

Understanding & Marketing to Hispanics

Dr. Loui Olivas

Arizona State University

Presentation

- ✓ **Hispanic 101**
- ✓ **Demographic Imperative**
- ✓ **Cultural Understanding**
- ✓ **Marketing Perspectives**

“The Hispanic marketplace is continuing to grow in the U.S., but Hispanics are NOT a homogeneous group and marketing efforts need to take into account their distinct demographic, media, shopping and lifestyle patterns. ”

-James Collins, Sr. V.P. Scarborough

Understanding Hispanics

- **The term “Hispanic” was first used to describe persons of Spanish origin more than 2000 years ago**
- **Hispanic is an *ethnic group*, not a race (defined by Federal Office of Management in the 1970s and identified by the U.S. Bureau of Census in 1980)**
- **Though commonly described as a single ethnic minority group, Hispanics in the U.S. are extremely diverse**

Understanding Hispanics

- Hispanics belong to all races—White as well as Black, Asian, and Native American
- Hispanics are composed of:
 - ❖ Nationalities
 - ❖ Races
 - ❖ Religions
 - ❖ Socioeconomic levels
 - ❖ Cultures
 - ❖ Customs
 - ❖ Geographic locations

Understanding Hispanics

- They share a common language, family, values, beliefs and socioeconomic conditions
- They trace their origins to 22 countries & include:
 - ❖ **Mexico**
 - ❖ **Puerto Rico**
 - ❖ **Cuba**
 - ❖ **Spain**
 - ❖ **Caribbean**
 - ❖ **Central America**
 - ❖ **South America**
 - ❖ **Other Spanish-speaking countries**

Understanding Hispanics

- Hispanics are much more likely than any other group (White, Black, etc.) to be a “**Classic Family**”—a couple with children in the home
- They have consistently been the least likely to have a household composed of a person living alone or in a non-family situation

Understanding Hispanics

- The Hispanic community is unique in America—it consists of citizens whose roots go deeper than those of the Pilgrims and of Hispanic immigrants who arrived today

Understanding Hispanics

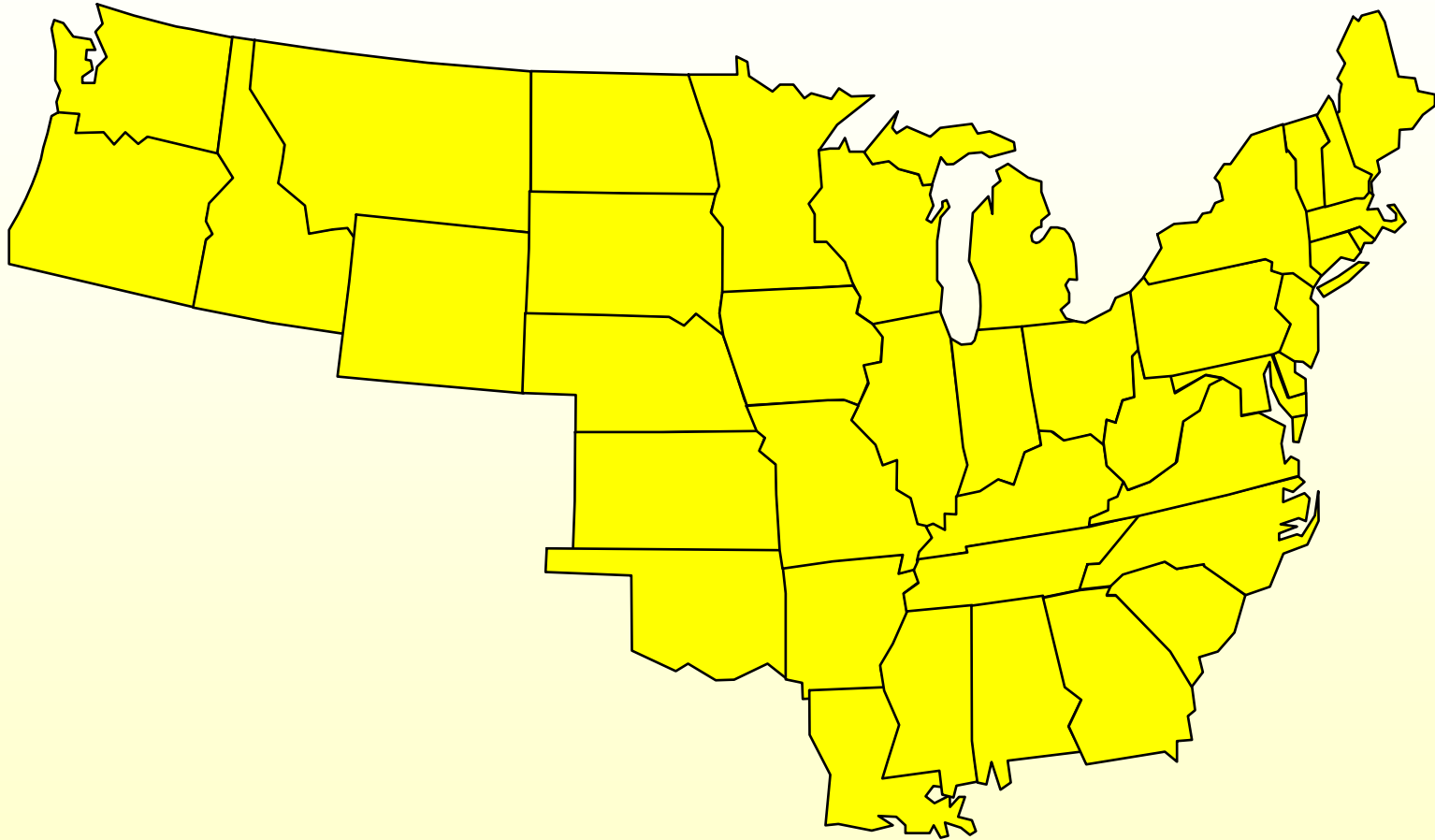
- **Significant life experiences of Hispanics**
 - ✓ Births & Birthdays
 - ✓ Baptisms (Catholic)
 - ✓ First Holy Communions
 - ✓ Confirmations (age 17)
 - ✓ Quinceañeras (females, age 15)
 - ✓ Weddings (family bridal showers)
 - ✓ Deaths
 - ✓ Graduations

Understanding Hispanics

- Labeling- Hispanics are often labeled according to the national origin/geographical location:
 - ✓ Cubano
 - ✓ Puerto Riqueño
 - ✓ Mexicano
 - ✓ Latino
 - ✓ Chicana/o
 - ✓ Hispano

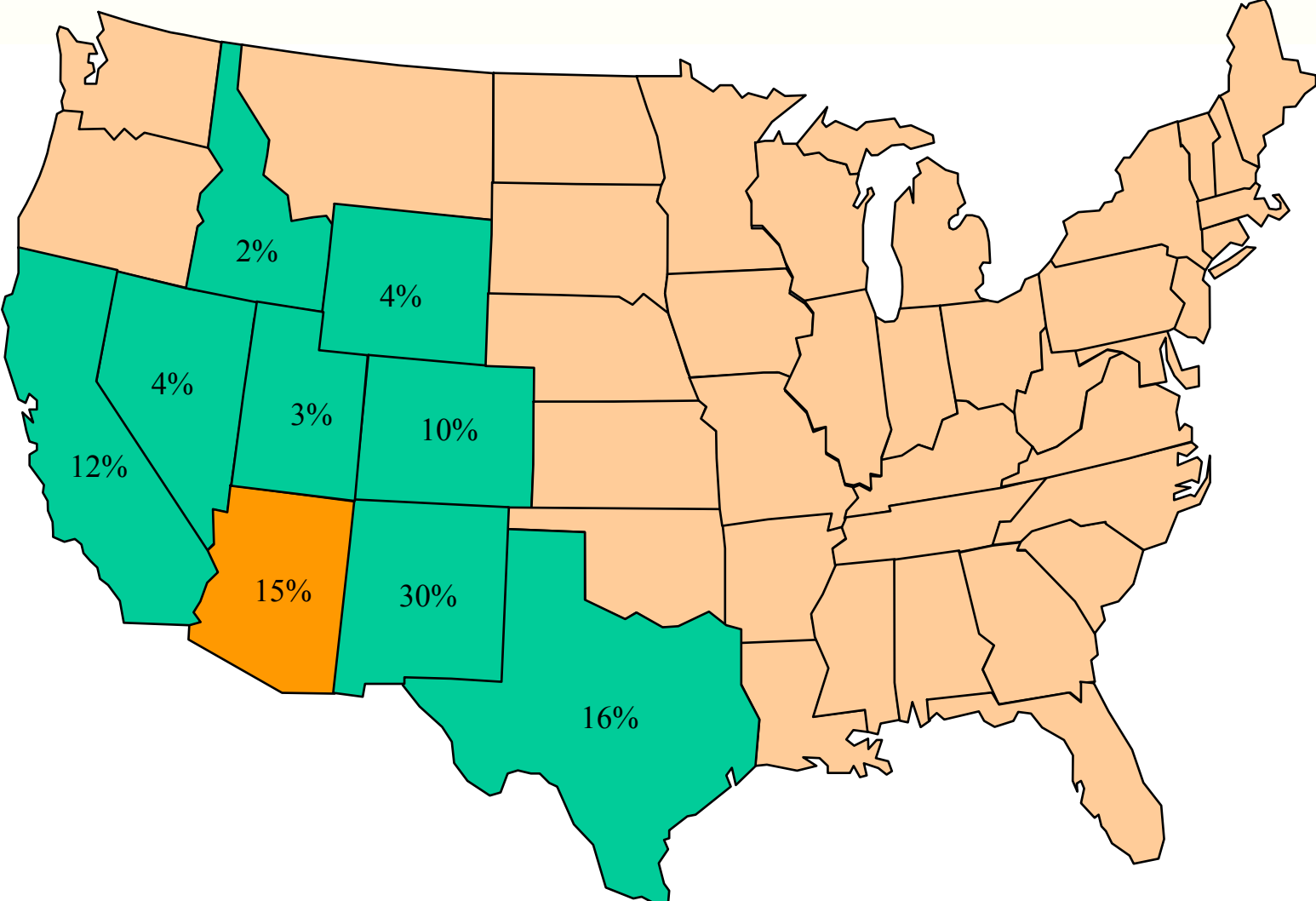
- The majority of Hispanics (60%) are of Mexican descent, living in the Southwest before the U.S. existed

The U.S. Prior to the Treaty of Guadalupe Hidalgo (1848)



Hispanic Disbursement: 1970

9 States Hispanics are Largest Minority Group



Counting Hispanics: Census 2004

- U.S. Hispanics 40.5 million
- Include Puerto Rico 4 million
- Adjust for undercount 2 million
- Add undocumented residents (Est.) 10 million

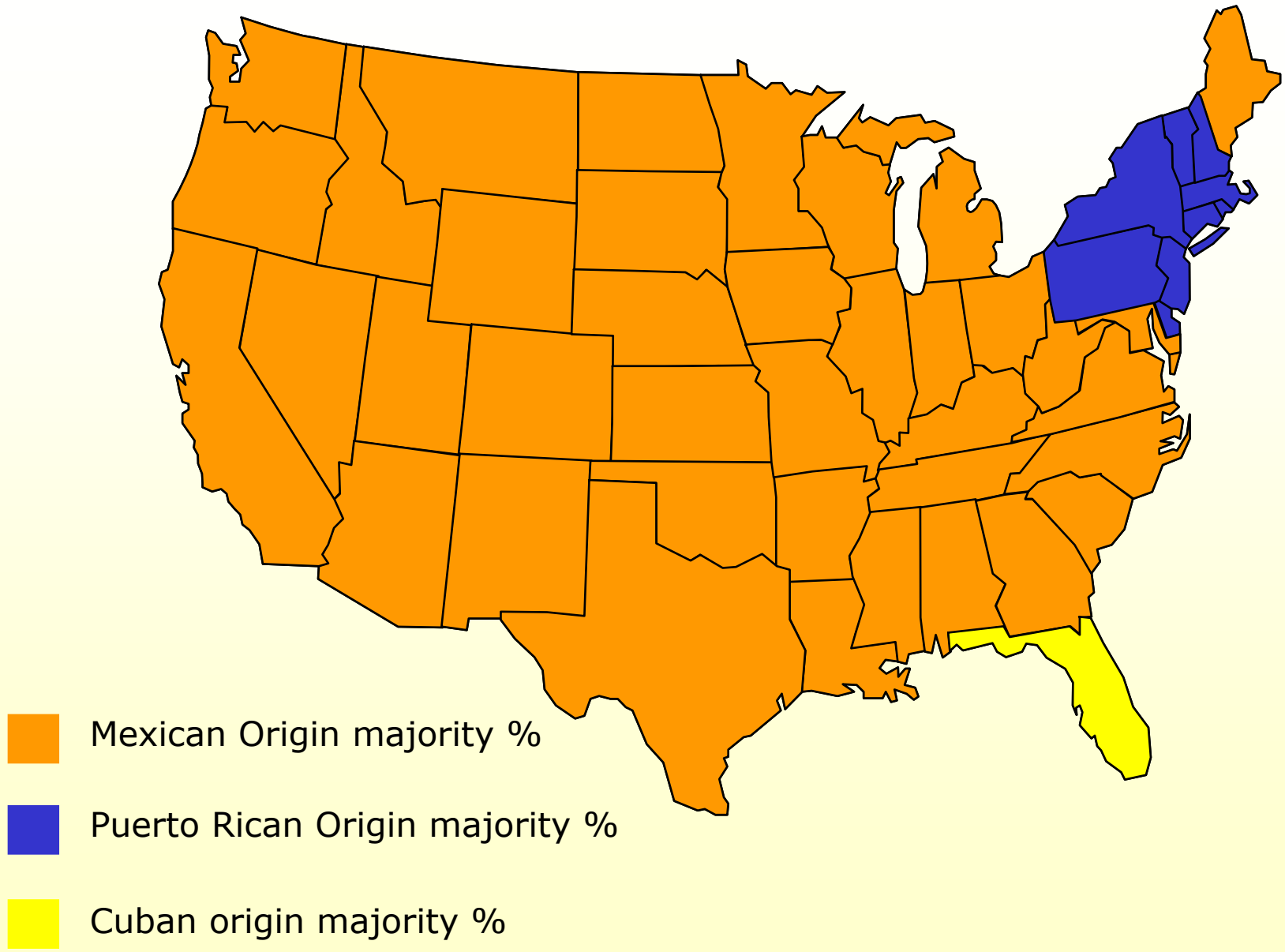
Total Hispanics

56 million ??

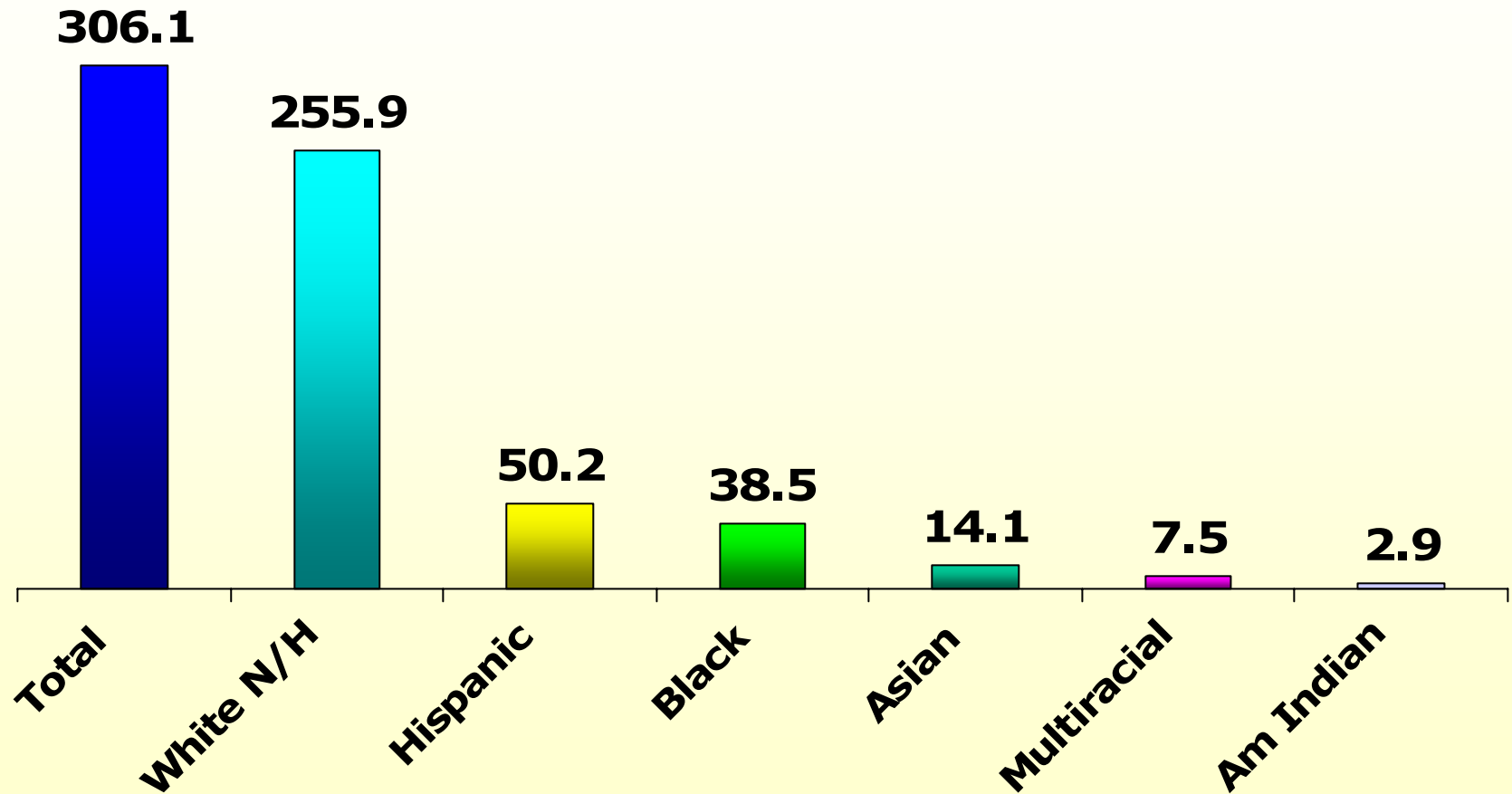
Western Hemisphere Population



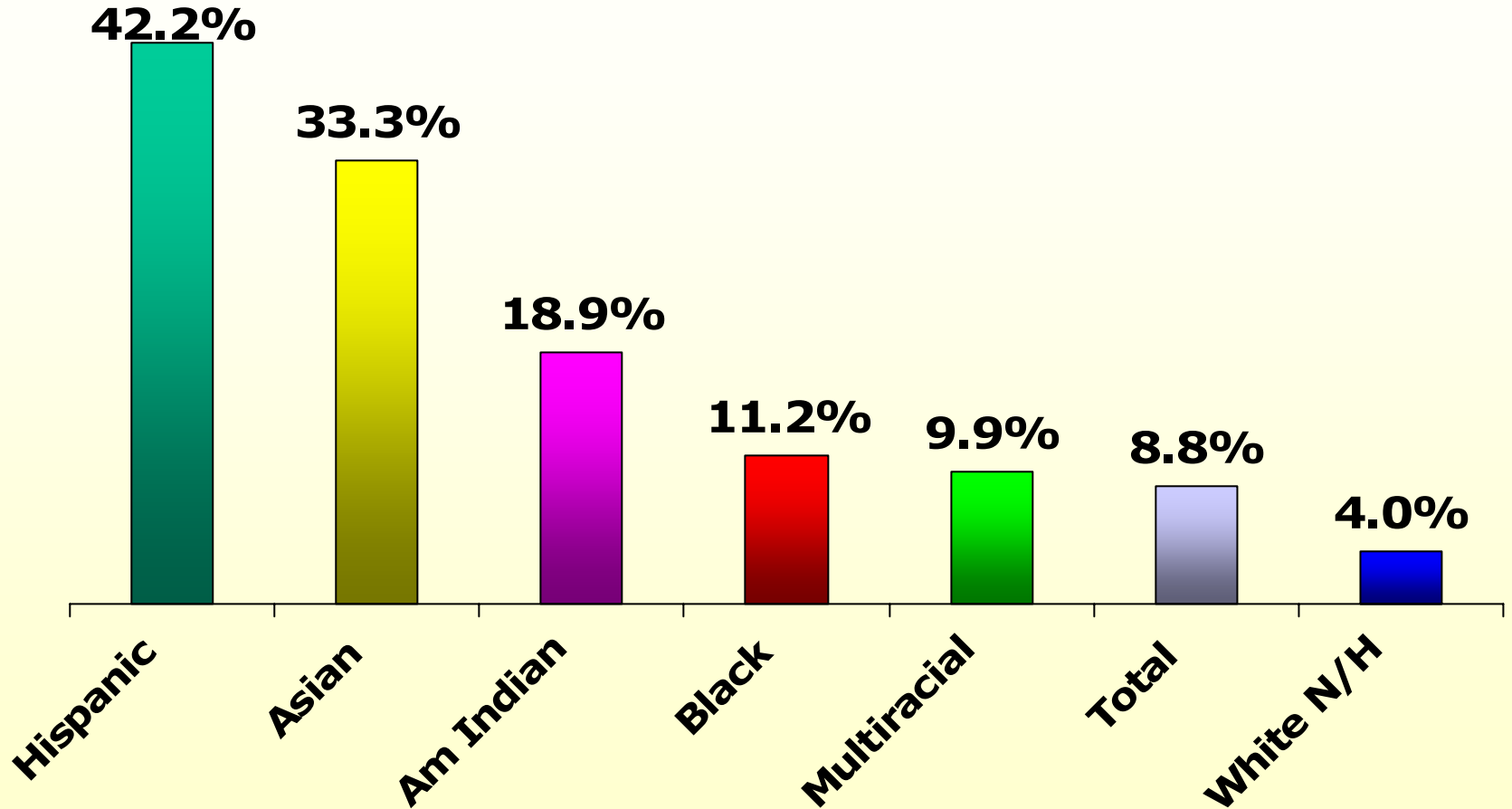
- Total 835 Million
- 551 Million Hispanic
- 66% Hispanic
- 45% Speak Spanish



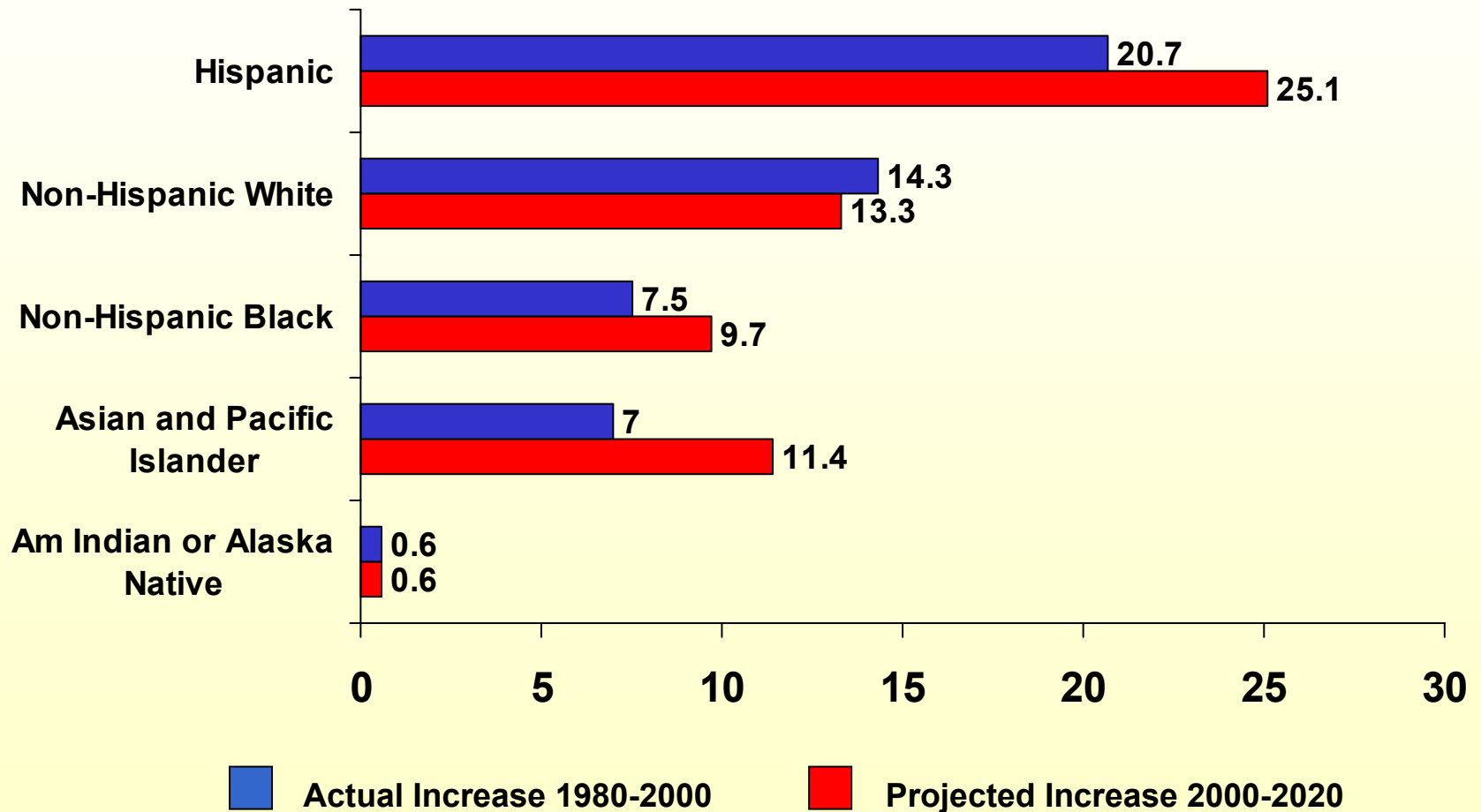
U.S. Population Projections 2007 (millions)



U.S. Population Projections 2000 - 2007

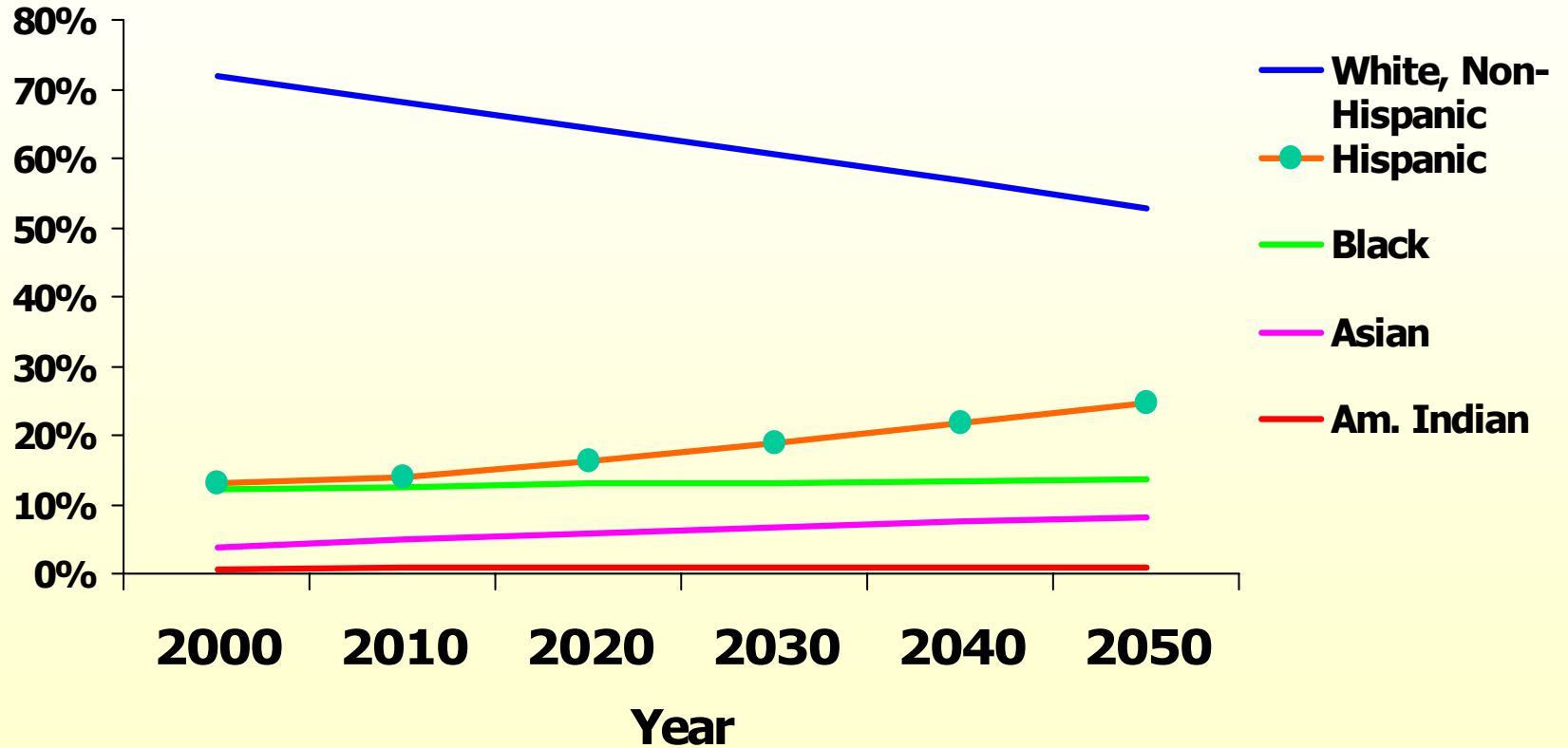


Change in U.S. Population by Race and Ethnicity Actual and Projected, 1980-2020 (millions)



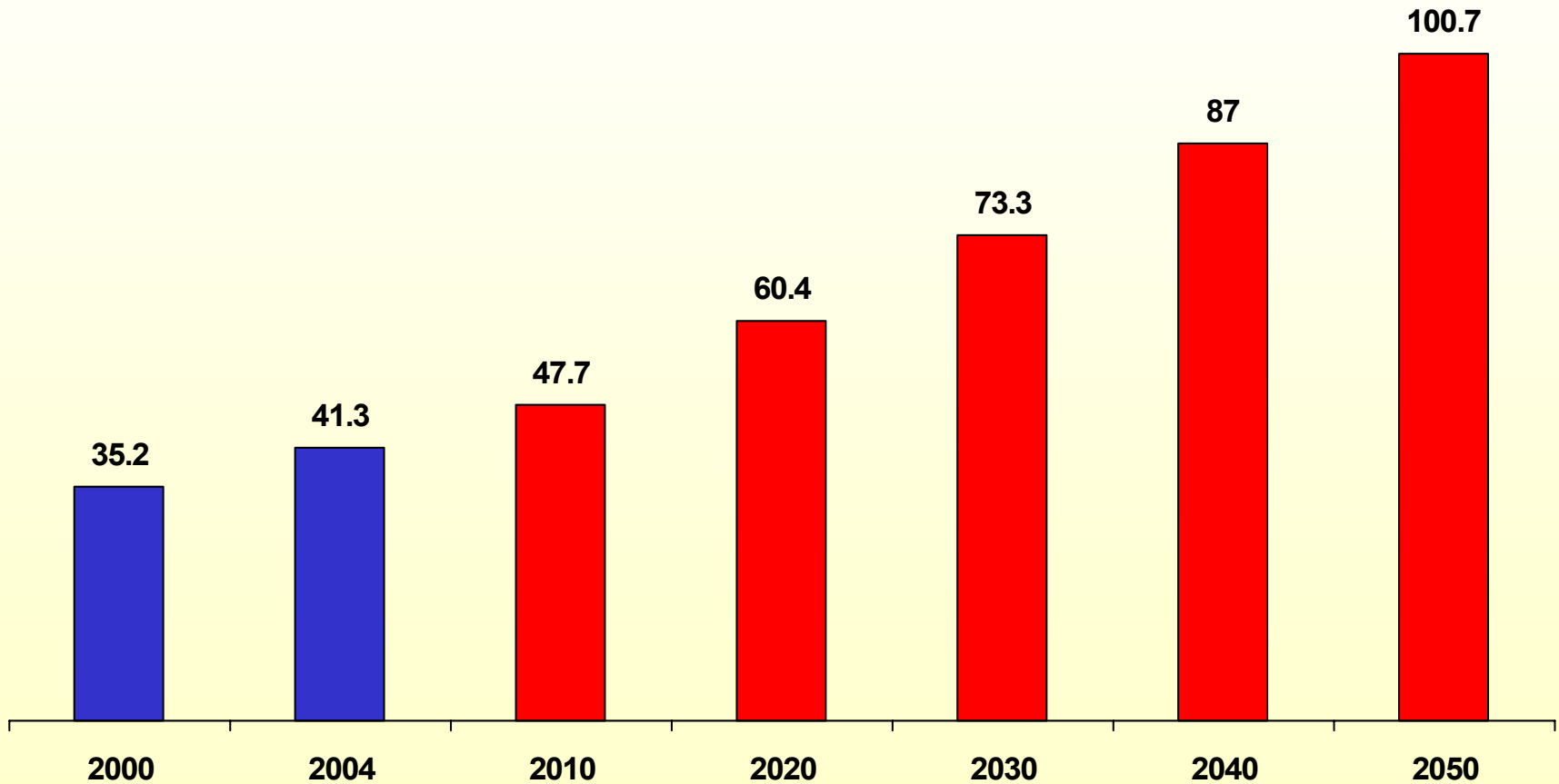
Percent Distribution of the U.S. Population by Race

2000 to 2050



Hispanic Population, 2000 to 2050

(Millions, Middle Series Projections)



Source: U.S. Census Bureau, We the American...Hispanics, September 1993 and Passel 2004, "Projections of Population, Educational Attainment, and Labor Force Participation: By Generation, Age, Sex, and Race/Ethnicity: 2000-2050 & U.S. Bureau of Census, July 2005

Hispanics are . . .



**Multi-national
/ethnic**

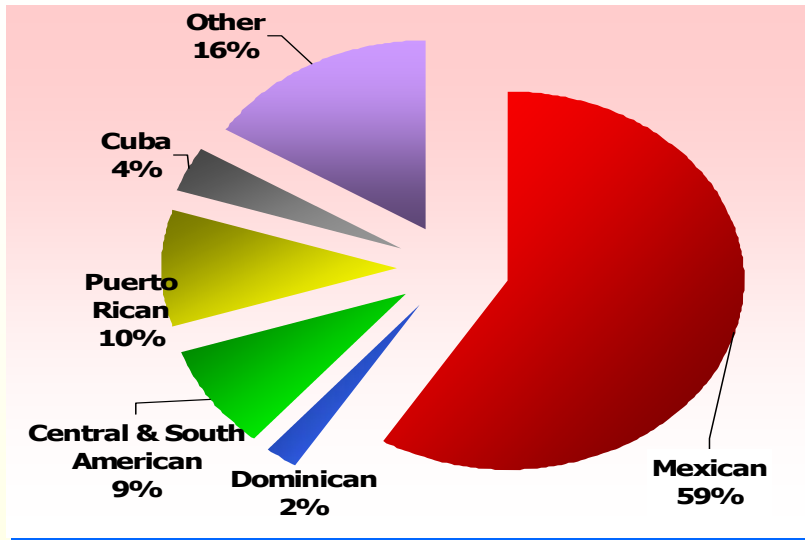
Multi-lingual

Younger

**U.S. &
Foreign
Born**

Multi-racial

Multi-Cultural -- The New Face of Hispanics in the U.S.



- Roughly 70% of gatekeepers are foreign born and 65% of teens are US born
- 18% of the under 20 population is Latino
- Mix of races and cultures (Indian, European, Black)

Constantly Changing...

- Fastest growing Hispanic populations are Central and South Americans
- Miami is no longer all Cuban...
 - Florida is now the 2nd largest state for Puerto Ricans behind NY with 18%, Mexicans make up about 14% of the population (up 126%)
- New York's Mexican population has tripled in the last 10 years
 - Now an epicenter for those from Puebla, Mexico (over 50%)
- Arizona has grown by 135% since 1990, the 2nd fastest growing state with Hispanic populations – Nevada is #1

Multi-Lingual

First Language Learned

Language Usage

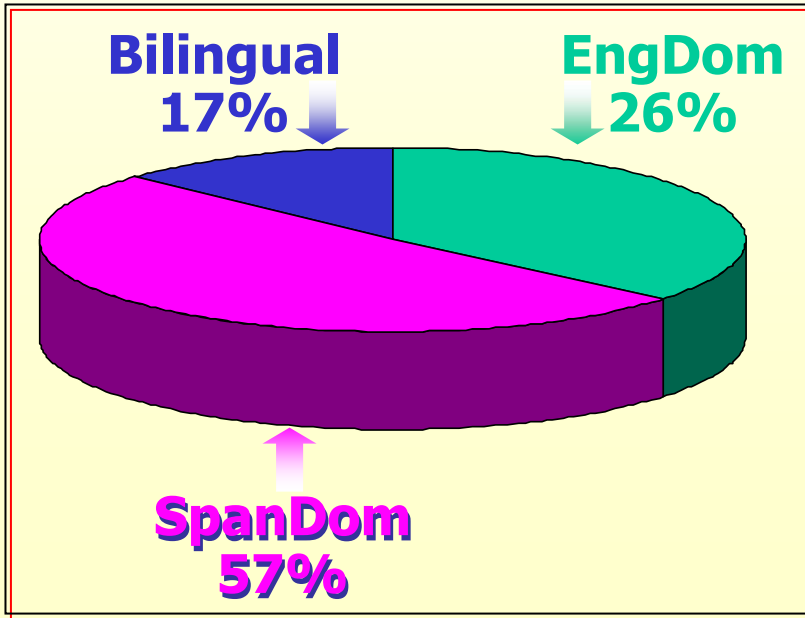
**88%
Spanish**

**50%
U.S.
Born**

**99%
Foreign
Born**

**1st
Gen.
32%**

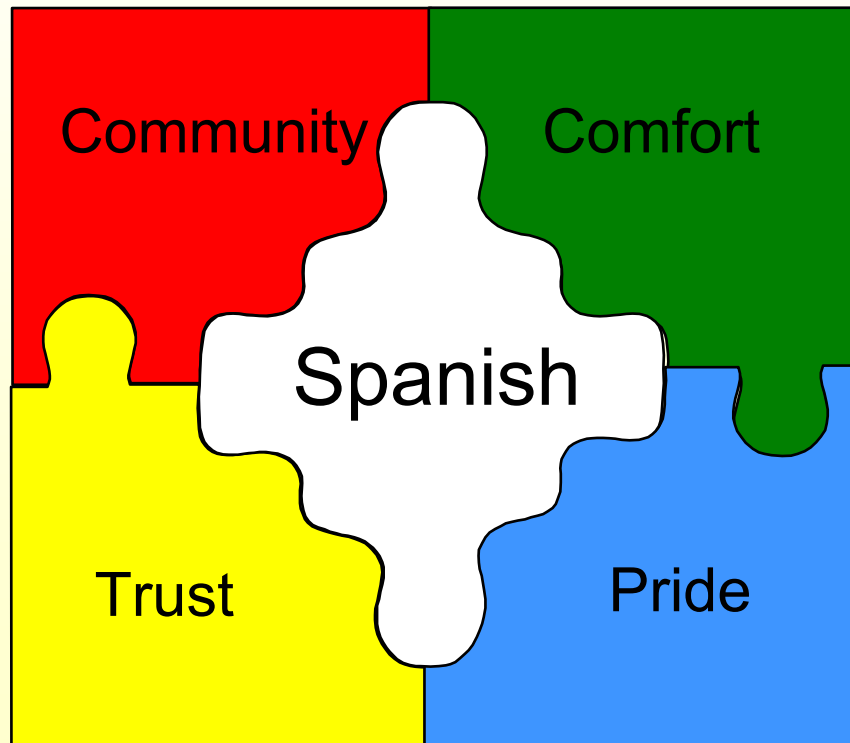
**2nd
Gen.+
17%**



Source: Yankelovich 2002 Monitor

Hispanic Emotional Button

- ✓ **Spanish Language: The Key Link to Hispanic Culture**



Hispanic Youth

They Can Have the Best of Both Worlds

- **Latino Pride--Being Latino is cool** ➔ **96%**
 - As the impact of Latino culture on mainstream becomes more prevalent.
 - And many Latinos don't feel like a minority anymore. Within their communities they are often the majority.
- **Amongst Teens, the Best of Both Worlds**
 - Latino culture, tradition, and language
 - Yet partakers of the American Dream



Being Latino

- My Roots
- Spanish
- Family
- Spiritualism
- Traditions
- Music

Aspirational State

**Bi-Cultural
&
Bi-Lingual**

**Spanish
Dominant**

**English
Dominant**

Being American

- Education
- Success
- Pop Culture
- English
- Jobs
- Materialism

Hispanics Are Feeling That It's Ok To Be Themselves

Today's Latino consumer is asserting that:

- They can survive and find success without sacrificing their roots or identity.
- Hispanic heritage and values are as important as "Mainstream" culture.



Latinization of America

- **Foods**
- **Music**
- **Bi-lingual Cities**
- **Concentration "Majority"**
- **Lexicon - Spanglish**
- **Products**

Americanization of Latinos

- **Being born in America (70%)**
- **Schooling in English**
- **Entering workforce**
- **Latino crossover celebrities**
 - **Ricky, JLo, Enrique**

Gen Y - the Next Generation

Baby Boomers	Generation X	Generation Y
Born 1946-1964 Ages 36-58 78 million	Born 1965-1976 Ages 26-38 43 million	Born 1977-1994 Ages 8-28 73 million (Predominantly Minority)

Hispanic Values

Culture and Language

85% demonstrate and sustain ethnic traditions

70% feel they are Hispanic First

Family First

56% feels family comes first

68% responsibility is to themselves and family

89% Latinos family ties are stronger than Americans

84% Latinos feel having a baby is an experience every woman should have vs. 55% Anglos, 64% Af-Am

Appearance and Status

57% Latinos feel the need to be hip, cool, and on the cutting edge vs. 38% African-American and 21% Anglos



Hispanic Values

Diversity

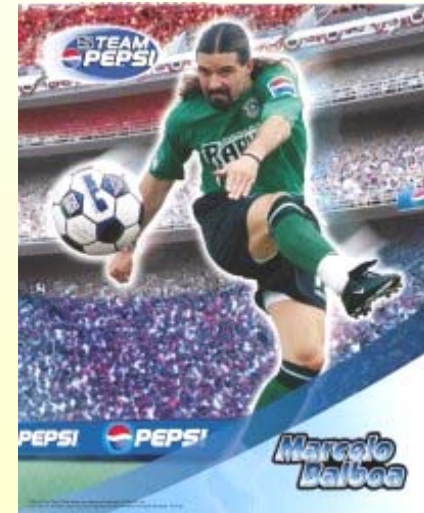
- 92% of Latinos believe people should be free to look, dress, and live the way they want to, whether others like it or not vs 84% of AA and 71% of Anglos.



Enjoyment

- 66% feel the need to find more excitement and sensation in their lives vs 72% for AA and 54% for Whites.

- 87% of Latinos watched some sport on TV in the past year vs 79% for Anglos and 88% for AA.



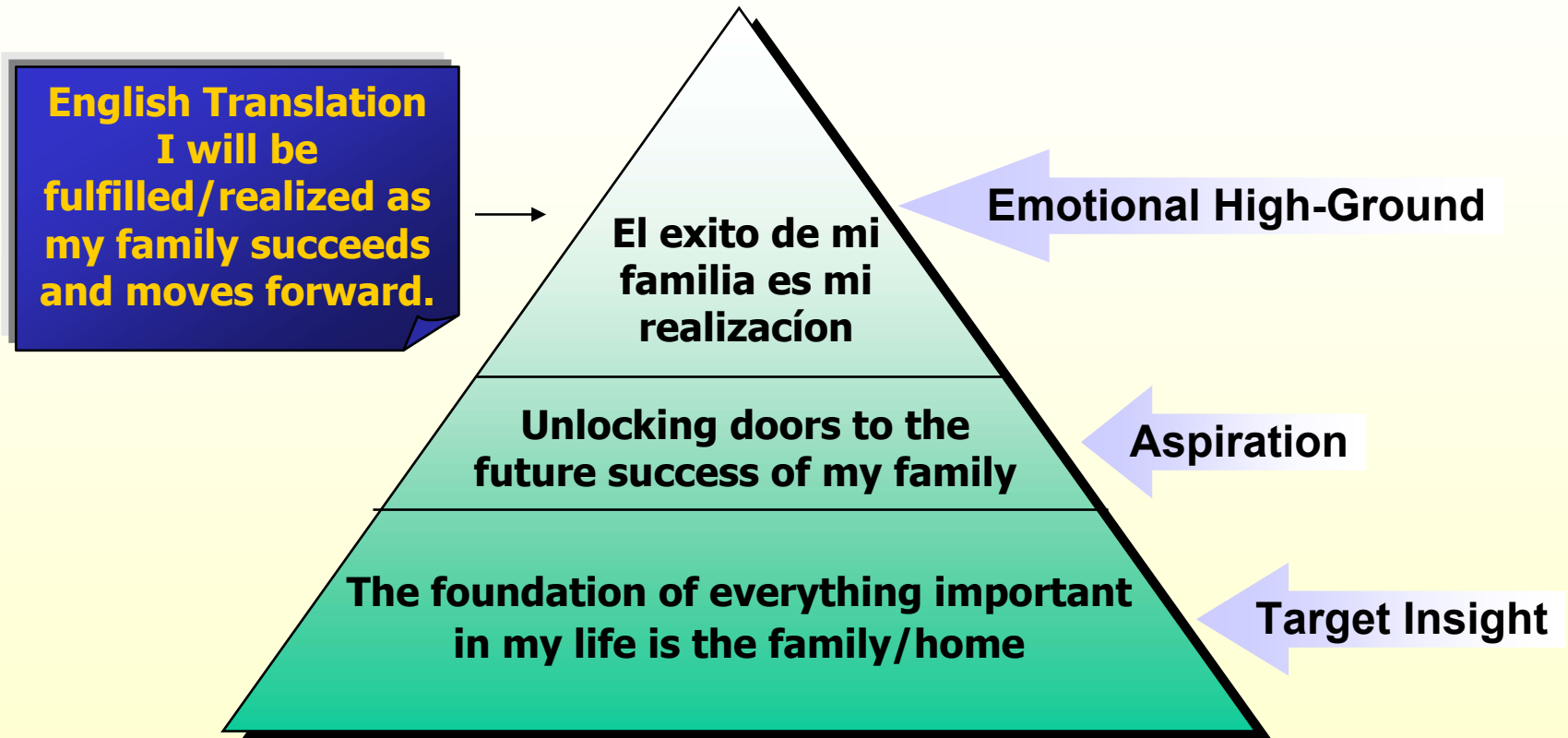
Brand Loyalty

- 61% of Latinos say that once they find a brand they like it is very difficult to get them to change brands.



Hispanic Consumer

**Understanding how the Hispanic Gatekeeper shops, is to understand
The Core Hispanic Gatekeeper Insight:**



**This core insight influences every aspect of the
U.S. Hispanic H/H shopping behavior**

My role is to serve and protect my children and my family

Hispanic Market Business Case Relevant to Hispanic Segment

➤ Dwelling Type

➤ SRP service territory

- 69% of the SLD segment live in single family homes (SFH)
- 74% of the general market (includes ELDH) live in SFH

➤ Age of Homes

- 86% of the SLD SFHs are 25 years or older
- 78% of the general market SFHs are 15 years or newer

Marketing Through Celebrations (Key Holidays/Celebrations)

- January 1, New Years Day
- January 6, Dia de los Santos Reyes
- February 14, Valentine's Day
- March 31, Easter
- May 5, Cinco de Mayo
- May 12, Mother's Day
- June 16, Father's Day
- Sept 15 – Oct 15, Hispanic Heritage Month
- September 16, Mexican Independence Day
- October 12, Dia de la Raza
- November 1, Dia de los Muertos
- December 25, Christmas

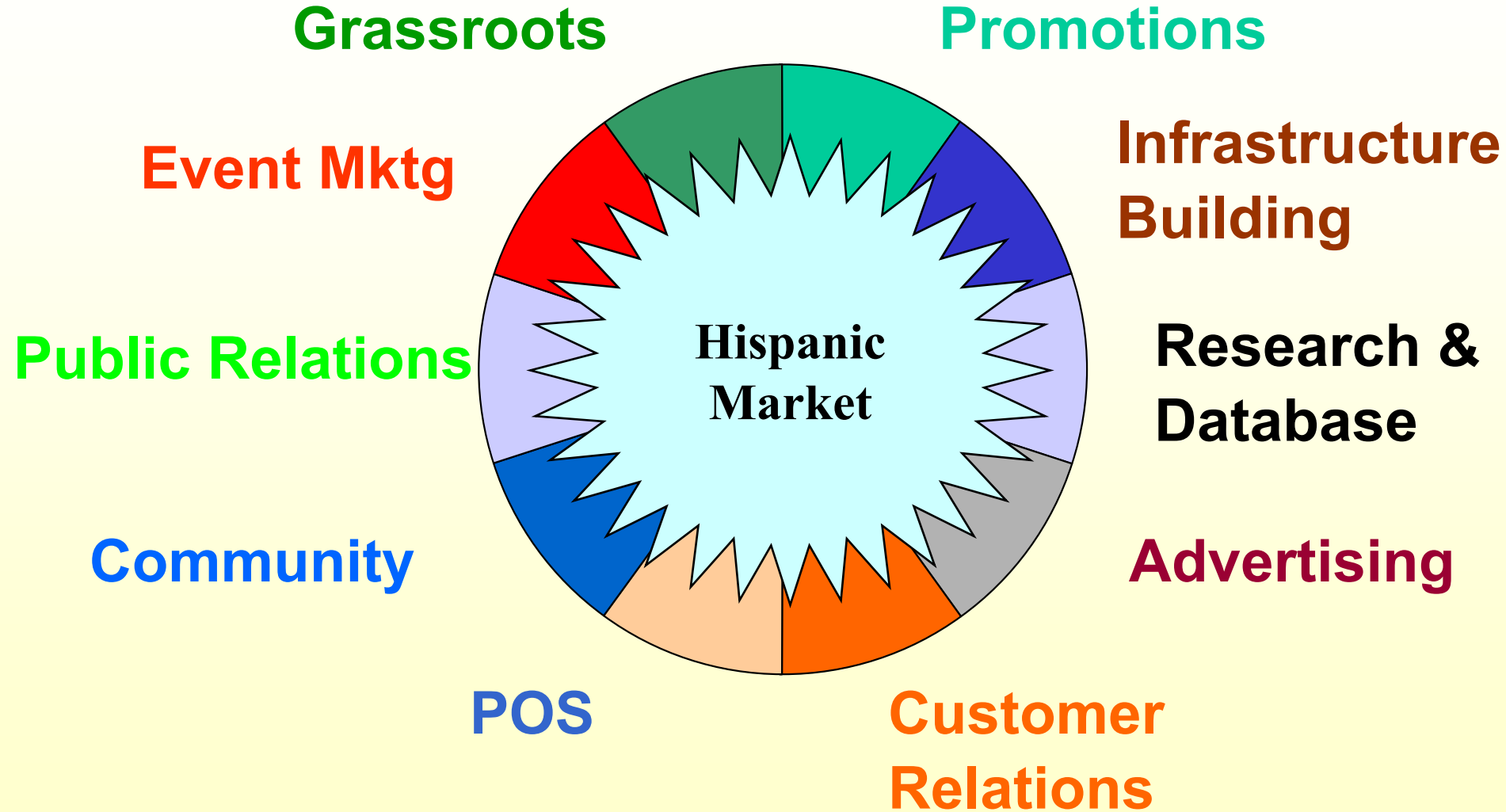
Marketing Venues

- T.V. (Spanish language)
- Radio (Spanish language)
- Print (Spanish language)
- Billboard
- Internet
- Events
 - Indoor & Outdoor

Marketing Venues (cont'd)

- Community Based Organizations (CBOs)
- Conferences (national and local)
- National and local organizations
- USHCC

Integrated "In Culture" Strategy: The Marketing Mix



What Do You Need to Know?

✓ **From an Hispanic perspective:**

- Know the Hispanic consumer (U.S./Foreign born)
- Know the culture & language
- Know how your organization benefits them
- Know where to find them
- Know how to approach the family
- Know the community
- Know how to market to their strengths

Why Market to Hispanics Differently?

- ✓ Hispanics experience life “in a different cultural context” determining
 - Needs
 - Wants
 - Values and
 - Beliefs, etc.
- ✓ These traits tend to be **different** from the traditional White, Non-Hispanic culture
- ✓ It's **NOT** about direct translation

In Summary, Marketing to Hispanics

- Requires a new paradigm
- All marketing principles apply when marketing "*In-Culture*", there are NO shortcuts
- Yes - Including, sustained, robust funding!
- It's strategic and mainstream in the organization

In Summary, Marketing to Hispanics

- Branding is focused on Family, Culture & Community
- Uses appropriate venues (fliers, newspapers, church bulletins, community events, schools, shopping malls, etc.)
- Takes advantage of the emotional power of the Spanish language

In Summary, Marketing to Hispanics

- Campaign messages are understood by Hispanics when you incorporate:
 - Family
 - Language
 - Culture
 - It's festive & colorful
 - Community focused
 - Utilizes Hispanic media

Integrated Target Model



Integrated Target Model



Integrated Target Model



Gracias !