

SPECIAL MULTICULTURAL ISSUE

Hispanization and Out of Home

By Arthur R. Rockwell



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The last few years have proven to be a particularly exciting time for our industry. We have enjoyed strong growth and a great sales story as the "traditional" media have seen their space become increasingly fragmented and accosted by the consumer's ability to self-select how and when they choose content. It has been an even more exciting time to be in Hispanic out of home for many good reasons.

A recent report stated the following: "US businesses across all industries have begun to focus on the rapidly growing Hispanic/Latino market through targeted advertising spending and customized products. We believe this trend will continue. Firms taking the lead in these initiatives and in the areas likely to benefit from the population growth of Hispanic/Latinos in the United States are likely to see their revenues grow faster than those of their competitors over the long term." The report was not released by a market research firm or even the Association of Hispanic Advertising Agencies. It was released by Goldman Sachs ("US Hispanization: long/short strategies"), implying the US Hispanic market has moved from niche market to the corporate boardroom to long-term equity investment strategy. While the 2000 Census was a true eye-opener for corporate America, the 2010 Census will bring about a Hispanic marketing gold rush.

According to the latest estimates from Geoscape, US Hispanics now number 47,202,030 and are projected to grow by 1.4 million yearly over the next five years. Not only is the market growing faster than any other ethnic group in the United States, but it is growing fast in influence and affluence. Marketers in this country choose to ignore Latinos at their own peril.

Out of home is well positioned to take advantage of this growth and the growth of Hispanic ad budgets. In 2005 there was a tipping point. For the first time in modern history, the majority of the growth in the US Hispanic market came from US-born Latinos as opposed to immigration. This has enormous implications for our industry because US-

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The New MultiCultural Landscape

By Peter Milián



Peter Milián

When US companies make decisions to expand overseas or research new markets, many have still not come to the realization that there is still growth within their own markets. I often make the statement Multicultural is the new General Market. It's a simple statement but it has very real quantitative reasons as to why. According to the US Census Bureau, by 2013 Asians, African-Americans, and Hispanics will account for 82% of the population growth since the year 2000. That has major implications as to the way marketers target their potential customers. It also has major implications as to how advertising agencies position themselves.

During much of the 1980's and 90's, advertising specialty was the buzz word. There were agencies specializing in mass marketing for Hispanics, promotions, PR etc. Sometimes, a major Fortune 500 company would contract ten specialty agencies to make sure it was covering the market. There was also an explosion in media outlets targeting these diverse groups and even today that continues to grow. However, agencies have begun to consolidate and have specialties within their walls. More importantly, a new business is starting to give greater weight to Multicultural as a centerpiece of their presentation.

What is interesting to me is that the true definition of General Market is no different than Multicultural. General Market advertising's purpose is to target the overall population of a marketplace. If that marketplace included Hispanics, then that's who you targeted in whatever language or medium necessary. What happened over the years is General Market became "Everything But." An agency would say they covered everything except the African-American, Gay, Indian, Hispanic, Asian, and over 65 demographics. Little by little, agencies realized their market kept shrinking and a self-examination has occurred which makes sense. A "General Market" agency is now very comfortable dissecting and catering messages to a specific market as part of a client's overall strategy. I hope people who are reading this ask themselves "aren't agencies supposed to be that way to begin with?"

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Sunday-Tuesday, April 13-15, 2008

TAB Out of Home Media Conference and Marketing Expo
Boca Raton Resort, Boca Raton, FL

Tuesday, April 15, 2008

OAAA OBIE Awards Gala Dinner
Boca Raton Resort
Boca Raton, FL

Thursday, September 11

OAAA Executive Committee Planning Meeting
Four Seasons
Jackson Hole, WY

Thursday, September 25

STAR Showcase
Jacob K. Javits Center
New York, NY

Thursday, October 16

OAAA Board of Directors Meeting
Gaylord Palms Resort & Convention Center
Orlando, FL

Thursday-Saturday, October 16-18

OAAA Operations Conference & Trade Show
Gaylord Palms Resort & Convention Center
Orlando, FL

In Memoriam

OAAA Hall of Fame Inductee, George Hagemeister

A longstanding OAAA Hall of Fame inductee, George Hagemeister, passed away recently. Hagemeister was 81. He was very active in legislative and community relations throughout his career. George was a graduate of Brown University, a former Mayor of Sparta, NJ, the President of the NJ League of Municipalities and also served as the President of the NJ OAA for many years.

A memorial service will be held on Long Island in early August.

A Conversation With Danielle Cherry



Danielle Cherry

In an effort to better understand minority markets in the United States, SMG Multicultural (a division of Starcom) is undertaking a sweeping examination of cultural identity. Starting with the African American

market, the Beyond Demographics project is meant to give media buyers the truest and richest sense of who exactly makes up given ethnic markets. Outdoor Outlook had a chance to sit down with Cultural Activation Development Director Danielle Cherry to discuss this exciting new project.

Outdoor Outlook: Why undertake such an ambitious, in depth project?

Danielle Cherry: *Beyond Demographics* began with the African American segment because we understand how undervalued a segment it is right now and we felt like it was really important for us to underline our commitment to getting really rich consumer insights into different ethnic communities. By kicking off with the African American market we feel like we're putting a stake in the ground and saying we're committed to understanding our consumers at the core.

OO: What was the most important piece of information you learned from the first phase of the study?

DC: We were able to actually put a face and tangible data around what you've kind of always known as a community ... that we're really talking about a diverse group within a diverse group, not one monolithic group of people in the African American community. We're able to really communicate this now to our clients to say when we're talking about speaking to the African American community we're not talking to a monolithic group

OO: What implications does this have for the outdoor advertising industry?

DC: It's got great implications from a media buying and planning standpoint and I don't think outdoor is going to be left behind. You kind of put an outdoor message in a strong pocket where there is a lot of one group and you can maybe make an assumption that you've really reached them but by uncovering this wealth, this quilt of different and unique people, you can see from a demographic standpoint you're not really reaching the entire African American community. There are pockets that may reside in more urban areas but now we can quantify and say there are groups in suburban communities, urban communities, rural communities, etc., and that has tremendous implications for making sure you reach the right community.

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The change in demographics and in strategy from the agencies has already been impacting and contributing to the growth in outdoor advertising. A major challenge for the industry is going to be in accurately calculating those figures. For example, *Ad Age* predicted in 2006 Hispanic outdoor would top \$100 million by 2010.

However, those numbers may be higher. One example is Hispanic advertising for many years was considered to be advertising in Spanish. Today, with the multi-generational impact within that market, messages in English are also used to target

Hispanics. There is also bi-lingual advertising which targets Hispanics who are acculturated but not fully assimilated. It is safe to assume much of the new General Market advertising has considerations

75% of the US Hispanic population speaks English or is bilingual.

given to the multicultural landscape. I believe within ten years, referring to General Market advertising will takeover what is today known as Multicultural and it will be understood that both are one in the same. Agencies will have to be as specialized in 100% of the marketplace as opposed to just 60%.

Peter Milián is the vice-president of multi-cultural sales and marketing for Clear Channel Outdoor and a co-chair of OAAA's Multicultural Committee.

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born Latinos consume media very differently from foreign-born and marketers will be forced to look beyond Spanish-language media alone to deliver the opportunity. While roughly 80% of US Hispanics are either Spanish-dependant or bilingual, only about 55% are consuming **any** Spanish-language television, the medium that garners the lion's share of Hispanic ad dollars. Anchoring your Hispanic marketing plans around running spots on *Sábado Gigante* just does not cut it anymore. Hispanics are spending increasingly more time driving and in traffic and therefore spending more time with our medium. We have the ability to leverage the enormous affinity and emotional power of the Spanish language and reach out beyond those who are only consuming Spanish-language media.

Marketers need to maximize their entire Hispanic opportunity. They need to reach this increasingly affluent market where they live, work, shop and play with culturally relevant messaging in Spanish or in English. They need to capture Latinos during their commute or on the way to communion, on the way to the *carnicería* or their favorite Starbucks, en route to the stadium or the rodeo, and no one does that better than out of home advertising.

Arthur Rockwell is CBS Outdoor Latino's senior vice president of sales and a co-chair of OAAA's Multicultural Committee.

By 2011, Hispanic buying power will have grown to nearly \$1.2 trillion.

(Selig Center for Economic Growth)

By 2009, Hispanics will account for 9 percent of this nation's buying power.

(The Multicultural Economy, 1990-2009, Selig Center for Economic Growth)

AHAA Association of Hispanic Advertising Agencies

OAAA and The Association of Hispanic Advertising Agencies (AHAA) are exploring several areas for collaboration including crossover between creative award programs, joint webinar series, and research initiatives. AHAA boasts a membership base of over 100 Hispanic agencies, many having substantial or growing out of home budgets for an impressive assortment of local, regional, and national brands.

Hispanic advertising expenditures have shown double-digit growth in every medium since 2002. Between 2002 and 2007, Hispanic spending in out of home grew 31.52%.

(HispanTelligence)

Spanish Language Media is forecasted to grow 7.8% in 2008, despite the weaker economic conditions. Spanish Language Media includes Hispanic Network TV, Hispanic Spot TV, Hispanic Magazines and Hispanic Newspapers.

(TNS Media Intelligence)

The Asian population is expected to grow 213% between 2000 and 2050, eventually representing 8.0% of the country's population.

AHAA's focus is to provide leadership in raising awareness of the Hispanic market to advertisers and other communities by strengthening the Hispanic marketing and advertising industry.

The organization is led by Horacio Gavilán, who is the AHAA Executive Director with offices in McLean, VA. He can be reached at hgavilan@ahaa.org.

Each year, AHAA hosts two conferences. Both provide in-depth learning about the Hispanic ad community. OAAA will represent the out of home industry at both conferences and will reach out to the Hispanic ad community with a series of educational meetings throughout the year.

AHAA Conferences

April 16 – 18, 2008
San Antonio, TX

September 10 -12, 2008
Beverly Hills, CA



Four Pillars of Latino Cultural Identity

AHAA recently concluded a study identifying four key pillars which form the core of Latino cultural identity. According Horacio Gavilán, AHAA executive director, "Latino identity is complex, and perhaps, as fragmented as the General Market. It is not solely based on Spanish language but instead, there is a complex model that includes the four pillars of interpersonal orientation, time and space perception, spirituality or fatalism, and gender perception."

Interpersonal orientation refers to physical and emotional closeness between people. It is an understanding of collectivism and the importance of generational family ties. It is a culture of respect.

Time and space perception refers to an appreciation for the present time – the importance of living for here and now. There is a less rigid sense of privacy.

Spirituality offers a holistic view of the world where ritual and celebrations are typically based on Catholicism. There is a general belief that life is guided by "God's will."

Gender perception recognizes distinct difference between the roles of men and women in Latino culture.

The Hispanic population is expected to grow to 47.8 million in 2010, representing 15.5% of the total population. By 2050, the Hispanic share of the population is expected to reach 24.4%. This growth rate is more than three times that of the total population.

(US Census)

The buying power of the African American demographic, currently \$892 billion, is expected to grow to more than \$1.1 trillion by 2010.

(The Packaged Facts)



Eye Catcher

This execution, which is in contention for a 2008 OBIE Award in the multicultural category, was created by Eje Sociedad Publicitaria from Puerto Rico. The billboard's 3D properties took some work, and was inspired by the "thousands and thousands of people in focus groups who begged for a decent billboard for their beloved diarrhea relief medicine," according to copywriter Leslie Robles.



Outdoor Outlook is produced by the OAAA as a member service. Previous issues can be found at www.oaaa.org.