

Understanding Hispanic Acculturation

PREPARED FOR: Newspaper Association of American

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Research reinvented

Agenda

- Background and Objectives
- The Hispanic Market
 - An Evolving Market Segment
 - Population Growth
 - Purchasing Power Growth
 - Top Hispanic Markets
 - Segmenting the Hispanic Market
 - Internet's Effect on Acculturation
 - Considering Tension
 - Trends
 - Demographic/Economic
 - Media Consumption

Background and Objectives

- Most of the data presented was collected for Synovate's *2004 U.S. Hispanic Market Report* using information from:
 - A proprietary telephone survey conducted by Synovate among Hispanics
 - The U.S. Census
 - The Department of Labor
 - The Department of Commerce
 - Other secondary sources (i.e. United Nations, Federal Elections Committee, etc.)In addition, our learnings from hundreds of quantitative and qualitative research projects are also included.

The Hispanic Market

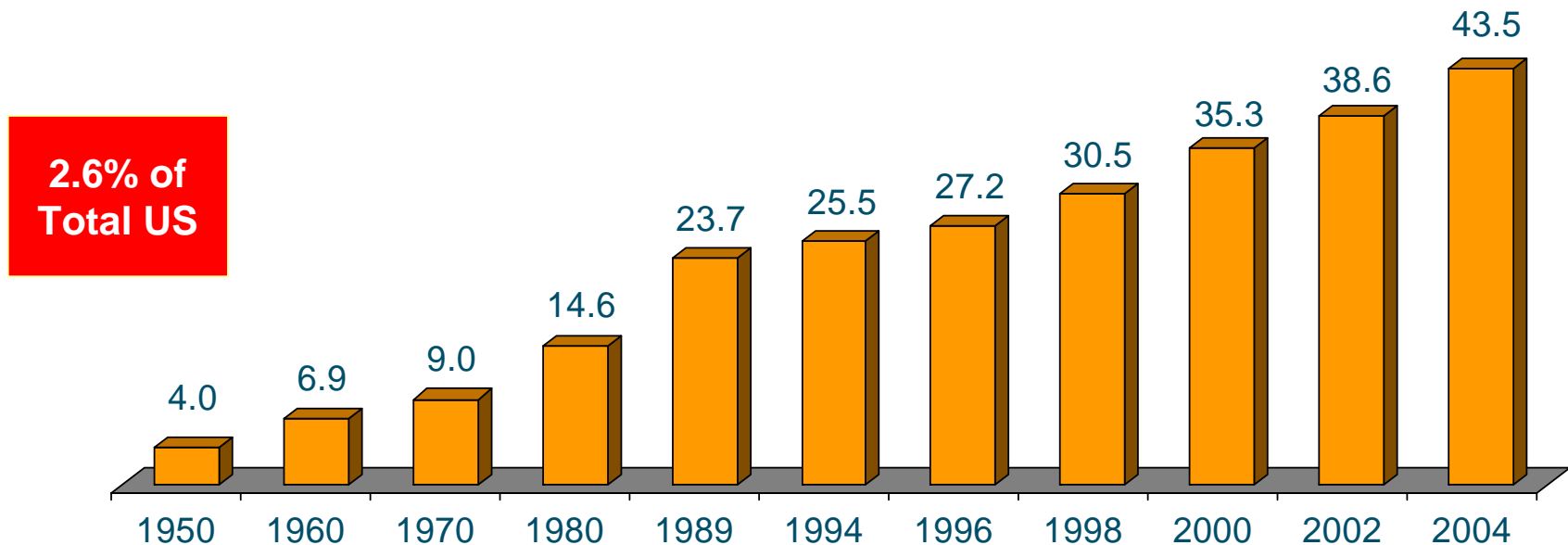
The background features several overlapping, curved bands of color. A prominent red band curves from the top right towards the bottom center. Below it, a yellow band curves from the bottom left towards the bottom right. Another yellow band is visible on the left side, and a portion of an orange band is at the bottom left.

An Evolving Market Segment

- The Hispanic population continues to experience significant growth.

**14.7% of
Total US**

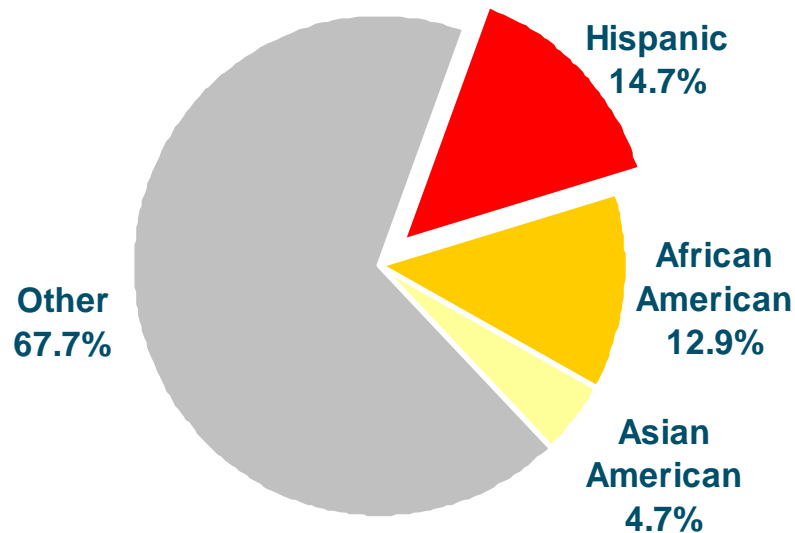
U.S. Hispanic Population (MM)



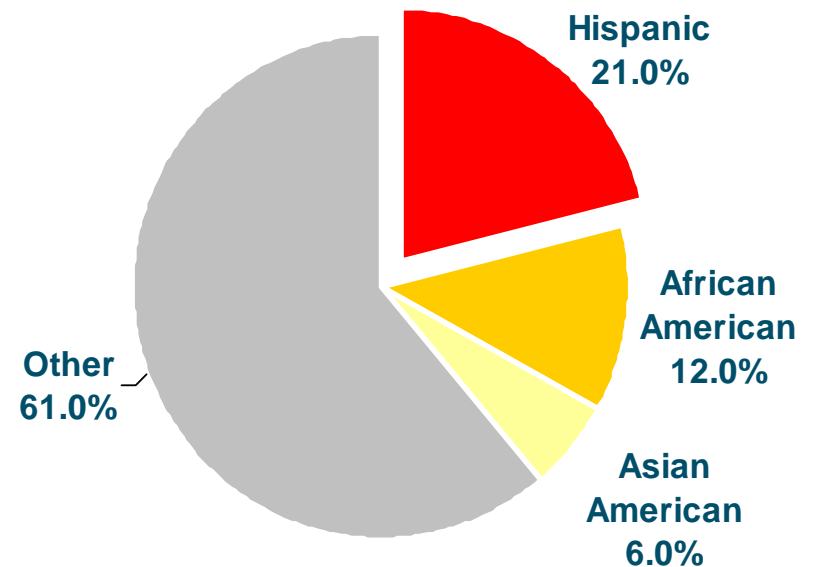
An Evolving Market Segment

- The composition of the United States will continue to change over the next twenty years.

U.S. Population - 2004



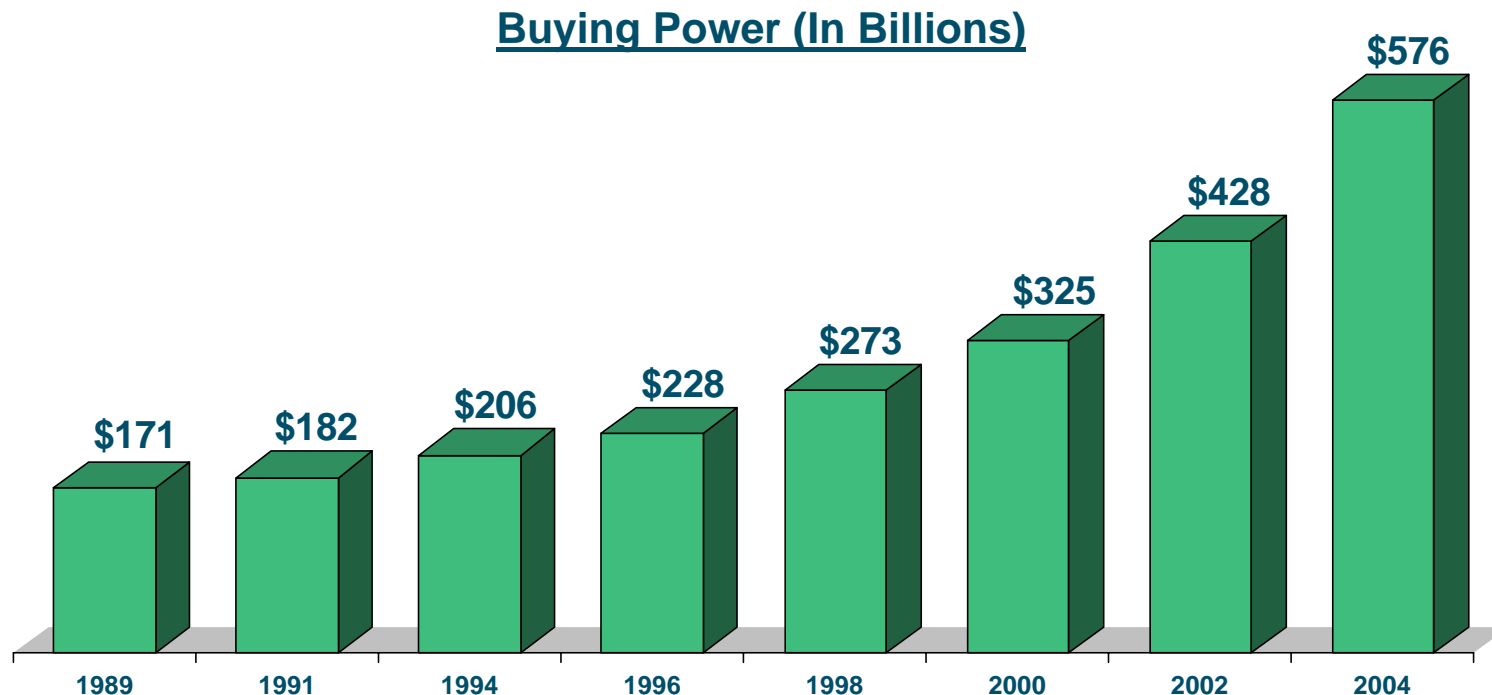
U.S. Population - Projected 2020



Source: Synovate: U.S. Hispanic Market Report, 2004

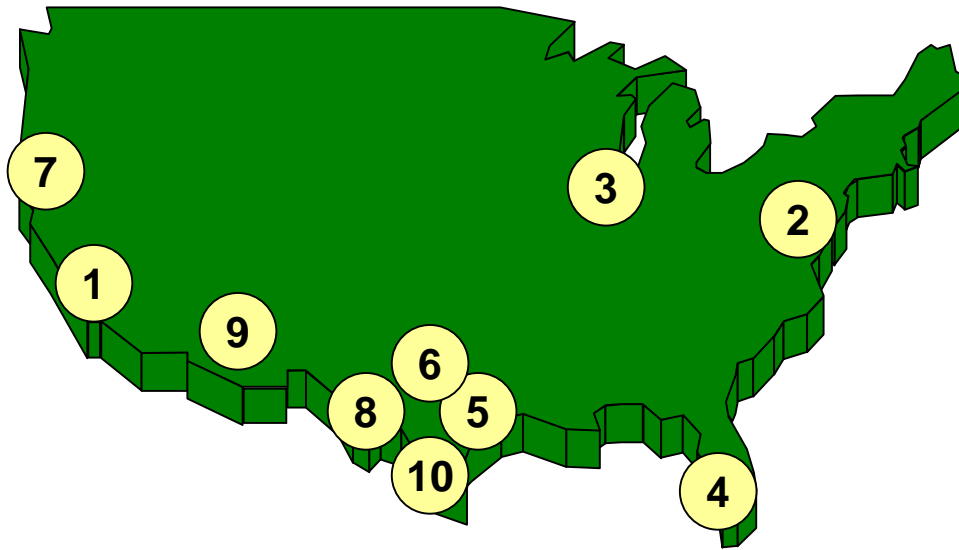
An Evolving Market Segment

- Population is growing fast, but **buying power (disposable income) is growing even faster**
- Since 1989:
 - Hispanic Population grew by 84%
 - Hispanic Buying Power grew 237%.



Source: Synovate: U.S. Hispanic Market Report, 2004

Top 10 Hispanic Markets



1. Los Angeles, CA 7.8m
2. New York, NY 4.3m
3. Chicago, IL 1.8m
4. Miami, FL 1.8m
5. Houston, TX 1.8m
6. Dallas, TX 1.5m
7. San Francisco, CA 1.5m
8. San Antonio, TX 1.3m
9. Phoenix, AZ 1.2m
10. McAllen, TX 1.1m

What is Acculturation?

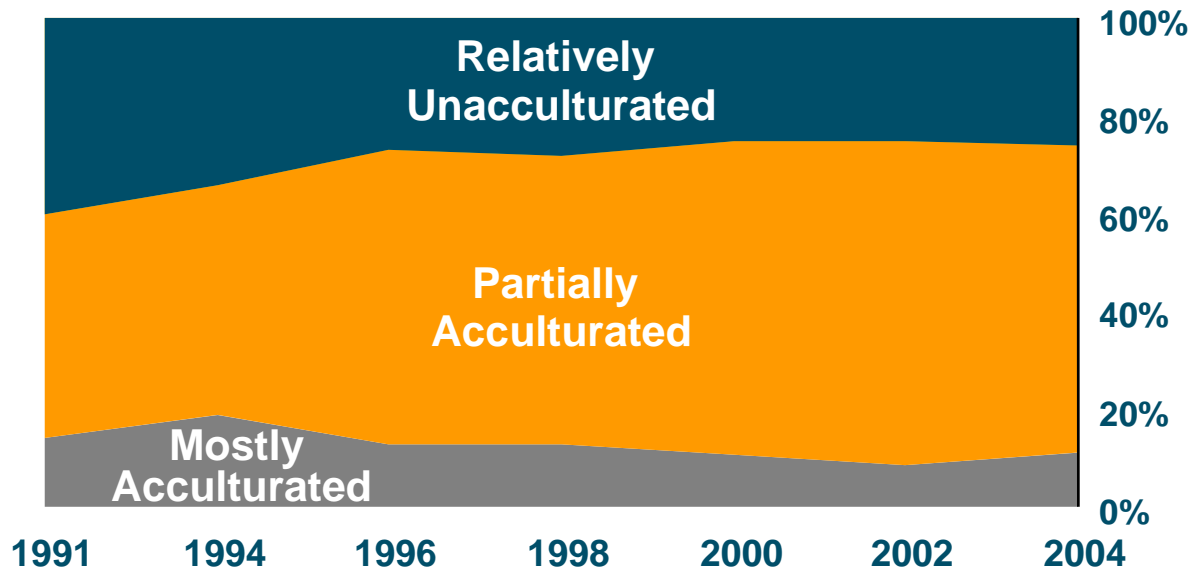
The background features several overlapping, curved bands of color. A prominent red band curves from the top right towards the bottom center. Below it, a yellow band curves from the bottom left towards the bottom right. An orange band is visible at the bottom left, partially overlapping the yellow and red bands. The overall composition is dynamic and modern.

Acculturation as a Process

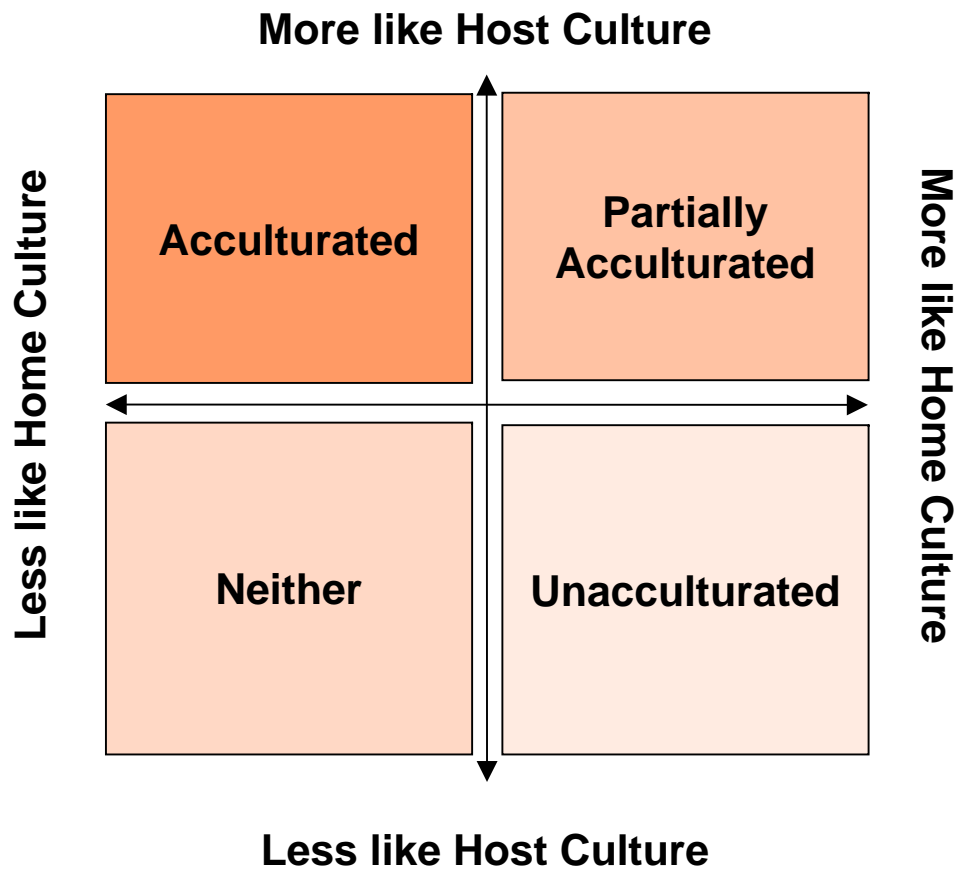
- It is the process by which a person learns or accommodates to a new culture.
- This learning takes place by:
 - observation of the new “host” culture,
 - reacting to the new culture, and, in the end,
 - adjusting to this “host” culture in order to function better within it.
- Dynamic or Active Acculturation.
 - A person makes a conscious effort to become more like the “host” culture.
- Stable or Passive Acculturation.
 - The environment or social context a person is in contributes to the Acculturation Process.

Segmenting the Hispanic Market – Overview

- The Hispanic Market is very **Diverse**:
 - 22 countries of origin
 - Top markets have very different make-up / demographics
 - Language usage
 - Acculturation levels (Acculturation is the process by which a person learns or “accommodates” to a host culture)
- Traditional Acculturation Models segment the market in to three distinct groups:



How Do We Arrive at the 3 Acculturation Segments?



- This model shows that acculturation is not a zero-sum game.
 - You don't have to lose your culture in order to acculturate.
- Main problem is that you end up with an unexplained, untargetable 4th segment – “neither cultural”
 - We tend to ignore this group.

Segmenting the Hispanic Market: Acculturation Influencers Enter Hispanics' Lives

- Life events begin to shape acculturation level
 - Host family
 - Employment status
 - Household establishment
 - Family formation
 - Education and exposure to attitudes and values different than their own

- All of these factors exert “pressure” to Acculturate and the effects are evident in:
 - Activities like sports and travel begin to change
 - Media use shifts from Spanish to English
 - Movies, DVDs, home theater, Internet all gain presence
 - Food preferences and preparation habits
 - Where they shop for food

How the Online Medium is Affecting Hispanic's Media Consumption Habits and Acculturation

- The Web provides Hispanics with an accessible medium for keeping in touch with:
 - Their families back home
 - News from their country of origin



- This continued contact with family and media from their country of origin exerts “pressure” to keep their culture.

Why We Need to Consider TENSION

The background features several overlapping, curved bands of color. A prominent band of bright yellow curves from the bottom left towards the top right. Another band of orange-red curves from the top right towards the bottom left. A third band of a darker red-orange is visible in the upper right quadrant. The colors are vibrant and the bands are thick, creating a dynamic, abstract composition.

Meeting Your In-laws?

- Imagine the first day you met your partner's family. Many people in this situation have very similar experiences. What are some of your experiences...
 - Pay attention to your surroundings.
 - Try to get a more defined grasp on how do you fit within this family's "culture."
 - Look for people that you feel comfortable with.
 - There will be some things you won't understand (i.e., inside jokes or references to past events).
 - Others...



- The experience of becoming part of a new family is like a microcosm of what an immigrant goes through when encountering a new culture.



What Happens When a New Immigrant Enters the Country?

- One factor that is consistently ignored in Acculturation Models is the internal and external struggle that people face when trying to adapt to a new culture, and the “Tension” that this struggle places on the psyche of a consumer.
- Psychological Tension is particularly important when it comes to marketing to the minority groups because this internal struggle between acculturating to the host culture and keeping their “roots” can influence anything from media choices to product purchase dynamics.

Cultural Tension


- Cultural Tension is a measure of how much anxiety or psychological tension is experienced by an individual during the acculturation process.

Low Cultural Tension

- These consumers do not struggle with their place in the U.S.:
 - they do not feel they are discriminated against,
 - have close ties to their family in the U.S.,
 - are less likely to attend Hispanic oriented events or have membership in Hispanic organizations,
 - consider themselves less traditional than others in their family,
 - seek opportunities to expose themselves to things non-Hispanic, and
 - feel comfortable among people from different backgrounds than their own.
- Hispanics with low cultural tension would be more open to communication and marketing that shows:
 - The positive aspects of the diversity of the U.S.,
 - Family and friends in the U.S.,
 - Other images that reinforce the positive experience of living in the U.S.

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Nuevo Touareg de Volkswagen

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Drivers wanted.*



High Cultural Tension

- These consumers experience an internal struggle with their place in the U.S. that is translated not only to how they perceive U.S. culture, but their relationship with their family as well:
 - they are more likely to feel they are discriminated against,
 - they are more likely to keep in touch with friends and family outside the U.S.,
 - they tend to shelter themselves and their children from people and things that are not Hispanic,
 - are more likely to attend Hispanic-oriented events, and
 - do not feel comfortable among people from different backgrounds than their own.
- These consumers will react in a positive way to communication that makes reference to:
 - their country of origin and keeping in touch with loved ones back home,
 - the uniqueness of Hispanics and Hispanic culture within the U.S.,
 - other images that reinforce a sense of nostalgia.

UN SANTO OFERTÓN

★ QUE TE DA LA MEJOR PROGRAMACIÓN ★

DOLORES
ya lo tiene

LUCHA
lo recomienda

ESPERANZA
se suscribió hoy

**Y USTED...
¿QUÉ ESPERA?**

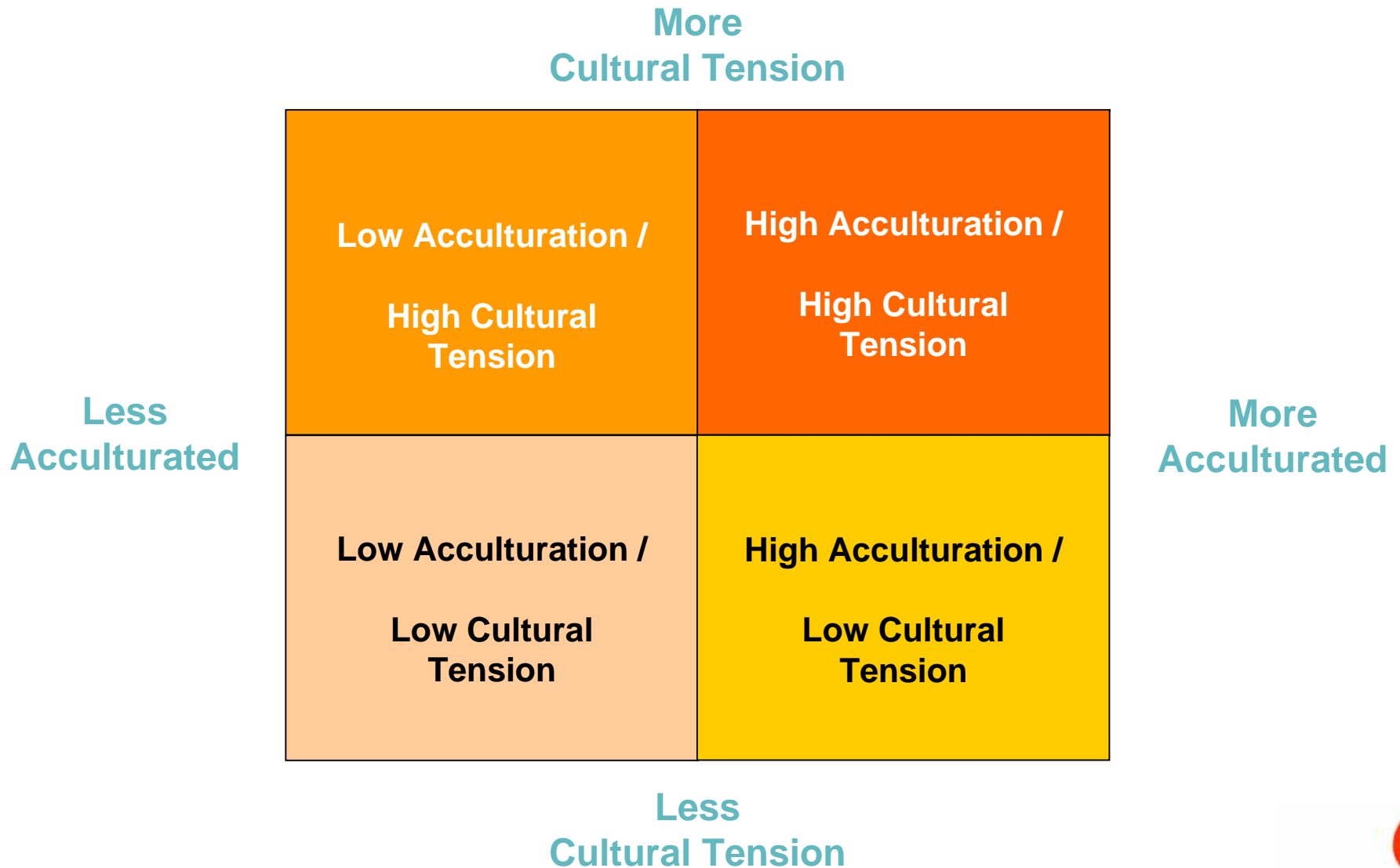
ORDENE YA **Adelpia**
en español

NOW, THAT'S AN OFFER THAT GIVES YOU THE BEST PROGRAMMING!
DOLORES, ALREADY HAS IT
LUCHA, RECOMMENDS IT
ESPERANZA, SUBSCRIBED TODAY
WHAT ARE YOU WAITING FOR?
ORDER ADELPIA IN ESPAÑOL NOW

Acculturation Sub-Segments

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Sub-Segmenting by Cultural Tension



Segmenting the Hispanic Market – Expanding on Traditional Acculturation Models: 6 Sub-Segments



**Unacculturated
Traditional
17%**



**Mostly
Acculturated
11%**



**Unacculturated
Stable
9%**

**Partially
Acculturated
American Latinos
23%**



**Partially
Acculturated
Traditional
14%**

**Partially
Acculturated New
Latino
26%**



Attitudes and Behaviors - By Acculturation Segments

- Relevant Content!
- Spanish expands your potential readers.

	Total Hispanic	Accult-urated	Partially Acculturated			Unacculturated	
			American Latinos	New Latinos	Tradi-tionals	Stable	Tradi-tional
Base: Total Respondents	(700)	(83)	(169)	(160)	(84)	(68)	(132)
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
<u>Attitudes and Behaviors</u>							
I read or listen to news regarding Hispanics	56	33	48	54	59	70	72
Read a book in the past month	59	69	63	58	62	42	55
Read at least 1 hours of newspaper per week in English	26	53	26	32	24	18	9
Read at least 1 hours of newspaper per week in Spanish	16	6	18	11	16	26	26
Read both English and Spanish newspapers every week	6	4	8	8	2	9	5



Demographic/Economic Trends

- Trends driving Hispanic Population growth:
 - Continued immigration from Mexico and Central America
 - Increased immigration from South America
 - Foreign born Hispanics remaining in the U.S.
 - U.S. born Hispanic growth
 - Net natural growth
 - ***Larger households (3.5 person per household compared to 2.7 in Non-Hispanic households)***
- Trends driving Hispanic Purchasing Power growth:
 - Increased employment rates
 - Continued growth of the population
 - Despite continued immigration there are stable poverty rates
 - Increased access to financial services and credit

Trends Affecting Newspaper Readership

- **Growth will continue – from both immigration and natural growth**
- **Need for Spanish language will continue to expand**
- **Keep up to date on issues affecting Hispanics**
- **Appeal to the emotional side**
- **Work/family pressures do affect the time available for various activities.**
 - **Think about providing short-cuts**
- **Keep your eyes on Hispanic Youth – they introduce new ideas, media, and products to the family.**
- **There are clear differences in behavior and attitudes among the 6 different acculturation sub-segments presented. Understanding these differences and the diversity among Hispanics is key to developing cohesive Hispanic strategy from concept and product development to branding and messaging.**

Appendix

The background features a series of overlapping, curved bands in shades of yellow, orange, and red, creating a dynamic, abstract design. The bands curve from the bottom left towards the top right, with the red band being the most prominent and central.

Appendix

Mostly Acculturated (11% of Hispanics)

- Although they are mostly acculturated, living in “English”, Spanish is still spoken in the homes of many of these Hispanics, and there is some Spanish media consumption.

Partially Acculturated

○ American Latinos (23% of Hispanics)

- This group is extremely comfortable living in both worlds – the Latin and the U.S. culture. They are a very young group with an inclination to purchase electronic “gadgets”, SUVs, and eating fast food. Are the group of Hispanics most likely to be currently seeking education beyond High School (college or vocational school).

○ New Latino (26% of Hispanics)

- Relatively young, mostly foreign born and have lived in the U.S. for a significant amount of time. Having family and friends close to them is very important and prefer participating in activities where they can include the family. They tend to live in large metro areas and consume a significant amount of Spanish media.

○ Hispanic Traditionals (14% of Hispanics)

- The oldest group. Most are foreign born, but as a group have been living in the U.S. the longest. They have conservative values in terms of women’s roles and religion. In general, although they have an attachment to the United States, they are uncomfortable with the American way of life.

Unacculturated

○ Unacculturated Stable (9% of Hispanics)

- Composed of foreign born Hispanics. They tend to live in markets with high concentrations of Hispanics and a large proportion are homemakers. People in this segment have no need or motivation to acculturate further. In fact, they do not feel like a minority.

○ Unacculturated Traditionals (17% of Hispanics)

- Composed of foreign born Hispanics. They have been in the U.S. the shortest amount of time and tend to live in key entry points. They are the youngest segment. They have close ties and keep in touch regularly with friends and family in their country of origin.