



Never Leave Money on the Table.

What Your Business Needs to Know About the Trillion-Dollar Hispanic Market

Executive Summary

of the

White Paper Report for Business

by

Capitol Radio Research

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Introduction

The past year - for a variety of reasons we see and hear daily in the news - has finally awakened America to a reality that has been there for some time: Hispanics in America are an enormously powerful demographic, cultural and economic force. It is a force that is ignored at the peril of those who do not embrace it and pursue it. This is especially true for businesses: large and small, service or product.

There is virtually no business in America that does not have a stake in pursuing Hispanic consumers. And there is almost no area of the U.S. that does not have a lively and growing Hispanic community. Hispanics in America are poised to be the single most significant and influential growing economic force in America in the foreseeable future.

For many businesses and professions, reaching and communicating with the Hispanic community remains a mystery. Most have not yet attempted to tap into it. Others have tried but done so in ways that were either not cost-effective or badly orchestrated.

Capitol Radio and Capitol Radio Traffic Systems are proud to be major providers of important news and information to millions of Spanish-speaking Americans. On radio stations from Boston to Miami, we provide our listeners with information that they use in their daily lives.

We view our business and professional advertisers as our partners. And we view our mission as their partners as one to help them communicate with the Hispanic community in a highly cost-effective and results-driven way.

This simplified Executive Summary of our Report to Business is designed to give you the straight, essential facts about the Spanish-speaking market in America: how they live their lives, use their time and spend their money.

We hope it will help you see and understand the tremendous potential in the Hispanic market.

The Summary

Point-by-Point

Economic Impact

The Hispanic Market is Soon to be a \$1.5 Trillion Market

That's a *trillion* – with a "T".

Hispanic buying power is worth \$1 trillion today, and is expected to grow another 50 percent --- to \$1.5 trillion in the next five years.

And Latino households earning more than \$50,000 are projected to grow at a faster rate than the total number of households.

And one more thing: Hispanics will attribute about 60 percent of U.S. population growth over the next five years.

Hispanics Have a Large and Growing Impact on Virtually All Sectors

With an estimated \$1.5 trillion to spend, the Hispanic consumer market is expected to boost almost all economic sectors: housing, food, retail, education, financial services, electronics, communication, transportation, entertainment, and media.¹

They Future Looks Bright and They're Spending

Latinos have grown more optimistic about their family's finances in the next 12 months, with three-in-four (73%) expecting improvement, up from 67% who said the same in 2011.

¹ AHAA Economic Survey, 2011

Population Trends

60 Million and Growing

The estimated Hispanic population of the United States is approximately 60,000,000 (as of July 2012), making people of Hispanic origin the nation's largest ethnic or race minority.

The Fastest Growing Population in America

The U.S. Hispanic Population Has Grown 41% in 10 Years²

The Hispanic Population is Not Just an Urban Population

While growth in states like Florida, California, Texas and Arizona remains strong, the greatest growth in Hispanic populations are occurring in states like Virginia, Kentucky, Tennessee, Georgia, Indiana and a half-dozen other states all of which have doubled their Hispanic populations in the past 10 years.³

Hispanics are Not a Homogenous Group

While some may see Hispanics as a single group, that couldn't be further from the truth. In fact, different segments exhibit separate and distinct tendencies and behaviors, and Hispanics may be one of the most diverse ethnic groups within the U.S. Each of these groups brings its native cultural differences to the population.⁴

² Geoscape, American Marketplace DataStream

³ U.S Census Bureau, Compilation of Hispanic Demographics 2010

⁴ U.S Census Bureau, Compilation of Hispanic Demographics 2010

Language

Hispanics Speak Spanish at Home

Hispanics in the U.S. 5 and older who spoke Spanish at home in 2010 was 37 million or 75.1%. More than half of these Spanish speakers spoke English “very well.”⁵

Spanish Speakers Prefer Radio in Spanish

67% of All Hispanics in the U.S. Prefer to Listen to Radio in Spanish.⁶

But They Know English

94% of third generation and 88% of second generation Hispanics speak English fluently.⁷

⁵ U.S. Census Bureau, 2010 American Community Survey: Tables B16001, Table B16006

⁶ Simmons NCS/NHCS Fall 2010 Full Year

⁷ The Pew Hispanic Center Report on Hispanic Cultural Trends

Impact of Radio

Hispanics Listen to the Radio

84% of All Hispanics in the U.S. Listen to Radio on a daily basis⁸
Hispanics listen to radio an average of 15 hours and 22 minutes *every week*.

Huge Growth in Radio Audience

More Hispanics are Listening to Radio: Hispanic Radio Listenership Has Grown 56% in 10 Years⁹

Even More Hispanics Listen to Radio Traffic Reports

93% of All Hispanics Listening to Radio Listen to Traffic Reports three times or more per week¹⁰

Spanish Radio Advertising Impacts Hispanic Buying Decisions

Hispanic listeners are 136% more likely to purchase products advertised on Spanish radio compared to non-Hispanic listeners of English radio, and 53% more likely compared to Hispanic listeners of English radio.¹¹

Spanish Language Radio is the Most Powerful

Spanish Radio ads have more than 3x greater impact on their audience compared to English Radio ads heard by non-Hispanics. Even English language commercials have greater impact on Hispanics than they do on non-Hispanics.¹²

The Big Boys Know What They're Doing

Major U.S. advertisers spend an average of 7% of their media buys on radio – *but they spend over 20% on Spanish media*. They're smart. They know that Hispanic consumers are where future profits are. Walmart is doubling its Hispanic advertising in 2013.¹³

The Top 50 U.S. advertisers spent \$3.99 *billion* for Hispanic advertising in the 2011-2012 advertising cycle.¹⁴

⁸ Etica Media Survey of Hispanic Broadcast Trends

⁹ Geoscape, American Marketplace DataStream

¹⁰ Etica Media Survey of Hispanic Broadcast Trends, 2011

¹¹ UniVision's Media Habits Study, 2011

¹² UniVision's Media Habits Study, 2011

¹³ Ad Age Hispanic, October, 2012

¹⁴ HispanicBusiness.com, March, 2013.

Conclusions

No Play, No Pay

If your business isn't dedicating a part of its advertising budget to the Hispanic market, you're leaving money on the table.

Drive Time is *Prime* Time

Drive time is prime time on radio. More listeners tune into radio during AM and PM drive times than any other time. In fact, during these hours, drive –time radio is the single most powerful means of communication there is.

Cost-Effective and Powerful

Advertising during Capitol Radio Traffic Systems' traffic reports will give your enterprise a powerful, cost-effective presence in the Hispanic market. We have a big footprint across the diverse Hispanic cultural landscape.

No one else can give you the impact for your money that we can. No one.

Your Next Step

Whether you are a first-time buyer of Hispanic media or a seasoned professional, we know how to help you reach your goals within budget – and with results.

Give us a call.



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