



HISPANIC MARKETING

Are we there yet?

How credit unions can achieve success by understanding culture, celebrating differences and fighting disinformation.

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relationships • ideas • results

Hispanic Marketing: Are We There Yet?

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Founded in 2008, Your Marketing Co. offers credit unions strategic planning, brand development, digital marketing, social media management and graphic design services. For more information, visit yourmarketing.co.

Executive Summary

Here's what we all know:

Nearly 20 years ago (2003), the Hispanic population was declared the largest minority group in the United States by the U.S. Census Bureau. Today, only Mexico has a larger Hispanic population than the United States, and by 2024, this population is expected to exceed to **72 MILLION**.

Here's what credit unions don't know:

How to reach them.

It's actually quite that simple...and complex.

Let's first consider this: Millennials are no longer this young and up-and-coming generation. These are people born between 1980 and 1994 and are now the largest generation in the U.S. workforce. The next generation, Gen Z, is roughly 25% of the population, and is beginning to enter the workplace. They have lived in a hyper-connected world. A 2018 study by The Center for Generational Kinetics showed 95% of this generation have smartphones, to which 25% owned their own smartphone before the age of 10.

Knowing this and the fact that the Hispanic marketplace is one of the largest and fastest growing populations in America, there is great potential for credit unions. The consumer spending power of the U.S. Hispanic market boasts **\$1.7 trillion**. And when it comes to consumer sales growth and being early adopters of technology, Hispanics are outpacing non-Hispanics.

Unfortunately, credit unions tend to go down one of two paths:

- 1. Many credit unions are intimidated to serve the Hispanic market and choose to do nothing.*
- 2. Others will seek out simple translation of their brochures, marketing materials and possibly their website.*

However, multilingual machine translation services, such as Google Translate, do not convey intention, tone of voice and can often use improper grammar. Likewise, content, design and experiences are not tailored to capture the attention of the Hispanic market.

The good news? There is a third path.

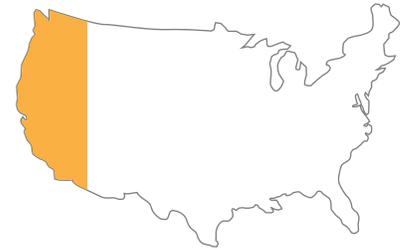
This paper outlines how credit unions can tear down barriers and have a more impactful connection with the Hispanic consumer.

Developing and Belonging

Year after year, there are stories about the underbanked and unbanked, and the huge opportunity for financial services among Hispanic consumers. In 2013, the FDIC reported 28.5% of Hispanics are underbanked—meaning they have at least one account, but use other financial services such as payday loans, money orders, etc. Another 17.9% are unbanked with no checking or savings account.

What doesn't get reported is the "why."

It is more than a language barrier. Quite often, it is more of an economic concern. Latin American banks do not operate in the same way as United States banks. There are fewer laws in other countries protecting the money of its citizens and no backing of the FDIC or the NCUA. There are stories of bank closings, vanished savings, and battered bonds and currencies. In many ways, it would be the equivalent of a weary investor putting their money into another energy conglomerate following the 2001 Enron Corp. accounting scandal.



Hispanics constitute **18.1%** of the nation's total population.

Trust must be established, or in some cases, reestablished.

Meanwhile, studies have shown that Hispanics are interested in living the "American Dream," perhaps even more so than non-Hispanics. In a study by Ipsos, 84% of Hispanic-Americans say they want to learn more about financial matters, with **buying a home and using/managing credit as the two leading areas of focus**. Adjusted for inflation, census data shows the median income for Hispanic households is outpacing the growth for all households by nearly **2%**.

For credit unions to successfully serve this market, posting "Se Habla Español" is a powerful statement but that can't stand on its own. The most successful marketing campaigns are the ones we take the time to figure out—the values, wants and needs of the consumer.

When formulating your marketing plan, ask yourself these three questions:

1. How will they find us?

Don't presume that underbanked or unbanked means not digitally savvy.

2. What are we selling beyond rates and services?

The value your credit union brings is not in being like everyone else. What sets you apart?

3. Why will they care?

In a world of choices, do you speak their language—not just in Español, but what pain points are you solving?

**Don't give this highly sought-after group a reason to choose...
Give them a reason to BELONG!**

Uncovering a More Meaningful Story

A relationship that is reciprocal is often the key to success. A one-sided approach seldom lasts—especially in marketing—and this must be understood when it comes to how credit unions position themselves to the Hispanic population.

It is easy to fall into a trap of a “one-size-fits-all” mentality. Take, for example, the United States and England. Both speak the same language, but there are big differences between American and British English—not to mention Australia or New Zealand. Likewise, think about St. Patrick’s Day in the United States. The profusely green, merry-making day in the U.S. is in stark contrast to the blue (*yes, blue*) day of solemnity in Ireland commemorating the spread of Christianity.

The same is true among Spanish-speaking countries:

- Nicaragua and Costa Rica are Central America neighbors, but Nicaraguans are a lot more passionate about baseball whereas Costa Ricans are diehard fans of soccer.
- Salsa dancing originated out of Cuba and has become popular in Puerto Rico and Colombia.
- The Merengue and Bachata music genres, which are like the Salsa, are unique to the Dominican Republic.
- Quinceañeras, which celebrate a girl’s 15th birthday, is principally a custom unique to Mexico.

The United States is made up of vastly different regions (West, Midwest, Southwest, Southeast and Northeast).

With the diversity of Hispanic cultures in America today, where do you get started?

How does a credit union find balance?

Admittedly, it can be quite overwhelming, which is why so many credit unions give up.

There really is no substitute for standing in your member’s shoes. Are you speaking in nuances, colloquialisms or slang that will resonate with your targeted audiences? Are you tapping into their passion and emotion, or are you pushing rate and service?

**It’s not just about speaking the language.
It’s how your credit union can become part of their story.**



From 2000-2019, the Hispanic population in the U.S. has grown

83%

Understanding Pop Culture and Advertising Influences

Latinos are very family-oriented with rich traditions and values that migrate with them to the United States.

While they often embrace the main cultural values of American society—**equality, achievement and hard work**—individuality is most likely not one of them. Family extends to neighbors and friends, and time away from work is focused on these core groups. Fashion, entertainment, music and sports are universally celebrated.

Take, for example Super Bowl LIV, where well-known artists like Jennifer Lopez, who is of Puerto Rican descent, and Shakira, who is Colombian, performed the 2020 Superbowl half time show. The Federal Communication Commission (FCC) received 1,312 complaints from viewers for claims of being overtly sexualized, according to a story by CNN.

Yet, **50% of all Hispanic households in the United States tuned in**, and it was widely praised as a strong Latina themed performance. Almost anywhere in the world you can find salsa academies. For most Hispanic viewers, the dancing was labeled as exciting and empowering. The show was also viewed as a strong observance for Puerto Rico, which many felt the government didn't handle properly after Hurricane Maria.

Let's also look at soccer, which takes a backseat to other sports in the United States. For many Hispanics coming from countries where it is number one, soccer is an outlet of cultural pride. 'El Clásico,' a match between two of the top Spanish teams—FC Barcelona and Real Madrid—is celebrated worldwide and is immensely popular amongst Latino soccer fans.

The share of Latinos in the United States who speak English is growing. According to a 2017 survey conducted by the Pew Research Center, **70% of Latinos ages 5 and older spoke English proficiently**. Still, there are opportunities to connect with this demographic through heritage, art and the Spanish language. While Latino Gen-Xers, Millennials and Gen-Zers are becoming more entrenched in American culture, they are still drawn to their **family heritage and national origin**.

Credit unions could learn from Goya Foods, the largest Hispanic owned food company in the United States. In business since 1936, the company was named among the top loved brands in the country in 2019 in Engagement Labs' TotalSocial® brand awards.

"Goya's improvement is related to continued strong performance with positive conversations, both online and offline, as well as more offline conversation among non-Hispanic consumers, including the most influential consumers who seem to have discovered the brand recently," Ed Keller, CEO of Engagement Labs, stated in a press release.

If Goya can gain non-Hispanic market share by celebrating diversity and authenticity, credit unions across the country can do the same with Hispanic audiences.

About the Author

For more than a decade, Christian Cuzme has worked in the insurance and finance industries focused on marketing to the Hispanic/Latino community.

At Your Marketing Co., he specializes in developing and creating strategic plans to engage the largest and fastest growing minority group in the United States.

Before working at Your Marketing Co., Christian spent three years as a Business Development Officer at Lafayette Federal Credit Union in Washington, D.C. There he worked hand-in-hand with the marketing department crafting marketing campaigns to serve the Hispanic community. He was an invited speaker at various events and designed, developed and implemented a financial literacy program for underserved communities in one of the most diverse areas of the United States.

Christian has partnered with multiple organizations to increase financial literacy in the D.C. metropolitan area, including:

- **We are CASA**
- **Carlos Rosario International Public Charter School**
- **LEDC (Latino Economic Development Center).**

Christian was born and raised in Quito, Ecuador, and moved to Maryland at age 11.

His passion lies in helping credit unions understand the value behind targeting the Hispanic market, and how to develop strategic plans that will engage this community.

Outside of work, Christian enjoys traveling and photography.



About Your Marketing Co.

We choose to work only with credit unions who care about the people and communities they serve because they're the ones who will ultimately affect change for the betterment of those around them.

Outsourced Marketing

This is the stand-out service that has made us one of the most sought-after marketing teams in the financial industry. Think of the functions you would entrust to an accomplished VP of Marketing.

That's us.

If you don't have a marketing department, we function as the equivalent of having an entire in-house marketing team without the overhead. We provide a one-stop shop for expertise and strategy. We truly integrate into your organization and become part of your leadership team.

For financial institutions with employees devoted to marketing and business development, our team complements yours. No more freelance contractors for copywriting, graphic design, social media or digital marketing. For brand consistency and target messaging, with YMC you have a strategic partner for execution and accountability.

We refuse to be labeled as another vendor. We build relationships and work with, not for, credit unions and local banks. It's what makes us successful, and more importantly what makes our clients successful.

Strategic Planning

Forget the tired SWOT analysis. We will peel back the layers of your financial institution. You will see where you have been, where you would like to go and how to convert challenges into opportunities to grow through an actionable to-do list.

Our strategic planning sessions are designed to get you unstuck and moving forward with vigor. We pride ourselves on delivering productive plans that deliver results while improving your bottom line.

Rebranding & Brand Development

You can't think outside the box unless you know what's in it. Our job is to integrate your voice into everything that connects to you. We promise to take the time and effort to get to know you, your fans, and your community to deliver a brand identity across all marketing channels that is altogether authentic, insightful and awesome.

The brands we really love make us feel like we belong. It goes beyond coining phrases and fun names. Our job is to help capture the warmth and competence of your organization. ●