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NEW STUDY FINDS HISPANICS EXPECT MORE FROM CORPORATE AMERICA
Survey Reveals U.S. Companies Not Connecting Emotionally with Latino Consumers

A national telephone survey of 1100 employed adult Hispanic consumers found that two of every three Hispanics in America would reward companies that demonstrate a strong and visible commitment to the Hispanic community. The study, commissioned by the management consulting firm Garcia Trujillo LLC and conducted by Newlink Research, shows that rewards would come in the form of more customer loyalty (65%) and buying more products and services (66%).

Hispanic respondents also said that companies show “more commitment” to the Hispanic community when companies (1) offer products and services that are culturally relevant (16%), but especially when they (2) engage in community causes (43%), and (3) hire Hispanics (41%). A copy of the full study is available on www.garciatrujillo.com.

“Although many companies continue to invest in building their brands and expanding their business in the Hispanic market, our survey shows a significant gap between the growing market opportunity and the capacity of companies to engage and build equity with the fastest growing demographic in America,” said Charles Garcia, chief executive officer of Garcia Trujillo and member of the board of directors of Winn-Dixie Stores, one of the largest supermarket chains in the Southeast.

The objective of the study was to explore Hispanic perceptions about how U.S. companies – broadly defined as large corporations and their brands – engage with and are viewed by U.S. Hispanic consumers. Given the growth of the Hispanic population in the United States, which is currently estimated at 50 million, the growth of Hispanic income, and related growth in the Hispanic consumer market, this study explored whether perceptions about the way in which large U.S. companies and brands engage Hispanics affects the ability of these companies to attract and retain Hispanic consumers.

Findings include:

- Nearly 94% of Hispanic consumers surveyed understand that the Hispanic market is “important” or “very important” to U.S. companies and brands, and, of these, nearly 60% place the Hispanic market in the “very important” category. .
- More than nine of ten (94%) of those surveyed want companies, products or brands in the U.S. to have Spanish-speaking spokespeople in their advertising and information campaigns. Similarly, more than 90% say it is “very important” (62%) or “important” (29%) for a company to have a web site in Spanish.
- More than 15% would like to see products and services specifically created for the Latino consumer

- About one-in-three Hispanics (35%) believe they get a fair shake in the workplace, but nearly two-thirds (65%) report that Hispanic workers face serious obstacles to advancement. The two biggest obstacles: Lack of language skills (60%) and post-secondary education (22%).
- Self-improvement is a high priority, as more than 98% of the respondents assigned the greatest importance to opportunities for on-the-job training and professional development with 72% saying it is “very important” and just over 26% saying it is “important.”
- 60% believe U.S. companies are committed to their Hispanic employees; however, when asked to estimate how many Hispanics are currently in management or in leadership roles in companies in the U.S., most Hispanics thought it was 10% or less. Still, more than nine of ten respondents said that it is “very important” (63%) or “important” (34%) for U.S. companies to hire Hispanics in management positions

“These data demonstrate strategic opportunities for companies and brands to connect with Hispanics in ways that have direct profit-and-loss consequences in addition to corporate social responsibility pay-offs,” said Sol Trujillo, chairman of Garcia Trujillo and a member of the board of Target and WPP Group, the global marketing conglomerate.

“Considering that Hispanics make up about 16% of the population of the United States and that over the next four decades they will represent the largest growing market segment, U.S. companies should begin to take into account this enormous and growing opportunity and begin to structure both catch-up and proactive initiatives that prepare them for the future,” said Eduardo Gamarra, PhD, Newlink Research managing partner and professor at Florida International University. “At a time when talent is the coin of the realm, underused Hispanic human capital is a major untapped asset.”

About Garcia Trujillo Holdings, LLC

Garcia Trujillo Holdings, LLC helps Fortune 500 and multinational companies and their management teams to grow market share in the global Hispanic market by focusing on strategy, execution, organization, and mergers and acquisitions. Founded by top Hispanic business leaders, the business services firm also operates a merchant bank and venture capital firm. Garcia Trujillo clients have access to its data-rich online systems, full-service analytics and Hispanic market research to enable a company to link strategy with execution at many levels of operations. In addition, the firm applies a robust approach and designs a customized independent Hispanic business steering committee to work with management teams and the company’s CEO to drive an integrated Hispanic strategy. More at www.garciatrujillo.com.

About Newlink Research and the Study

Newlink Research is part of Newlink Group, a family of communications and business services firm focused on the U.S. Hispanic market and Latin America. Newlink America is the U.S. Hispanic division founded and run by Jorge Ortega and Eduardo del Rivero. This survey was conducted using a standard telephone questionnaire applied through Newlink Research’s CATI system. Between January 24 and 29, 2010, bilingual operators conducted interviews that lasted approximately fifteen minutes. Interviews were conducted in whatever language preference was expressed by individual respondents. The sample size of 1,100 is a representative sample of adult Hispanic consumers who reside in the four districts with the greatest concentration of Hispanics in the United States. The margin of error is three percent with a confidence interval of 95%. Apart from the regional stratification, the sample took into account standard age, gender, and national origin parameters. The data set including the questionnaire and SPSS file is available for evaluation upon request.

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