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## Reaching the Hispanic market

**If you're not actively targeting this population, you could be losing big business**

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According to 2000 U.S. Census figures, there are more than 35 million Hispanics in the United States, an increase of 58 percent since the 1990 census, representing 40 percent of the total population growth from 1990 to 2000.

And that makes Hispanics the largest minority segment in the country.

There's plenty of research identifying their consumer characteristics, buying power and cultural values. So that begs the question: Why wouldn't you try to reach this market?

The answer, according to Annette Taddeo, president and CEO of Miami-based Language Speak, is largely a lack of understanding and education on the part of businesses.

"This bubble is growing so strongly, but it was only through the 2000 census that the size and power of this group became known," she says. Four years later, many companies still haven't digested the wealth of data that exists.

"It is sad to say that advertisers dedicate less than 5 percent of budgets to reaching this market," she says, adding that's a huge lost opportunity. Consider that Language Speak, which provides translation services across a spectrum of industries, has grown more than 200 percent the last three years.

Hispanics represent \$6 billion in purchasing power and 75 percent of that demographic prefer to receive information in Spanish. That's where marketing efforts can run into trouble.

"Neutrality of the language is extremely important," says Taddeo. "That's the biggest misconception. There are 20 different countries represented in the U.S. Hispanic market. The largest majority is Mexican, so many people opt to market using Mexican Spanish. But if you do that, you are potentially alienating the remaining 19 cultures. Compare that to how news anchors sound on air. You don't hear a specific New York or Boston accent. You hear a neutral accent. That's what you need to portray when trying to reach Spanish-speaking people—neutrality."



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### Consumer characteristics

By and large, most U.S. Hispanic households are younger and larger than non-Hispanic households, with a median age of 276 versus 372. And while the average U.S. non-Hispanic household has 2.5 children, the average U.S. Hispanic household has 3.4, according to Nielsen 2002 Universe Estimates.

Hispanics are active in their community, socially oriented, prefer to travel and participate in activities in groups and are family oriented. Religion is a big part of their lives and they tend to maintain a strong connection to their Hispanic heritage, embracing their culture through language, food, music and celebrations.

Education is a priority for Hispanic families and they tend to be hard working and entrepreneurial. While non-Hispanics tend to be more individualistic, Hispanics embrace collectivism. The family comes first and group or family satisfaction ranks above all else. They are conformist in nature and tend to honor traditions and respect authority.

Hispanic women are still the primary caregivers, but increasingly they also are taking on responsibilities outside the home. In fact, careers are now seen by Hispanics as a viable option for women.

### Purchasing power

Hispanics are interested in looking good and projecting status and those attitudes play into their buying decisions. The purchasing power of this demographic is projected to grow four times that of the rest of the population, from 51 percent in 2005 to 126 percent in 2010, with even more dramatic increases in major markets such as Miami, Los Angeles and Houston.

Hispanics are extremely loyal to brands. In fact, they are interested in buying the best and brand loyalty is a reflection of their desire to achieve status and look good—60 percent of Hispanics state: "I'm willing to spend more to get the best," according to research.

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"Think about it," says Taddeo; "whoever gets there first is going to get that loyal business."

### Reaching Hispanics where they are

Spanish is spoken in 89 percent of U.S. Hispanic households, according to census figures. Of those households, 75 percent prefer to receive communication in Spanish.

"Data shows that communication is more successful when it is presented in Spanish," says Taddeo. The problem with that is that you can't always translate literally.

"Sometimes there is no way to get the literal translation of a product or service, so it's essential to understand what the company is trying to portray and then say it in a different way that still retains the meaning," she says.

For example: a financial services firm was crafting a direct mail piece promoting its retirement services. Taddeo says that the Spanish synonym for retirement is *retiro*. "This is acceptable, but Hispanics see 'retirement' as a negative thing. The better word is 'jubilation,' which is a celebration of the fruits of your labor and more closely aligned with the American meaning of retirement. If you're selling retirement funding, it's important to understand how this one word can convey something completely different."

Research from Roslow Research Group shows that among Hispanics, Spanish-language marketing is 61 percent more effective at increasing awareness; 57 percent more effective in message comprehension; and four-and-a-half times more persuasive than English-language marketing.

Marketers also should consider online marketing, since Hispanics are among the fastest-growing group of Internet users. Computer ownership among Hispanics grew 153 percent from 1997-2001, while computer ownership among non-Hispanics grew 100 percent during the same period.

Although they tend to be a little hesitant about buying online, research from AOL has found that a significant portion of Hispanic online consumers find online advertising informative (41 percent) versus U.S. online consumers (24 percent).

Of those surveyed, more than half (53 percent) of Hispanic online consumers who have ever made a purchase online report that they have recommended a specific shopping Web site to a friend or family member.

The U.S. Hispanic market is largely underserved by marketing efforts, but a little research and smart marketing could make this demographic a loyal and growing customer base for years to come.

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Annette Taddeo, President and CEO, Language Speak