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Tarrant Business

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THINKING biculturally IS KEY TO SERVICE

The Hispanic market is growing in importance to banks, which are seeking ways to tap into it

By Ilene Aleshire
Star-Telegram Staff Writer

Alice Rodriguez was working in her office in downtown Dallas one Sunday when she glanced out the window and saw something that made her snap to attention. Her office has a very good view of the Cathedral Shrine of the Virgin of Guadalupe, which has a lot of Spanish-speaking parishioners. A Mass had just ended, and the area around the church was filled with people, strolling, visiting, enjoying the day. It reminded Rodriguez of the plazas she had seen in Mexican cities. "You have people coming together as a community," she said.

For Rodriguez, who is Chase's retail banking executive for Texas, this spelled opportunity, with a call from a Chase representative and said to bring the Bankmobile over here on a Sunday and park it in front of the church." She also asked that the Chase branch, which normally would be closed on Sunday, open on Sunday.

Opening a branch on Sunday and sending a mobile banking office out to a church are a small investment for the banks trying to tap into the large, and growing, Hispanic market.

And almost all the midsize to large banks in the Dallas-Fort Worth area are trying to find a formula to attract Hispanic customers.

"The Hispanic population in coming years is not only going to grow by leaps and bounds, it's going to change our market," said Ana McCollum, who supervises the northwest Dallas-Fort Worth area for Bank of America.

"We know the Hispanic community is where the future is," she said. "Any business that has not made adjustments to their business plan, is going to run into problems."

The National Council of La Raza cites reports estimating that the purchasing power of the U.S. Latino population is projected to reach \$926.1 billion by 2007, "far outpacing other segments of the U.S. population in

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In the Fort Worth/Tarrant County market, about 22 percent of the population is Hispanic, and the growing. "It has grown very fast in the Fort Worth market and very fast overall in Texas," McCollum

The question is, how do banks tap into a market that is largely unfamiliar with its products and ser

"The trick is, it's largely been an unbanked market," said Doug Hutt, regional president for Compa

A recent study by Mintel, a market-research firm, found that only half of U.S. Hispanics are bank c compared with 80 percent of the population as a whole. Only 27 percent of Hispanics have a mor than 50 percent have some type of loan.

"This signals an enormous opportunity for retail banks to capture Hispanic business," Mintel said.

Bankers and researchers cite several reasons for the high percentage of Hispanics without bank language barriers, the wrong marketing tools and programs, immigration from countries where ch were reserved for the well-to-do or where financial institutions were mistrusted, and a lack of awa banks can offer.

Banks are pouring resourc-es into trying to overcome these barriers and open up this potentially l

Chase, for example, has its Bankmobile, a converted recreational vehicle that is staffed with bilin and has the tools to take customers through, for example, the mortgage process. The vehicle goe city, focusing on areas with a lot of Hispanics. "It's fun and interactive," Rodriguez said.

Chase puts a heavy emphasis on financial education, creating an awareness of banking products and how consumers can use them in its program to market to Hispanic consumers, Rodriguez sa do it in ways, and places, where its target audience is comfortable.

"We have a workplace financial-services program, where we go out to companies and talk to emp financial services," she said.

"It's important to sit in front of a group and talk about retirement planning, home ownership, whate to them. We're doing it in their place of business, where there's trust, a place where they're comf doing it in Spanish, so they don't feel embarrassed about not being able to speak English well," si

The bank has also tried direct mail and advertising, partnering with a Spanish-language radio stat grassroots efforts to increase its share of the Hispanic market. "Right now, we're testing a referral Rodriguez said. "When a client comes in to open a checking account, we ask them to refer a frier

If they do, and the friend also opens an account, each receives \$50, she said. They're also testin referral program with an insurance company.

Recruiting Spanish-speaking employees has been a top priority for Bank of America, McCollum s have the products, but if we don't have the folks that can communicate with the customers..."

The bank has tried to have at least two Spanish-speaking employees in branches located in bilin neighborhoods, she said, but the goal is to have at least two Spanish-speaking employees in eve

Bank of America had hoped to hit that target in 2005 but may not be able to, partly because of the competition for bilingual employees, McCollum said.

The bank also is working to develop new products for Hispanic customers, including the "safe-ser at customers who need to send money to relatives or businesses in Mexico. Customers can load card, which the recipient in Mexico can then use to retrieve money through an ATM there.

Through the end of November, the bank sold more than 2,500 safe-send cards in Tarrant County, McCollum said.

There is also the "nuevo fortuna" checking account, which comes without fees if the customer sets up an automatic transfer from the customer's checking account. "They just have to tell us how often," McCollum said.

And, in 2003, Bank of America took a large stake in Mexico's third-largest bank, giving its customers access to a network and making it easier to transfer money between the two countries.

The bank's Spanish-language Web site was designed with some features specifically for customers who are unfamiliar with, or mistrustful of, banks.

"There is a challenge with some customers, in that in other countries not everybody can afford a credit account," McCollum said. "On the Web site, they're not only able to view their account, it really gives them a sense of mind that the money is there. It helps reiterate and reinforce that not only are you doing the best for your family, you have control and know where your money is all the time."

Hutt said that the megabanks, like Bank of America and Wells Fargo, have jumped into the Hispanic market, while "the midsize and small banks have to deal with it differently." But deal with it they must, regardless of their size.

"Even though I wouldn't say we're the industry leader in investing in it, we've still made a significant impact marketing to Hispanics," Hutt said. "It's [a market] you have to deal with, it's a different type of banking."

Compass hired a Hispanic banking coordinator, who is based in Houston. And like its larger competitors, Compass is recruiting bilingual employees and using bilingual marketing materials.

Hutt said it isn't enough to just communicate in Spanish, however. Banks have to make the effort to meet with customers personally, and make them aware of banking services and their desire to serve customers. "You have to have contact with leaders in the community."

Although it's the size of the Hispanic market that is attracting banks, when Alice Rodriguez talks about banking, she talks about individual people and their stories.

She remembers the driver who took her from her hotel to the airport when she was visiting a client once. He leased his car for \$100 a day, driving six days a week and paying \$600. She asked him to buy his own car. He said that he couldn't afford it. When Rodriguez suggested that he borrow the money, he said he couldn't -- not because he had poor credit, or couldn't make the payments, but simply because he never borrowed money from a bank before, Rodriguez said.

The bank loaned him the money, but that was only the first step. He repaid the loan, built up a credit record, and educated himself financially. "Today, he has his own business," Rodriguez said with satisfaction.

Hispanic population growth by county

County	1990	2000	Growth rate	Percent total
Tarrant	139,879	285,290	103.95%	11.95%
Dallas	315,630	662,729	109.97%	17.04%

SOURCE: U.S. Census Bureau data

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Market share

As banks turn their resources toward garnering more Hispanic customers, some seem to be having more success than others.

Market share

Institution

Wells Fargo	14.8%
Credit Unions	13.7
Bank of America	11.8
Bank One	8.7
Washington Mutual	5.2
Chase	2.0
Guaranty Federal	1.2
Frost Bank	0.7
Compass Bank	0.6
Comerica Bank	0.6
Norwest Bank TX	0.6
Texas Capital Bank	0.5
First State Bank	0.5
Other bank	2.4
None	28.9
No answer/don't know	7.8

SOURCE: Rincon & Associates DFW Latino Trendline 2004 survey

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