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
  - Mexicáno
  - 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)
9 States Hispanics are Largest Minority Group
Hispanic Disbursement: 2004

23 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

---

*U.S. Census Bureau 2000, Census 2004 PHC-T-6, Table 5*
Western Hemisphere Population

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

U.S. Hispanic Population - by State 2000

National Vital statistics report, Vol. 49, No. 1, April 17, 2001, Table 12
U.S. Population Projections 2007 (millions)

- Total: 306.1
- White N/H: 255.9
- Hispanic: 50.2
- Black: 38.5
- Asian: 14.1
- Multiracial: 7.5
- Am Indian: 2.9

The Selig Center, January 2002

- Hispanic: 42.2%
- Asian: 33.3%
- Am Indian: 18.9%
- Black: 11.2%
- Multiracial: 9.9%
- Total: 8.8%
- White N/H: 4.0%

The Selig Center, January 2002
Change in U.S. Population by Race and Ethnicity
Actual and Projected, 1980-2020 (millions)

- Hispanic: Actual Increase 1980-2000 (20.7 million) and Projected Increase 2000-2020 (25.1 million)
- Non-Hispanic White: Actual Increase 1980-2000 (14.3 million) and Projected Increase 2000-2020 (13.3 million)
- Non-Hispanic Black: Actual Increase 1980-2000 (9.7 million) and Projected Increase 2000-2020 (7.5 million)
- Asian and Pacific Islander: Actual Increase 1980-2000 (11.4 million) and Projected Increase 2000-2020 (7 million)
- Am Indian or Alaska Native: Actual Increase 1980-2000 (0.6 million) and Projected Increase 2000-2020 (0.6 million)

Source: U.S. Census Bureau for 1980 to 2000; Pew Hispanic Center and Urban Institute for projections for 2000 and 2020
Percent Distribution of the U.S. Population by Race

2000 to 2050

U.S. Bureau of the Census, Population Projections of the United States by Age, Sex, Race, and Hispanic Origin, p. 25-1130, Table I, CPS Report, April 1999
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,
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.

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

- 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)
Multi-Lingual

First Language Learned

88% Spanish

50% U.S. Born

99% Foreign Born

Language Usage

1st Gen. 32%

2nd Gen. + 17%

Bilingual 17%

EngDom 26%

SpanDom 57%

Source: Yankelovich 2002 Monitor
Hispanic Emotional Button

✓ Spanish Language: The Key Link to Hispanic Culture

Source: 2000 Yankelovich Hispanic Monitor
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

<table>
<thead>
<tr>
<th>Being Latino</th>
<th>Aspirational State</th>
<th>Being American</th>
</tr>
</thead>
<tbody>
<tr>
<td>My Roots</td>
<td>Bi-Cultural &amp; Bi-Lingual</td>
<td>Education</td>
</tr>
<tr>
<td>Spanish</td>
<td></td>
<td>Success</td>
</tr>
<tr>
<td>Family</td>
<td></td>
<td>Pop Culture</td>
</tr>
<tr>
<td>Spiritualism</td>
<td></td>
<td>English</td>
</tr>
<tr>
<td>Traditions</td>
<td></td>
<td>Jobs</td>
</tr>
<tr>
<td>Music</td>
<td></td>
<td>Materialism</td>
</tr>
</tbody>
</table>

Spanish Dominant

English Dominant
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

Source: Yankelovich 2002 Monitor
## Gen Y - the Next Generation

<table>
<thead>
<tr>
<th>Generation</th>
<th>Born Years</th>
<th>Ages</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baby Boomers</td>
<td>1946-1964</td>
<td>36-58</td>
<td>78 million</td>
</tr>
<tr>
<td>Generation X</td>
<td>1965-1976</td>
<td>26-38</td>
<td>43 million</td>
</tr>
<tr>
<td>Generation Y</td>
<td>1977-1994</td>
<td>8-28</td>
<td>73 million (Predominantly Minority)</td>
</tr>
</tbody>
</table>

*Jones Lang LaSalle, Gen Y and the Future of Mall Retailing, 2002*
Hispanic Values

**Culture and Language**
- 85% demonstrate and sustain ethnic traditions
- 70% feel they are Hispanic First

**Family First**
- 56% feel 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.

Source: Yankelovich Hispanic Monitor 2000
Understanding how the Hispanic Gatekeeper shops, is to understand the Core Hispanic Gatekeeper Insight:

**English Translation**

I will be fulfilled/realized as my family succeeds and moves forward.

**Emotional High-Ground**

El éxito de mi familia es mi realización

**Aspiration**

Unlocking doors to the future success of my family

**Target Insight**

The foundation of everything important in my life is the family/home

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

Grassroots

Event Mktg

Public Relations

Community

POS

Customer Relations

Promotions

Infrastructure Building

Research & Database

Advertising

Adapted from Carlos Santiago
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
  - 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

Marketing

Hispanic Market
Integrated Target Model

Marketing

Human Resources

Hispanic Market
Gracias !