



Latin American Marketing
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Beach, tropical weather, beautiful scenery—and some of the world’s most rapidly growing economies--Central and South America have a lot more to offer than just a tourist destination. In fact, the countries to the south offer an attractive marketplace for US companies trying to expand outside of the US territory. Factors such as proximity, trade agreements and more stable economies are incentives for American companies to look across the border for market expansion. Given the opportunities, it’s not surprising that US companies are facing stiff competition from European, Asian and native firms already positioned in the Latin America marketplace. The fact that we are late entrants into these markets should not be a deterrent for American companies trying to increase their client base in Central or South America. It does mean, however, that the typical American supply-driven strategy will no longer be effective and it will take more knowledge of the market and the potential customer to be successful.

You can’t just put your products on the shelf and expect them to move. Strategic Latin American marketing is a lot more complicated than producing a good product and selling it. Countless companies, with quality products have been stranded at the border by a poor understanding of the culture and language of their potential customers. To be successful, US companies have to have an intimate understanding of how the local industry sector works and identify the ultimate buyer for their products. Most importantly, they will have to rely on bilingual and bicultural marketers. Just speaking two or more languages fluently isn’t enough. How many incredibly successful American companies have stepped on toes because they haven’t done their homework when advertising, promoting and selling in Latin America? Simply translating promotional tactics from English to Spanish has never been successful. A major airline carrier learned the hard way when their promotion of offering leather seats was literally translated to “viaje en cuero” which means, “traveling naked” to a native speaker. Because we are so entrenched in our own culture it’s almost impossible to identify potential issues in Latin American and/or global business. Even between Spanish speakers, there exist some pretty significant cultural differences. A company must have an inside edge to understand the idiosyncrasies of the target country as well as consumer’s purchasing behavior.

Know your consumers: what they look like, how they dress, what they eat, what’s entertaining and what’s taboo. To build a Latin-American brand, a company needs to start with a cross-cultural analysis in order to understand the cultural-value-system of the

target country. Once you know who's going to buy the product, the issue becomes how do you get it to them? You must understand the length of the distribution channel. And finally, you need to know why consumers are buying the product. What cultural attributes make it attractive?

Now what do you do with the information? Revise your product offerings to meet consumer needs and build an in-culture Latin American marketing mix strategy. Target your consumer in their own terms—don't sell chile peppers to Chileans, you'll get the cold shoulder at best—that's ají, Señor! Make your product attractive to each market. The in-culture promotional strategy helps you: a) target a specific group of consumers, b) fit the cultural context and the mind-set of the target audience, c) promote your brand at the local level which generates a better response from the target audience, d) create a point of differentiation against local and international producers e) build effective price elasticity per segmented market, f) effectively manage the growth of your product brand within the target market and g) build brand loyalty.

Along with this strategic marketing approach, the mere fact of being an American company provides an edge. Consumers link America with brand superiority, quality and prestige. This final factor will expedite the process of developing close relationships with Latino consumers. So, do your homework, and do it soon if you want to take advantage of the burgeoning opportunities across our southern frontier.

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