Magazine Coalition

Hispanic/Latino Magazine Advertising Engagement

Reinforcing previous research conducted by Northwestern University’s Media Management Center*, Synovate’s Research for the Hispanic Magazine Coalition found that the affinity and engagement Hispanics/Latinos feel about magazines overall extend to magazine advertising. For example:

- Nearly three quarters of Hispanics/Latinos say that magazine ads provide them with useful information on new products
- More than two thirds of Hispanics/Latinos say that magazine advertising gives them good ideas of what to buy
- More then 60% of Hispanics/Latinos say they “like magazine advertising” and “Magazine advertising entertains me”
- Half of Hispanics/Latinos agree they trust magazine advertising
- Nearly half of Hispanics/Latinos agree that “Magazine ads provide me with something I can’t find in other media like TV, radio or the Internet”

*Note: To find out more about the Magazine Reader Experience Study conducted by Northwestern University’s Media Management Center, visit www.magazine.org/magazineexperiences.

Level of Agreement with Statements about Advertising

	Percent of Total Hispanics
Magazine advertising provides me with useful information about new products	72.6%
Magazine advertising gives me good ideas of what to buy	68.8
I like magazine advertising	63.0
Magazine advertising entertains me	62.3
I trust magazine advertising	49.5
Magazine advertising provides me with something I can’t find in other media like TV, radio or the Internet	48.8
I prefer to see ads in magazines than on TV, radio or the Internet	41.7

Source: Synovate Research 2006 for Hispanic Magazine Coalition

Hispanic/Latino Magazine Reading Preferences

Top 5 Magazine Categories Among Hispanic Readers

- 1 Women's
- 2 General Editorial
- 3 News and Entertainment Weeklies
- 4 Men's
- 5 Home Service

Source: MRI Fall 2006

Hispanics/Latinos read a variety of magazines, reflecting the diversity within this target. Sixty-three percent read English-language magazines, and 53% read Spanish-language magazines, making a case for magazines' significant contribution to Hispanic/Latino media plans. The table on the left lists the magazine categories most popular with this target.

The National Directory of Magazines reports an increase from 29 to 155 Hispanic/Latino magazines in the United States from 2002 to 2006. From 2001 to 2005, the Audit Bureau of Circulations (ABC) reported that total paid circulation for Hispanic/Latino titles grew 69.2%—with total subscriptions increasing 94.3% and newsstand sales increasing 24.9%. These numbers reflect the fact that over this period, four new Hispanic/Latino titles were added. Furthermore, for the eight magazines that ABC has consistently measured from 2001 to 2005, their total paid copies also showed an increase—45%. Subscriptions alone for these eight titles—part of total paid copies—increased 74%.

Because of population and readership booms, many publishers are launching Spanish-language editions of top consumer magazines, local/regional magazines and custom publications.

Top 10 Titles Read by Hispanics/Latinos

1 <i>People</i>	1 <i>TV Y Novelas*</i>
2 <i>People en Español</i>	2 <i>People en Español</i>
3 <i>National Geographic</i>	3 <i>People</i>
4 <i>Cosmopolitan</i>	4 <i>Vanidades*</i>
5 <i>Sports Illustrated</i>	5 <i>National Geographic</i>
6 <i>Latina</i>	6 <i>Better Homes & Gardens</i>
7 <i>Better Homes & Gardens</i>	7 <i>Time</i>
8 <i>Selecciones</i>	8 <i>Selecciones</i>
9 <i>Maxim</i>	9 <i>Reader's Digest</i>
10 <i>Reader's Digest</i>	10 <i>Cosmopolitan</i>

Source: MRI Fall 2006

*Titles unique to Simmons study
Source: Simmons Fall 2005;
NHCS Unified Adult Full-Year Study

Top Hispanic/Latino Titles by Circulation

	(thousands)		(thousands)
1 <i>Comida Y Familia</i>	936	1 <i>Lamaze Para Padres</i>	776
2 <i>People en Español</i>	469	2 <i>Espera</i>	772
3 <i>Latina</i>	400	3 <i>Fox Sports en Español</i>	750
4 <i>Selecciones</i>	355	4 <i>12 Meses</i>	610
5 <i>Hispanic</i>	290	5 <i>Ser Padres</i>	510
6 <i>TV Y Novelas</i>	176	6 <i>Healthy Kids en Español</i>	502
7 <i>Vanidades</i>	155	7 <i>Catalina</i>	499
8 <i>Cosmopolitan en Español</i>	140	8 <i>Latino University</i>	200

Source: Audit Bureau of Circulations (ABC) 2006

Source: BPA Worldwide 2006

Interestingly, Spanish language publishers do not always run the same editorial content as their English counterparts, e.g., *ESPN Deportes* and *SI Latino* have more coverage of soccer and the World Cup and more covers of Hispanic/Latino athletes on their covers. Also, custom publications have also proven to be an important way to communicate with the Hispanic/Latino market. Companies such as Procter & Gamble and Sears have invested millions to reach (and enhance their relationships with) Hispanic/Latino consumers via custom publications in Spanish that address their lifestyle interests and image needs.

Sources: MRI Fall 2006; ABC; National Directory of Magazines, 02-07; Simmons Market Research Bureau NCS/NHCS Fall 2005

Advertising to the Hispanic/Latino Market

The potential of the Hispanic/Latino market has advertisers dedicating major dollars to reach them—and those dollars are growing at a very significant pace. In 2001, advertisers spent \$2.7 billion to reach Hispanics/Latinos through Hispanic/Latino media properties—and in 2005 that spending nearly doubled to close to \$4.9 billion. Growth occurred across categories, ranging from automotive to food, from beverages and candy to financial services. Government, Politics and Organizations and Automotive are the largest advertising categories.

Top 10 Advertising Categories

	Hispanic Media			General Media		
	Rank	Dollars (millions)	Percent of Media Share	Rank	Dollars (millions)	Percent of Media Share
Government, Politics and Organizations	1	617.1	12.7%	13	3,790.0	2.9%
Automotive, Automotive Accessories and Equipment	2	502.9	10.4	1	13,709.7	10.4
Direct Response Companies	3	493.8	10.2	8	5,483.3	4.1
Communications	4	349.5	7.2	4	7,690.3	5.8
Audio and Video Equipment and Supplies	5	334.1	6.9	17	1,918.0	1.4
Retail	6	308.8	6.4	2	12,262.0	9.3
Restaurants	7	221.8	4.6	12	4,532.6	3.4
Miscellaneous Services and Amusements	8	187.4	3.9	7	6,579.2	5.0
Media and Advertising	9	165.1	3.4	3	8,858.4	6.7
Financial	10	132.8	2.7	5	7,507.9	5.7
Total of Top Ten Categories		3,313.3	68.3		72,331.5	54.7
Total of All Categories		4,851.9	100.0		132,277.3	100.0

Source: TNS Media Intelligence 2007. Hispanic media include Spanish language network TV (3 networks); and Spanish language cable (1 network), Spanish language spot TV (43 stations), Hispanic magazines (42 publications), and Hispanic newspapers (61 publications)

According to 2006 estimates released by the Bureau of Labor Statistics, in 2004, Hispanics/Latinos spent more per household on the following categories than non-Hispanic/Latino consumers: groceries, phone services, major appliances, vehicles, children’s clothing, and footwear. In addition:

- Hispanics/Latinos are 14% more likely to plan to purchase a new car in the next two years than the general population
- The average Hispanic/Latino family spends 46% more on weekly groceries than the general market
- While total telecom spending is expected to rise 5.2% between 2006 and 2011, telecom spending by Hispanics/Latinos is set to jump more than 7%

Sources: TNS Media Intelligence; *Advertising Age*; Selig Center’s Multicultural Economy Report 2006; Marketing to the Emerging Majorities; *People en Español* HOT Study, Hispanic Opinion Tracker 2005; Wachovia, “The Next Demographic Boom” 2006; The Insight Research Group

Top 10 Magazine Advertisers to the Hispanic/Latino Market

Most of the top spending brands targeting Hispanics/Latinos reflect the categories with the highest spending to this market, including automotive, retail, media and entertainment and telecommunications.

Top 10 Advertisers to Hispanics/Latinos

Company	2005 (millions)
Lexicon Marketing Corporation	\$ 182.5
Procter & Gamble Company	159.9
Univision Communications Inc.	158.2
General Motors Corporation	110.9
Sears Holdings Corporation	84.8
Johnson & Johnson	70.8
McDonalds Corporation	69.4
Pepsico Inc.	68.6
Cisneros Group of Companies	67.9
Ford Motor Company	66.4

Source: TNS Media Intelligence 2007

Top 10 Hispanics/Latinos Magazine Advertisers

Company	2005 (millions)
Procter & Gamble Company	\$7.2
General Motors Corporation	6.4
DaimlerChrysler AG	3.3
U.S. Government	3.1
Johnson & Johnson	3.1
Ford Motor Company	2.4
L'Oreal SA	1.9
McDonalds Corporation	1.6
Grupo Televisa SA	1.6
Kimberly-Clark Corporation	1.5

Source: TNS Media Intelligence 2007

Top 10 Hispanic/Latino Ad Agencies by U.S. Revenue

Based on the growth of the Hispanic/Latino market, many marketers are forging relationships with Hispanic/Latino advertising agencies to insure success, resulting in an increase in both the number of ad agencies and billings. In 2004, the total revenue for the top 10 agencies was \$235 million. In 2005, the revenue for the top 10 rose to \$267 million—a gain of 13.6%.

Also of interest are the locations of these agencies—the top 10 generally can be found in the same locations as those with the highest Hispanic/Latino populations.

Top 10 Hispanic/Latino Advertising Agency Revenue 2005

Agency	Headquarters	2005 Revenue (millions)	Percent of Change 2004-2005
Bromley Communications	San Antonio	40.0	1.3%
Bravo Group	New York	39.4	5.1
GlobalHue	Southfield, MI	36.3	17.5
Dieste, Harmel and Partners	Dallas	35.0	12.9
Vidal Partnership	New York	23.9	84.2
Accentmarketing	Coral Gables, FL	21.0	15.6
Lopez Negrete Communications	Houston	20.3	22.7
Lapiz	Chicago	18.2	11.7
Zubi Advertising Services	Coral Gables, FL	18.0	5.9
La Agenica de Orci and Asociados	Los Angeles	15.2	7.9

Source: Figures are *Advertising Age* estimates, May 2005 and May 2006

Summary

The Hispanic/Latino market has already influenced many facets of American culture overall—and its impact is projected to increase, given the market’s estimated growth. As a result, advertisers and marketers will likely continue to recognize, study and communicate with the Hispanic/Latino population in order to be effective.

The Hispanic/Latino Market Profile offers advertisers and marketers an overview of key facets of the Hispanic/Latino market, providing insights on how to evolve marketing efforts to reach this group successfully.

As more information becomes available, updates will be featured on the MPA website at www.magazine.org/marketprofiles.

For additional copies of this document or for information on other MPA Market Profiles and resources, please contact MPA at promotion@magazine.org.

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Additional MPA Resources

Market Profiles (available at www.magazine.org/marketprofiles)

In addition to the Hispanic/Latino Market Profile, MPA also offers profiles that consolidate advertising and media usage research on the African-American, Asian-American and Teen markets.

Magazine Handbook provides facts and figures about how magazines—alone or with other media—can help advertisers achieve marketing goals.

Accountability: A Guide to Measuring ROI and ROO Across Media provides an easy-to-understand overview of accountability: what it is, how it is measured, and what has been learned to date.

Engagement: Understanding Consumers' Relationships with Media addresses how consumers connect with advertising-supported media: television, newspapers, radio, the Internet and magazines.

Case Studies (more than 100 available at www.magazine.org/casestudies) showcase how advertisers across categories have successfully used magazines.

Additional resources on accountability, engagement, readership and circulation are available at www.magazine.org or by e-mailing promotion@magazine.org.

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Hispanic/Latino Market Profile

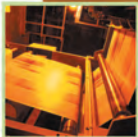
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