Hispanic Engagement: The Time is NOW

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Why market to Hispanics?

LARGE

50.5 MILLION PEOPLE

16.3% OF THE POPULATION

YOUNG

1 IN EVERY 6 INDIVIDUALS

1 IN EVERY 4 CHILDREN

FAST-GROWING

56% OF THE POPULATION GROWTH FROM 2000 TO 2010

UNTAPPED

$1 TRILLION IN BUYING POWER

2018 ANNUAL CONFERENCE
Where to begin

• Ask yourself – how well do I know my customer?
• Are most of my customers single transactors or are they ready to expand their financial portfolio?
• How about those who are not customers?
• Do I believe they understand the full scope of what my credit union can offer?
• What value do we bring to this community?
Begin those relationships now

• 2010 -2016
  • 75% of all U.S. labor force growth.

• Significant spike in economic clout during the next 5 to 10 years.

• “If you take the time to know me you will not need to sell me”.

“You must taste the soup to know the soup”

• Get involved.
• Meet the local trusted gatekeepers.
• Host friendly roundtables with community leaders.
• Use every opportunity to conduct informal focus groups – to ask questions.
Know who you’re marketing to

• Communicate, not alienate.

• By ignoring the Hispanic voice, you minimize the value of the Hispanic consumer mind share.

• Don’t allow your brand to define, let the consumers help define your brand for themselves and their community.
Learn how to speak the culture

• Hispanics come from many different countries and cultural backgrounds and they all have their own subtle differences.
• Transcreate – not just translate
• Understanding the *mindset* is as important as language
  • exercise caution in spending,
  • pay debts in a timely way
  • often dislike having debt in the first place
Your future Hispanic members

• Want to know more about what banks and credit unions are offering.
• Dissatisfied with the financial information currently available
• Not familiar enough with services that are right for them.
• 2/3s actively seek information about financial products and services.
• Twice as likely to find financial advertising interesting, due to their desire for more information.
Your future Hispanic members don’t like to owe $ 

• Plays a part in savings towards two major purchases: homes and cars.
• Among Hispanics, 52% reported that they could make a 20% down payment on a home — 18 percentage points higher than the rate for all Americans.
• Hispanics are much more likely to be in the market for cars — 40% expect to be in the market to buy one in the next two years versus 24% of the total population.
Desire to Save: Anticipated deposit and investment openings in the next 12 months

- **Savings Account**: 32% (Hispanic Households) 3% (U.S. Households)
- **Checking Account**: 30% (Hispanic Households) 6% (U.S. Households)
- **Any Investment**: 25% (Hispanic Households) 7% (U.S. Households)
- **CD**: 13% (Hispanic Households) 6% (U.S. Households)
- **IRA**: 12% (Hispanic Households) 3% (U.S. Households)
Importance of Factors Among Hispanics when Using Financial Institutions

• More oriented to goal-setting than other Americans.

• Financial attitudes are more conservative than the typical American consumer’s thinking.

• Number of generations in America have a huge impact on their attitudes, behaviors and preferences.
Generational Banking Trends

• 52% of those using credit unions said they were very satisfied.
• 69% of Hispanic households use a major banking institution, but significant generational differences.
  • First generation - major banks have 92% of the share
  • Second generation - 67% megabank, 12% regional bank, 12% credit union, and 8% community bank
  • Third generation - 59% megabanks, 14% regional banks, 15% credit unions, and 10% community banks
Gaining the emotional share of heart

• Hispanics rely more on their family when making decisions than their non-Hispanic counterparts.

• The Hispanic family is a close-knit unit that includes extended family members usually living together with the immediate family.

• What is good for the family is good for me.
Relational vs. Rational Connection

• Given Hispanics’ comfort with electronic channels, focus on providing a seamless experience.
  • To enhance the user experience and ease of use, consider bilingual access.
• Like digital services, but perform in-person transactions more frequently than the general population.
• More likely than the average U.S. consumer to use the branch
• Almost 3 times more likely to use a grocery store branch.
Understand the Role of Religion

• Faith-based institutions within the Latino community are symbolic of many meaningful connections – faith, community bonds, love of home countries.

• A large share of Latinos attends churches with services in Spanish, Latino clergy and heavily Latino congregations.

• It is not uncommon to have religious occasions and holidays woven into much larger gatherings as a means to unite its communities.
Key Takeaways

• **Utilize multiple channels.** Create an integrated media mix with traditional media and digital.

• **Think local.** Create strategies that are hyperlocal, because market size, purchasing power, age, acculturation, and consumption channels will differ depending on geography.

• **Be culturally relevant.**

• **Don’t ignore social media.** Hispanics are “always on” social media.