

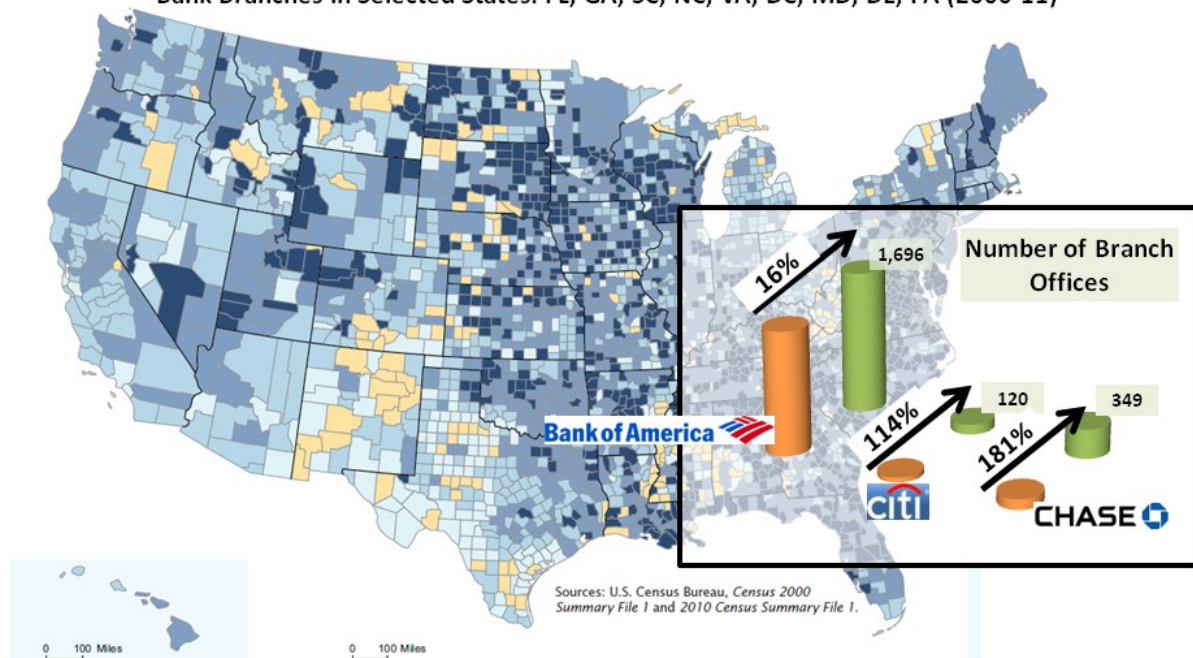
WILL LARGE BANKS SERVE HISPANICS IN THE UNITED STATES?

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The 2010 census in the United States indicated a very significant growth in the Hispanic population. The stronger shades in the chart reveal counties where such growth in the past decade has surpassed the 100% mark. As highlighted in the box, between 2000 and 2011 some large banks have boosted their branch offices in selected states that show intense gains in this ethnical segment.

Growth of US Hispanic Population (2000–10)

Bank Branches in Selected States: FL, GA, SC, NC, VA, DC, MD, DE, PA (2000-11)



Sources: U.S. Census Bureau, Company Web sites, Federal Deposit Insurance Corporation, Guau Corporation

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Branches from Citibank and Chase appear to swell in locations where Hispanics also show triple digit growth. Would the expansion in branch offices cater to an unrestrained growth of this market segment? As Hispanics tend to use online channels (e.g., Internet and mobile) about twice more often than others, would bank branches be most effective? **Banks must recognize the distinct cultural traits of thriving sub-segments in the Hispanic market**, such as upwardly mobile business owners, professionals and workers, as well as more affluent first, second and third generation immigrants.

When equipped properly, bank branches will be pivotal in acquiring Hispanic customers and deepening relationships. Besides minding the language, banks should craft products and services in a manner that resonates with these customers. Large banks will need to blend, within their mainstream strategies, offerings and delivery options that are customized to the particular needs of Hispanics.