



International
Marketing, LLC

Targeting the U.S. Hispanic Market



Chipotle has figured it out. The music industry knows. Shakira is sexy, John Leguizamo is cool and J-Lo is... well, is J-Lo. Latin products are in demand—they sell their wares to non Spanish speakers and Latinos alike. And as a market, Hispanics have made the leap to being branded, to being targeted. What companies have finally realized, is that the Hispanic Market itself offers tremendous possibilities. Since 1960 the U.S. Hispanic population has grown very rapidly from 6.1 to 42.7 million individuals in 2005.

In fact, when you compare the U.S. Spanish speaking population with that of the largest Latin American countries, you might be surprised at what you find. As of 2000, the four largest countries in terms of population in Latin America reported the following number of individuals for each country: Mexico 98.8, Colombia 42.3, Argentina 37.0 and Peru 25.6. In May 2005, the U.S. Census reported that the U.S. Hispanic population reached 42.7 million.

The images we've seen lately on the news seem to indicate that the growth of the Hispanic population in the U.S. has occurred within the last decade or so, and has arrived in the form of some sort of an invasion. In truth, the growth has taken place over time, in stages. The first influx of immigrants happened when the railroad was established in 1880 and large numbers of Mexicans came to help build it; the second influx occurred in 1950 when Puerto Rico became a commonwealth of the U.S. and the third was in 1960 when Cubans escaped to the U.S., fleeing the Cuban Revolution lead by Fidel Castro. Since the 1980s we have had a constant flow of immigrants from Mexico, Central America and the Northern part of South America due to weakening economies of scale and lack of employment opportunities for the proletariat.

Perhaps the term Latino or Hispanic is to blame, but it gives those who aren't lumped into that group the idea that if you check that box in the census, you have the same values and beliefs, the same common thread that draws any number of other ethnic groups together. In fact, within those terms there is tremendous diversity. There are groups of people who've had very distinct life experiences, diverse national allegiances and cultures. There are no longer only three Hispanic cultures represented in the U.S. The regular flow of immigrants from Central and South America has re-shaped the U.S. Hispanic market into five cultural segments lead by Mexicans 58.5%, Puerto Ricans

9.6%, Cubans 3.5% and Central and South Americans most commonly referred as Latinos 28.4%.

Se habla español, sí, that helps—but even that's not enough to reach all Hispanics. Language changes from country to country. Even though the fundamentals are the same, there are levels of formality and vocabulary that shift, depending on where you were born. Having such cultural diversity in the U.S. Hispanic market has become a challenge for corporate America. The market can only be unified by formal Spanish. The one cultural element that binds Latinos and Hispanics is the Catholic religion. But you know what? Marketing to those commonalities worked for a while, but it's not enough anymore.

The Hispanic and Latino consumer is looking for a little piece of home. The individual seeks to identify him or herself with an experience, a cultural factor that takes them back to their mother land. They are looking to re-live their in-culture experience in product and service offerings by U.S. companies. If corporate America needed bilingual marketers in Spanish and English in the past, now it must rely on bi-cultural Latino marketers. And these marketers have to know more than their own culture. They must be capable of assimilating cultures within multiple Latino sub-groups. That knowledge must be transferred into meaningful data to be incorporated in advertising messages, signage and retail store floor layouts among other marketing channels. In addition, Hispanic marketers have to be able to manage the Spanish language from the formal register to colloquialism in order to be more effective targeting segmented audiences.

You want to reach your market? It helps to have your marketer know the target intimately. But they have to know a lot more than just their own culture. They must have the capability to understand cultural symbols and tie positive symbolism to their products, services, and brands. The goal is to enhance their product's attractiveness and communicate an in-culture experience to the Hispanic and Latino consumers on their own terms. In order to reach the market, companies have to do more than offer customer service in Spanish, they need to run ads that look like the target market and every communication and advertisement needs to be laced with cultural references and symbols that resonate with the target audience. The absence of an in-culture experience in messages, images and designs will be disastrous for any company expecting to participate in such dynamic and rapidly growing market.

We all know the basics: know your market—rule number one, reach your market, rule number two. But if you're trying to reach the Hispanic market, you'd better understand that it is a lot more complicated than it seems on the surface.