

CENSUS 2020: CHANGING PERSPECTIVE

FOR HISPANIC MARKET VETERANS, WHAT LIZ CASTELLS HAS TO SAY MAY MIRROR A 2008 INTERVIEW. SHE ADMITS IT'S TRUE, AND THERE'S A GOOD REASON WHY, SHE EXPLAINS.

Just how important is the 2020 Census to attracting advertisers to the U.S. Hispanic market? "It's pretty important," Liz Castells, who heads up multicultural specialty show Infusion by Castells, says from her Scottsdale, Ariz., home office.

Why? Although the number of Hispanics in the U.S. today – 62.3 million – and percentage of Hispanics in the U.S. today – 19% – are at par with annually adjusted estimates, the 2020 Census offers a confirmation of the "hype" doubters and laggards have turned a blind eye toward.

"It gives us numbers that aren't projections, and if it anything it is underestimated," Castells says, acknowledging the chatter surrounding a potential undercount of Hispanics in the 2020 Census.



"The greatest takeaway from Census 2020 is that it gives us irrefutable proof that companies need to reevaluate their efforts and their media spend," Castells says.

Census 2020 also verifies that multiculturals, led by Hispanics, drove the entire U.S. population growth. In fact, for the first time in American history, a decrease in the non-Hispanic White population was seen.

"That's the most jarring statistic to prompt executives to truly change their perspective," Castells comments.

HISPANIC MARKET THOUGHT LEADERS

While the Census 2020 numbers, in Castell's view, speak for themselves, there are some facts about the U.S. Hispanic market that are perhaps clearer than ever to marketers.

First and foremost is Hispanic buying power. With the 2020 Census, it increased by 69%. By comparison, buying power among non-Hispanics grew by 29%.

Second is the average age of Hispanic consumers.

"With a younger median age of 29 vs. 43 for non-Hispanic whites and 40 for all non-Hispanics, Hispanics are cementing their place as the bulls eye target for most categories and brands," Castell says. "They are approaching their peak earning years."

Third, Hispanics are closing the income and education gap against the total population.

"Real median income for Hispanic households rose 2.2% per year, versus 1.5% for the total population," she adds.

That's just a small snippet of the volume of data Hispanic marketing pros can arm themselves with as they seek to bring more dollars against a group of consumers with unrelenting growth characteristics.

"It sends a message to Fortune 500 companies who aren't doing Hispanic marketing to change the perspective," Castell says. "You can't do effective marketing unless you are going multicultural marketing."

That's Castell's take on a rote quote from **Marc Pritchard**, Chief Brand Officer at Procter & Gamble Co. Since taking over for Jim Stengel, Pritchard has become the advertising industry's No. 1 supporter of multicultural consumers. And, what he says carries weight -- including that quote.

It's been used a lot in recent years. Yet, Castell laments, it still hasn't penetrated the C-Suites of some Fortune 500 companies.

Thus, even with all of the fresh data at hand that can complement 15 years worth of insights and ROI success stories, it remains a challenge to convince some CMOs that Spanish-language and/or Hispanic-targeted marketing works.

"The Census is a wake-up call," Castell says. "Enough of the barriers and excuses. Enough of the idea that bilingual Hispanics can be reached by general market efforts. Being unresponsive to consumers' needs and not engaging with Hispanics costs millions of dollars in lost revenue."

Perhaps being unresponsive is tied to being comfortable. That's at least a conclusion Castell has come to. "I literally wrote the top 10 things marketers should consider about entering the U.S. Hispanic market 30 years ago, not 10 years ago," she says. "And, I am still educating marketers on these things. We need a concerted effort to reach the CMOs -- not the VPs but the people at the top. If not, we will still have 'business as usual' at the top because the VPs are comfortable."

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CHANGING THE PERSPECTIVE

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With clients including Charter Communications' **Spectrum** cable TV services brand; **McDonald's**; and **Toyota** among Infusion's biggest, Castells has found success in getting each of these companies' brand stewards to fully understand the unique value of directly reaching Hispanic consumers.

This even includes McDonald's, which continues to learn even as it established itself as a pioneer of U.S. Hispanic-focused marketing.

Ongoing learning is important in the U.S. Hispanic market, perhaps just as much as launching dedicating marketing and advertising activities focused on Latino consumers.

That's why Castells gets particularly incensed when she hears about major U.S. corporations that are considering a Hispanic-focused campaign.

"I just learned of an intern who is 'investigating' the Hispanic market opportunity for a major company – in 2021," Castells says. "Investigating? Look, I'm all about metrics and numbers and things. What is there to 'investigate'? It is simply looking at the population and then comparing to the media spend."

This once again brings up the Pritchard quote that one can't engage in marketing without participating in multicultural marketing.

If that's the case, why have so many tuned him out?

Castells has an easy answer. P&G is a nexus of consumer packaged goods (CPGs). This leads some marketers to say, "Well, of course you should market to Hispanics," based on their consumption of such products. The tricky sell? Getting CMOs to change their mindset about how Hispanic consumers engage in services and premium items.

To that end, Castells says it takes more than just quoting Marc Pritchard and nodding in agreement.

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Meanwhile, Castells remains one of the busiest Hispanic marketing and advertising professionals active today.

In her meetings with Spectrum, Toyota and McDonald's marketing executives, Census 2020 data and insights will be used to reevaluate each brand's general market efforts.

Castells says, "Yes, that is ongoing. But the main impetus of the Census figures is to get those 1,500 clients to invest more. When you have 5% of the media spend going toward 20% of the population, something needs to be done."

As such, companies must better reallocate their resources and their budgeting criteria to mirror the population, she says. And, if one is unsure of how to start, Castells and her peers in the U.S. Hispanic marketing arena await communication.

"Reach out, learn, integrate, find champions and agency specialists, and act," Castells concludes. "The Census proves we live in the most diverse and multicultural society America has ever seen. In California, New Mexico, Nevada, Texas, Maryland, Hawaii and the District of Columbia, the multicultural population is driving the growth. Change your perspective to change your bottom line. Test it – you've got nothing to lose, and everything to gain."