

Overview of the Hispanic Travel Market

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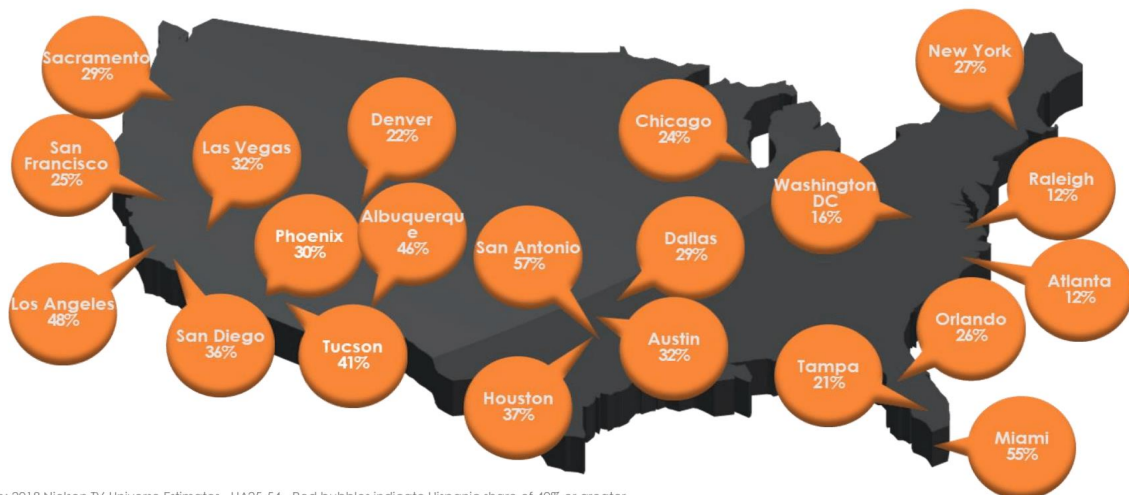
Introduction

The Hispanic Market represents an important and growing segment of the tourism industry that has remained untapped by NTA and other tourism organizations. Several factors make the Hispanic Market worthy of NTA's marketing efforts:

- The 60 million Hispanics in the U.S. represent 18% of the country's total population today.¹
- Hispanics are the largest minority in the U.S.²
- Hispanics have \$1.5 trillion in buying power with \$73 billion spent on travel.³
- Hispanics' travel habits differ from non-Hispanics' habits (outlined on page 5) and represent a great opportunity to build business.
- The Hispanic population is growing, with U.S. Hispanics aged 25-54 expected to grow 56% from 2018-2028.⁴
- Hispanics are not located in just a few areas of the U.S.; they are the majority minority in 395 of the largest counties in the U.S, as indicated in the graphic below:⁵

A major consumer force across the U.S.

% of A25-54 population that are Hispanic, by DMA



Source: 2018 Nielsen TV Universe Estimates. HA25-54. Red bubbles indicate Hispanic share of 40% or greater

¹ U.S. Census Bureau 2017; National Projections Released in 2018

² CNN, 2019

³ IHB Global Insights – 2018 Hispanic Market Monitor

⁴ U.S. Census Bureau 2017; National Projections Released in 2018

⁵ 2018 Nielsen TV Universe Estimates. HA25-54

Defining the Hispanic Market

The Basics

First, it's important to understand the terminology used in reference to this market:

Hispanic: People from Spanish-speaking countries

Latino: People of Latin American origin

Latin America: The countries of the Caribbean, Central and South America in which Spanish, French or Portuguese are spoken.

Spanish: People from Spain

Based on these definitions, you would refer to any Spanish-speaking person as Hispanic, but a Latino or Latina could be someone from any Latin American country, including Brazil, for example, that is not a Spanish-speaking country. In other words, the terms *Hispanic* and *Latino* are not interchangeable.

Note: The term "Latinx" is the gender-neutral alternative form of Latino or Latina.

Facts about Spanish speakers worldwide

- The world has 20 Spanish-speaking countries plus Puerto Rico.
- More than 400 million people in the world are native Spanish-speakers.⁶
- The United States has the second-largest number of Spanish speakers after Mexico.

U.S. and International Hispanics

The Hispanic Market as related to travel and our NTA/FTA members encompasses Spanish-speaking people in the United States traveling within the U.S. and outbound as well as those in Spanish-speaking countries outside of the U.S. traveling inbound to the U.S.

This section defines types of travel common to U.S. and international Spanish-speaking people.

U.S. Hispanics: Travel within the U.S.

Religious Travel

Many Hispanics are Catholic and therefore, travel to sites of significance to the Catholic faith such as shrines, cathedrals, and pilgrimage destinations. In addition, Hispanics attend religious events such as official Papal visits.

Family Travel

Hispanic family travel often revolves around the holidays, especially Easter and Christmas. Another common reason for family travel is to attend family reunions or to attend special family events such as baptisms, first communions or *quinceañeras*, the rite-of-passage 15th birthday for girls.

⁶ Babel Magazine, 4/2017: <https://www.babel.com/en/magazine/how-many-people-speak-spanish-and-where-is-it-spoken/>

Vacations

For vacations, the most popular destination for Hispanics in the U.S. are trips to theme, water and amusement parks. The second most popular destination are natural sites such as beaches, mountains and lakes.

U.S. Hispanics: International travel

Religious Travel

U.S. Hispanics travel internationally as part of pilgrimages to sites of religious significance around the world, to visit Marian apparition sites such as those in Lourdes, France, and Fátima, Portugal; and to visit Vatican City and the Holy Land. In addition, Hispanics travel to attend Holy Week activities in their countries of origin as well as to attend special religious events abroad such as Papal visits.

Diaspora/Heritage Travel

Hispanics travel internationally to visit family in their country of origin (42%) as well as to explore the culture and history of these countries (52%)⁷.

Holiday Travel

International travel is especially popular for Hispanics during the Easter and Christmas holidays, when they often visit family in their countries of origin.

Festivals/special events

Hispanics travel to attend regional, cultural and religious festivals in their countries of origin and other Spanish-speaking countries. Examples of these festivals include:

- *Las Fallas* in Valencia, Spain, celebrating St. Joseph
- *La Semana Santa* (Holy Week – the week of Easter), celebrated in all Spanish-speaking countries
- *La Tomatina*, a tomato-throwing festival near Valencia, Spain
- *Festival de San Fermin*, which includes the famous Running of the Bulls, in Pamplona, Spain
- *Día de los Muertos*, a day to remember family members who have died, originated in Mexico and is now celebrated in several other Caribbean and Latin American countries.

While traveling abroad, U.S. Hispanics also enjoy the following activities:⁸

- General sightseeing (63%)
- Shopping (53%)
- Visiting cultural and historical sites (52%)
- Visiting the beach (49%)
- Fine dining (49%)
- Visiting relatives and friends (42%)
- Outdoor sports and recreation (27%)

⁷ 2017 Spring GFR MRI. Base A18+ and traveled internationally in the last 3 years and participated in any activities listed.

⁸ 2017 Spring GFR MRI. Base A18+ and traveled internationally in the last 3 years and participated in any activities listed.

International Hispanics: Travel to the U.S.

Quinceañera parties

The *Quinceañera* is an important rite of passage that celebrates the 15th birthday of girls in many Latin American countries. These lavish parties rival the American wedding reception in terms of expense and planning, and many Latin American families are now adding international travel to their daughters' *Quinceañera* parties. For example, the party may include a trip to Disney World, Miami, or New York City for the guest of honor and her friends and family.

The Central American countries that celebrate the *Quinceañera* are Mexico, Cuba, the Dominican Republic and Puerto Rico. The South American countries that celebrate this event are Argentina, Peru, Paraguay, Bolivia, Uruguay, Colombia and Venezuela.

Theme parks

International Hispanics travel to the U.S. to visit famous theme parks such as Disney World, Disneyland, and Legoland.

Natural sites

Famous U.S. natural sites such as the Grand Canyon, Yosemite and Niagara Falls attract many Spanish-speaking visitors from abroad.

Iconic sites in major U.S. cities

Another popular attraction for Spanish-speakers coming to the U.S. are the iconic sites in major cities. For example, New York offers the Statue of Liberty, the Empire State Building, Times Square and Central Park, while Los Angeles has many famous locations related to the entertainment business and Hollywood.

Shopping

Spanish-speakers from other countries enjoy shopping in the U.S. because of the wide availability of products and the better pricing of desired U.S. and designer brands.

Sports events

International Hispanics will travel to the U.S. for professional basketball and baseball games, especially to follow players from their countries. For example, the San Antonio Spurs currently have a player from Argentina, making this team a draw for Argentinians. Many professional baseball teams have players from Central American countries, making travelers from those countries interested in following the teams with these players.

When the U.S. hosts the Olympics or World Cup soccer, international Hispanics will travel to the U.S. for these events as well.

Religious trips

International Hispanics travel to the U.S. for special religious events such as Papal visits. In addition, the U.S. is a popular destination for Mormons wanting to visit sites of importance to that religion.

Facts about U.S. Hispanics and Travel

Understanding the Hispanic Market is the first step in serving this market effectively. This section provides information about the income of U.S. Hispanics, their view of the Spanish language, their spending habits in relation to travel, and a comparison of the travel habits of U.S. Hispanics versus non-Hispanics.

1. The income of U.S. Hispanics is increasing.

From 2000-2017, U.S. Hispanics earning \$75K or more doubled compared to non-Hispanics (NH).⁹

2. U.S. Hispanics spend \$73 billion annually on travel, including:

- \$28 billion on online bookings through Online Travel Agents like Expedia¹⁰
- \$9 billion on domestic airlines¹¹
- \$5 billion on international airlines¹²
- \$31 billion on U.S. hotels¹³

3. The Spanish language is important to Hispanics.

- a. The Spanish language is important to Hispanics regardless of English ability.¹⁴

83% of U.S. Hispanics speak Spanish, and 72% speak English. 55% are bilingual, 28% speak only Spanish, and 17% speak only English.

- b. Spanish is important at home.¹⁵

Even second- and third-generation Hispanics who speak mainly English may live in multigenerational homes that are bilingual. Their parents, grandparents, aunts and uncles who live under the same roof may still speak only or mainly Spanish, making the household a mixture of cultures and languages.

- c. Spanish is important for travel.

⁹ Geoscape: American MarketScope DataStream 2017 Series

¹⁰ eMarketer

¹¹ Dept. of Transportation

¹² Dept. of Transportation

¹³ IBISWorld

¹⁴ The Nielsen Company 2018 TV Universe Estimates/ Language based on persons in TV HHLDs.

¹⁵ Terry Soto, Marketing to Hispanics.

Not only is the Spanish language important for research and planning of a trip, especially when Spanish-only family members are involved, but having access to Spanish is very important during the actual trip as well. For example, information about trip add-ons and options at destinations should be available in Spanish so Hispanic travelers can understand what the options are and how to access them.

An example is the special character meals available at Disney theme parks. For international Hispanics or U.S. Hispanics with limited English, having information in Spanish about this optional activity would be very important. Otherwise, the opportunity for this add-on experience might be missed by those with limited English.

- d. The Spanish language is important for travelers who have less English, but also for the bilingual family members who normally serve as their interpreters.

When you provide bilingual services to your customers, you are being considerate of *all* of your Hispanic customers, regardless of English ability. By providing services for those with no English, you are also taking care of your bilingual Hispanic customers traveling with them. Remember that without Spanish travel professionals and resources, bilingual family members are burdened with translating and interpreting for their monolingual family members. By providing Spanish services, you build business and loyalty with the Hispanic travelers who appreciate your efforts to meet their needs.

4. U.S. Hispanic travel habits vs. non-Hispanics (NH)

- a. Authentic cultural experiences are important: 39% vs. 24% NH¹⁶
- b. The number of Hispanic domestic travelers increased four times faster than non-Hispanics from 2013-2017, and international travelers, twice as fast.¹⁷
- c. More Hispanics are planning a vacation in the next year: 93% vs. 85 % NH¹⁸
- d. More Hispanics are planning a family gathering: 83% vs. 71% NH¹⁹
- e. More Hispanics are planning 2 or more vacations per year: 72% vs. 55% NH²⁰
- f. Hispanics take longer vacations: 55% five nights or more vs. 47% NH²¹
- g. Hispanics travel more throughout the year.²²

¹⁶ Mintel "Regional Tourism" April 2017

¹⁷ 2017 Spring GFK MRI Base: A18+)

¹⁸ Media Predict in Collaboration with Univision "Summer 2017 Cruise Research" Q: Are you planning on taking a vacation or having a family gathering in the next 12 months?

¹⁹ Media Predict in Collaboration with Univision "Summer 2017 Cruise Research"

²⁰ Media Predict in Collaboration with Univision "Summer 2017 Cruise Research"

²¹ Media Predict in Collaboration with Univision "Summer 2017 Cruise Research"

²² Media Predict in Collaboration with Univision "Summer 2017 Cruise Research" Base A 25+ who have vacationed in the past 5 years and are planning to take a trip in the next 12 months. Q: "For the following months, how often do you typically take a vacation?"

Hispanics travel more from January through March, around Easter and in December, and in the summer months than non-Hispanics.

- h. Hispanics have higher rates of travel in these areas: International travel, theme parks, multi-city domestic trips, city-based, nature-based trips to beaches, lakes or mountains.²³
- i. Hispanic international travel grew by 40% vs. 19% for NH from 2013-2017.²⁴

International travel for Hispanics includes journeys to their countries of origin, to Europe, and to the Middle East for religious travel.

- j. Hispanics are multi-generational travelers.²⁵

Traveling with family and multiple generations is a part of the Hispanic culture. 70% travel with the younger generation, and 60% travel with older relatives.

5. Hispanics like guidance on trip planning.²⁶

- i. Hispanics like more help with trip planning: 28% vs. 21% NH
- ii. Hispanics like to do more travel research: 78% vs. 71% NH
- iii. Hispanics use Facebook for trip planning: 34% vs. 21% NH²⁷

Because social media drives travel decision-making with Hispanics, social media needs to be bilingual to be most effective with this market.

6. Hispanics use online travel agents to book travel (such as Expedia): 70% vs. 67% NH²⁸

Hispanics use Expedia and Trivago the most, probably because both of these OTAs have been bilingual for a long time. Hispanics also use reward programs more than non-Hispanics (19% vs. 16% NH), but they book directly with suppliers less than non-Hispanics (44% vs. 59% NH).

7. Hispanics are almost twice as likely to use a travel agent as non-Hispanics (11% vs. 6% NH).²⁹

How to attract Hispanic travelers and gain their loyalty

In order to work with this market, it is important to provide bilingual services for your U.S. and international Hispanic customers. Although 72% of U.S. Hispanics speak English, many still prefer to have the option to access Spanish-speaking staff and resources in Spanish as well. First, they may be most

²³ Media Predict in Collaboration with Univision, "Summer 2017 Cruise Research

²⁴ 2017 Spring GFK MRI: Base A 18+)

²⁵ 2014 Best Western study

²⁶ 2015 U.S. Yankelovich Monitor A18+, self-descriptor

²⁷ Mintel "The Experiential Traveler" April 2018 Base: International users 18+ who have taken a vacation in the past 12 months

²⁸ Media Predict "Hispanics and e-Commerce" May 2018

²⁹ 2014 Best Western Study

comfortable in Spanish and prefer to communicate in their native language. Second, they may live in a multi-generational household in which some family members do not speak English.

Bilingual services include bilingual travel professionals, such as travel agents and tour guides, as well as bilingual websites and mobile content. Remember that Hispanics are influenced by Facebook and Instagram, so be sure to include Spanish-language social media campaigns as well.³⁰

³⁰ www.travelpulse.com/opinions/blog/trending-with-hispanic-travelers.html