



Are You Ready for the “Super Consumer?”

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The Hispanic* community is one of the greatest untapped markets in the United States. As the largest minority in the U.S., their numbers continue to grow faster than any other group. Between 2000 and 2010, the Hispanic population grew by 43 percent, or four times the nation’s 9.7 percent growth rate. Hispanics in the U.S. today total 50.5 million people. According to Glenn Llopis, in the white paper, *Unlocking the Hispanic Super-Consumer Opportunity*, the emergence of Hispanics as a consumer force is growing rapidly, with a purchasing power expected to reach \$1.5 trillion dollars in 2015. Dubbed “super consumers,” Latinos in the U.S. are outpacing the mainstream and other minority groups in spending power.¹

Why market to Hispanics

Hispanics represent a unique opportunity for family and small business. Victor Paredes in Forbes Magazine states,

“The Latino population, beyond a segment opportunity or an incremental business opportunity, is a business imperative for all products or brands. One in six Americans in the U.S. is Latino. One in four children in the U.S. is Latino. In Texas and California, one in two children is Latino. Fifty thousand Latinos turn 18 every month. Any brand that expects to succeed in the future must succeed with the Latino population. It is no longer a question of opportunity; it is a question of critical survival for brands.”²



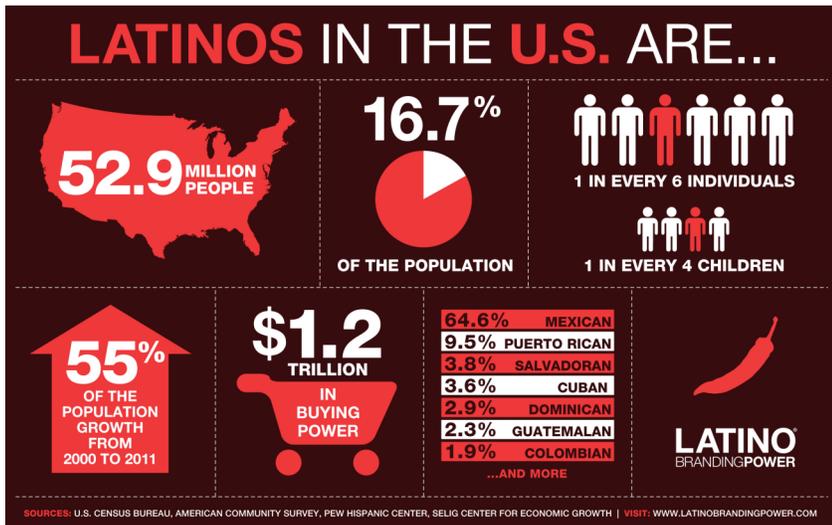
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Tip of the Month

CHARACTERISTICS NEEDED TO START A BUSINESS

- Capacity to work long hours: willing to give up weekends, evenings, & vacations. Is your family willing?
- Be a risk-taker: can you risk your house, retirement and savings?
- Goal-oriented and a self-starter: must have enthusiasm and energy without prodding
- Self-confident: confident, but not blinded to problems and challenges. You must convince the public you have something better
- A problem solver: problems should be challenges to be solved, not a reason to quit
- Flexible, adaptive, innovative: willing to try new approaches, products, services
- Persistent: don’t give up, give it time and effort
- People oriented: go the extra mile for customers. Your primary concern is their need
- Honest and accountable: admit mistakes and do what it takes to make it right
- Five required skills: basic money management, marketing mindset, self-management, time-management, basic office organization



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Despite lower average income levels, Hispanic households spent more on telephone services, men’s and boys’ clothing, children’s clothing, and footwear. Also, Hispanics spent a higher proportion of their money on food (groceries and restaurants), housing, utilities, and transportation.³ In addition; they have embraced technology more than any other minority group or mainstream America. For example, 78 percent of Hispanics used the mobile internet, compared with 73 percent of blacks and only 60 percent of whites. The U.S. Hispanic online market continues to grow and remains a relatively untapped market. Online Hispanics are young, affluent, and responsive to targeted online experiences that appeal to their language needs and cultural heritage. They are in their main household formation years and have buying potential. Extremely engaged with social media, they are highly active mobile users and access the internet for education, empowerment, communication, purchasing, and entertainment.⁴

Hispanic marketing is about understanding the Hispanic culture

Culture is a way of life of a group of people—the behaviors, beliefs, values, and symbols that they accept, generally without thinking about them, and that are passed along by communication and imitation from one generation to the next. In a recent Nielsen study, *The Hispanic Market Imperative*, the report noted that Hispanics are the largest immigrant group to exhibit significant culture sustainability and are not disappearing into the American melting pot. They are more inclined to build trustworthy relationships with people and businesses that take the time to understand them morally, ethically, and culturally.⁵ What are some unifying Hispanic cultural themes?

Familism: means that Hispanic family members are interdependent and feel a sense of obligation to help each other. Hispanics value family. When marketing to them, place more emphasis on the family than the individual.

Personalism: is an essential part of the Hispanic culture and it refers to valuing individual dignity. It means that people are more important than things. Hispanics are more likely to turn away from products and businesses that are only interested in selling to them, rather than creating cultural relevance.

Fatalism: among Hispanics and Latinos this means that they have an external locus of control. This fatalism is heavily influenced by Catholicism and one can often hear, “si Dios quire” [if God wills] whenever referring to seemingly uncontrollable events. If selling life insurance, for example, it might be harder to convince a Hispanic family that they need your product because it involves planning for the future. But, if you explain the product as something that promotes the well-being of the family, you are more likely to be successful.⁶

Language relevancy: Hispanic adults say they want to be more Latino or bicultural than they are now and want to read, converse, watch, and buy more Spanish-oriented products and media. But it is not just a matter of translating from English to Spanish. Businesses need to understand the linguistic and cultural meaning



of the translation. For example, a major airline wanted to advertise its new leather first class seats and it translated its “Fly in Leather” campaign literally, which meant “Fly Naked” (vuela en cuero) in Spanish.

Marketing to Hispanics

The New York Times printed an article that contained some dos and don'ts for small and family businesses. Some of the suggestions are subtle and do not shift far from mainstream marketing; others require a little more stepping out of the box.



- Take time to build relationships before asking for the business. When a Latino walks into your business, sends an e-mail, visits your web site, is on the phone, be ready NOT to go into full sales mode.
- Build your business web site in a way that appeals to culture. For example, a restaurant or food products site might include a button that says, “Food like your abuela used to fix.” This is an emotion appeal with a Spanish flavor that conjures warm, home-cooked meals.
- Figure out the composition of the Latino market in your area and learn the holidays and language idioms. While Mexicans represent the largest percentage of Latinos in the U.S., don't assume that is the market you are serving. If, for example, you do business in a Honduran neighborhood, recognize September 15 as their country's independence with a Honduran flag and a special discount.
- Do some research if you use Hispanic terms in your advertising. In Mexico, a car is a “coche”. In Guatemala, a coche is a pig. So use the term “auto”. Look for terms that are familiar to the largest group of Latinos you can reach and use those.⁷

In conclusion, Glenn Llopis states that the most important fact to remember is success will come to those who embrace the Latino perspective. Businesses must not force the Hispanic consumer to see through their lens, but rather should adapt and seize new opportunities by looking through the lens of the Hispanic “super consumer”.⁸

*Even though both terms are used interchangeably, there is a difference between Hispanic and Latino. Hispanic refers to language. Hispanic if you and/or your ancestry come from a country where they speak Spanish. Latino refers to geography; specifically to people from the Caribbean and Latin America. “Hispanic” is primarily used along the Eastern seaboard and favored by those of Caribbean and South American ancestry. “Latino” is more common west of the Mississippi, where it has displaced “Chicano” and “Mexican American”. But it is confusing. Brazilians are Latino because Brazil is in South America. But they are not Hispanic because Brazilians speak Portuguese.

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HISPANIC CONSUMER SPENDING:



ONE TRILLION DOLLARS

SOURCE:
Globalization Partners International, 2010.