

# VEGAS INC

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STEVE MARCUS (2011)

**SPECIALTY GROCER:** Cardenas Market on Meadows Lane in Las Vegas caters to the Hispanic population and is thriving in this down economy. The U.S. Hispanic population is approximately 50 million, and members spend upwards of \$1 trillion a year.

## FORGOTTEN CONSUMERS

Savvy companies are looking to the surging Hispanic market for growth

By Tovin Lapan

A year ago, it was rare to see or hear Spanish-language ads in Las Vegas' mainstream media. Finding authentic Latino garb was nearly impossible in the valley. The Hispanic cuisine that grocery stores carried amounted to canned refried beans and packaged taco shells. "There's a lack of understanding here of the size and depth of the Latino market," Miguel Barrientos, a Hispanic marketing specialist who hosts a show on KRLV 1340-AM, told VEGAS INC in June 2011. "They often view us as \$8.50-an-hour laborers with no purchasing power. The Anglo market has seen Mexicans as the workforce but not the consumers."

SEE HISPANIC CONSUMERS, PAGE 14

### SPECIAL FOCUS

## MINORITY BUSINESS

This month, VEGAS INC looks at workplace diversity in the valley.

## Q&A: THE URBAN CHAMBER

By Rob Langrell

Jerrie Merritt, vice president of the Urban Chamber of Commerce, is a busy lady.

Besides her chamber duties, she works as senior vice president and community development manager for Bank of Nevada. She has earned a Woman of Distinction award from the Las Vegas chapter of the National Association of Women Business Owners and was featured in the inaugural edition of Who's Who in Black Las Vegas.

Merritt recently sat down with VEGAS INC to discuss how the Urban Chamber helps businesses and the community in Southern Nevada.

### What does the Urban Chamber of Commerce do?

The chamber advocates for the creation, growth and general welfare of African-American businesses in the Las Vegas community. Our focus areas include development, education, tourism and special projects.

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At issue is \$100 million left over from Fontainebleau bankruptcy

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**HISPANIC CONSUMERS, FROM PAGE 1**

That is beginning to change. As the country slowly creeps out of the recession, businesses are looking to invest in areas that promise growth, and the Hispanic community tops the list.

So stores have begun to stock items of interest to Hispanic consumers. English-language media companies have announced new Spanish-language ventures, while Spanish-language outlets have started to venture into English-language markets. Advertisers are starting to pay attention to the demographic.

The change over the past year has been dramatic, Barrientos said.

"I go to Smith's, Vons, Wal-Mart, and they have all been doing different products and more products to cater to Hispanics," Barrientos said. "It's a good time to look for new ways to bring consumers in. One way to get new customers is to target a market that has not been served. There is a big pool of immigrants, and in general, businesses are not catering to their needs."

Historically, the amount of money U.S. companies have spent marketing to Latinos has fallen short of the population's buying power. But that gap is starting to narrow. Companies are beginning to see the value in investing in Hispanic customers.

"Companies have started to reinvest and get back in the market after spending the last three years surviving the recession," said Jeremy Aguero, principal analyst at Applied Analysis. "Now is the time to take advantage of the recovery, and I've seen more marketing campaigns toward Hispanics in the past six months than in the last six years. A third of the population speaks a language other than English at home. So if you're only marketing in English, you're leaving a relatively large group out."

**GROWING INFLUENCE**

It's no coincidence that the marketing surge toward Hispanics has followed the 2010 Census. The country's most recent demographic survey quantifies the incredible growth of the demographic.

The U.S. Hispanic population now stands at approximately 50 million, and members spend upwards of \$1 trillion a year, which would place the community among the top 20 economies in the world, according to a recent Nielsen

report on Hispanic consumers. By 2015, Hispanic buying power is estimated to reach \$1.5 trillion annually.

In Nevada, Hispanics account for a quarter of the population and make up half of all Clark County elementary school students. At \$12 billion, the Southern Nevada market ranks 23rd in the nation for Hispanic purchasing power, according to market research firm Vision Advertising & Marketing. The Pew Hispanic Center estimates that nearly half of Nevada's Hispanic households own their homes.

The median age of Nevada's Hispanic population is 26, with a median income of \$24,849, compared with \$35,644 for non-Hispanic whites and \$27,497 for non-Hispanic blacks, according to the Pew Research Center. Despite the down economy, U.S. Hispanic households that earn \$50,000 or more annually are growing at a faster rate than total households, and even with drops in immigration, the Hispanic population is expected to grow 162 percent by 2050. The total population is anticipated to grow only 42 percent.

And while American Hispanics buy about 9 percent of all goods and services sold each year, advertisers spend only 5.4 percent of their total advertising budgets targeting them, said Jim Gentleman, senior vice president at marketing and advertising firm SK+G.

"Advertising spending is beginning to match the purchasing power of the Hispanic market, but it's still trailing behind," Gentleman said. "It's a combination of factors. The 2010 census plays a roll as companies got a good look at the market. Coming out of the recession, even though it has been a slow recovery, marketers are looking for new segments to grow business."

**NEW PRODUCTS, NEW AUDIENCE**

New consumer groups offer companies the most fertile ground as they pull out of the recession with lean marketing budgets and a renewed focus on efficiency.

The shift already can be seen in local and national marketing strategies. Taco Bell recently announced new "gourmet Mexican" menu items, while Subway introduced a carnitas sandwich. In Nevada, some casinos have bet their future on winning over Hispanics.

Buffalo Bill's in Primm, for example,

in February opened Ramon Ayala's Cantina, a restaurant playing off the cache of the Mexican music legend and the latest move in its strategy to attract Hispanics. A few years ago, Buffalo Bill's started catering more to Hispanics, especially those from Southern California, by introducing bus services, Spanish-language playing felts and bilingual dealers.

"Hotels and casinos are now evaluating the way a limited-English consumer can navigate their property, and I've never seen that before," Aguero said. "How easily can I check in? How easily can I sit down at a restaurant? There are also financial institutions creating units focused on Hispanic markets, and grocery stores that are founded by more mainstream stores that are bringing in new lines to better serve Hispanics. It's about crafting a more comfortable buying experience for Hispanic customers, or even Asian customers."

Las Vegas' Asian population is skyrocketing as well, almost doubling over the past decade. Asians now account for 9 percent of Clark County's residents.

Barrientos advised businesses to adapt quickly in expanding marketing campaigns to minority groups because companies that have traditionally served them also are trying to expand their customer base.

"Look at Cardenas, the supermarket," Barrientos said. "They started reaching out to English-speakers and doing better marketing. In a competitive marketplace during a recession, people will look at the bottom line. If Vons is charging twice as much for tomatoes, Cardenas will start to get those customers."

Businesses that fail to make an effort to expand their reach will be left behind, Barrientos said.

"They have to realize that the demographics are changing in the valley," he said. "The Asian and Latino population is growing, and if they're not paying attention to the numbers, they will lose out in the long run."

**MEDIA IN THE GAME**

At the same time companies are enhancing their Hispanic marketing campaigns, options for placing those ads have grown more robust over the past year.

**BY THE NUMBERS**

The United States' Hispanic population is approximately

**50 MILLION**

Hispanics as a group spend in a year roughly

**\$1 trillion**

By 2015, it's estimated that Hispanics will spend annually

**\$1.5 trillion**

The Southern Nevada market ranks

**23RD**

in the nation for Hispanic purchasing power

Nevada's Hispanic population has a median income of

**\$24,849**

By 2050, the total U.S. Hispanic population is expected to grow

**162%**

American advertisers spend only

**5.4%**

of their total budgets on ads that target Hispanics