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1/31/08

BrainTrust Query: Why are we missing when it comes to Hispanic marketing?

By [David Morse](#), President & CEO, New American Dimensions, LLC

When it comes to understanding Hispanics, we Americans display an uncanny sense of ignorance. That was the essential point of two completely dissimilar articles I read this week.

The first article, written by *RetailWire's* own BrainTrust panelist, [Rochelle Newman-Carrasco](#), is called *Kosher Subways and Car Insurance for Dogs? And You Can't Do What for Hispanics?* (AdAge - 1/25/08). Rochelle refers to two campaigns, an ad for Progressive Insurance featuring a Labrador Retriever, and a Glatt Kosher Subway store in Los Angeles with the tagline "Subway. Eat Kosher." instead of the familiar "Subway. Eat Fresh."

To quote Rochelle, "About 40 percent of the U.S. population owns a dog. But only about 2 percent of the U.S. population is Jewish, and fewer yet are Glatt Kosher. Still marketers have found innovative and insightful ways to create products and services that are relevant to the lifestyles and tastes of these two highly valued consumer segments. ... When it comes to U.S. Hispanic marketing, it has always been a mystery to me when clients say they can't make culturally relevant modifications."

The second article, by Gregory Rodriguez, appeared in the *Los Angeles Times*. Rodriguez bemoans the media hype generated by a well-known Hispanic pollster who opined that Latinos would not accept an African American candidate. Despite listing some impressive examples demonstrating that the claim doesn't hold water -- Harold Washington, David Dinkins and Charles Rangel -- the pollsters' comments have been featured on shows including Tucker Carlson, Hardball and NPR as if they were conventional wisdom.

Rodriguez asks, "If a Hillary Clinton campaign official told a reporter that white



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voters never support black candidates, would the media have swallowed the message whole? What if a campaign pollster began whispering that Jews don't have an 'affinity' for African American politicians? Would the pundits have accepted the premise unquestioningly?"

Discussion Questions: Is the American public, marketers included, naïve and gullible when it comes to understanding the Latino consumer? If so, why? If not, why do there seem to be so many mistakes?

[Author's Commentary] I have a favorite urban legend, one that I have heard literally dozens of times, most recently from the publisher of one of the best known Spanish language newspapers in the country. The claim is that the Chevy Nova was a flop when the car was launched in Latin America because Chevrolet didn't get that Nova in Spanish, "no va," means "it doesn't go." The morale of the story is that the pitfalls in Spanish language marketing are many and that one can, with the best intentions, unwittingly make big blunders.

The Nova is a nice fairy tale, and its point is a good one, but it's simply not true. Firstly, General Motors has publicly stated that the Nova was a success in Latin America. Secondly, no Spanish speaking person would ever connect the name to its reputed lack of motion, nor do they even really sound the same. Until recently, the premium gasoline at any Mexican Pemex station was called Nova. And the idea that General Motors' entire Latin American staff would miss this is laughable.

So don't always trust the experts. Rarely trust the election pundits, especially when casting your vote. And when marketing to Hispanics, take some of Rochelle's advice. Whenever appropriate, use bilingual signage and/or packaging, add menu items and/or condiments that reflect a cultural connection with the Latino community in the trading area, train your staff about Hispanic culture, and develop "product or service innovations based on culturally specific values or behaviors."

- **Glatt Kosher Subways and Car Insurance for Dogs? - AdAge.com**
- **Clinton's Latino spin - Los Angeles Times**

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Agree or disagree? American marketers are naïve when it comes to understanding the Latino consumer.

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- Mostly disagree
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We have to expect some degree of mistakes to take place. Why do professional basketball players miss free throws? Why do NFL kickers miss field goals? I think for the most part marketers and the public are not naïve and gullible. To me, it seems Hispanic shoppers are just smarter than they are given credit for. And they are obviously more loyal to their own to where no amount of clever marketing by the Gringos is going to change their shopping

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patterns.

[BrainTrust Profile](#) [David Livingston, Principal, DJL Research](#)

It has always seemed strange to me that marketers, pollsters and media use the term "Hispanic" to imply some homogeneous group. But my experience tells me different. What the group shares in common is the Spanish language. So, it would follow that advertisers must deliver their message and offer service in Spanish. That's a given.

Ask a Mexican how much he has in common with other Mexicans? He'll then ask if the other Mexican is from upper, middle, or lower class. Then he'll want to know if he is from the city or from small town, from the North of the South of Mexico. The answer will determine the level of commonality. Usually not much.

Then ask the same Mexican how much he has in common with someone from Argentina, Cuba, Dominican Republic, Columbia, etc. The answer is usually nothing, except the language.

Until marketers recognize that there is nothing "Hispanic" except the newspapers, radio and TV stations and websites that sell ads to naive marketers under the false pretense that they are addressing a homogeneous group.

If you want to reach "Hispanics," hone your message to the specific segment you want to reach.

[BrainTrust Profile](#) [Bill Robinson, Senior Executive, QuantiSense](#)

In marketing to others of another culture, one usually begins by deceiving oneself, and then one usually ends by confusing or deceiving those they wish to persuade to buy. That is what we call--as David reported--a missed field goal. You seldom get into a consumer's pocketbook unless you become part of their heart. Si.

[BrainTrust Profile](#) [Gene Hoffman, President, Corporate Strategies International](#)

Every time an ethnic marketing topic comes up, I'm obligated to cut-and-paste my standard comment: Ethnicity is largely irrelevant as a factor that drives retail behavior. The differences among Latinos (and non-Latinos) are so vast that they swamp the difference between the "average" member of each group.

It is far more important for marketers to recognize the existence and nature of these vast differences than to try to zoom in on particular characteristics that might apply to a small portion of one group or another.

The discussion of "Subway: Eat Kosher" above demonstrates this point. Don't go after stereotypes of a group, since it doesn't apply to most of the group (and, in fact, could offend some of them).

Ignore ethnicity. Treat customers as an incredibly heterogeneous group regardless of their skin color or country of origin (or gender or sexual orientation, for that matter).

[BrainTrust Profile](#) [Peter Fader, Professor of Marketing, The Wharton School of the Univ. of Pennsylvania](#)

Having lived in south Texas for many years, I have seen many retailers who have come and gone attempting to market and attract the Hispanic consumer. Many retailers believe that if you have items common to this group of shoppers, they are in business and should be able to attract these shoppers.

As with any approach, marketing to a group is not about items, it is about the shopping experience. I have seen retailers that have done everything right inside the 4 walls but their building had the exterior appearance of being highly affluent and high priced, while in fact, the prices were the lowest in the market.

If retailers truly want to attract the Hispanic shopper, they must understand the expectations of the entire shopping experience and build one that connects with these shoppers. The real marketing magic is creating these experiences for specific groups while at the same time not confusing the other shopping groups that frequent their stores. I am not advocating the store within a store concept, but more experiential environments that deliver on the expectations of the groups under consideration.

Taking shortcuts by selecting a set of items and claiming success will not encourage shoppers to change their behaviors regardless of the shopping group or consumer segmentation.

[BrainTrust Profile](#) [Kevin Sternecker, Senior Director of Strategy - Merchandise Planning & Optimization Solutions, Oracle Retail](#)

I think the central problem is that the term Hispanic is applied to an incredibly diverse group. For example, concerning taste preferences, it is a mistake to assume that all Hispanics like Mexican flavors. Thus, they cannot be considered to be one monolithic group.

'donkirk'

There are several ways in which marketers often miss the point in Hispanic marketing. First off, while we spend endless time and effort on market segmentation, Hispanics are often incorrectly viewed as a homogeneous group rather than a variety of people connected mainly by a Latin heritage. What appeals to Mexican Hispanics may not appeal to Cubans.

Secondly, marketers often assume that heritage and culture is key to every kind of purchase. In fact, when it comes to buying shoes, a Hispanic, male, teen basketball player living in Phoenix has more in common with other male, teen, basketball players in Phoenix than with other Hispanics.

Perhaps most important is the need to make your product or store relevant to the Hispanic consumer. It is not enough to simply advertise in Spanish and use Latin music. You have to make your product relevant to them by showing how it fits into their lives and if, appropriate, their culture.

[BrainTrust Profile](#) [Raymond D. Jones, Managing Director, Dechert-Hampe & Co.](#)

Thank you Peter Fader for saving me from having to post my usual boiler plate response to this marketing topic whenever it comes up in some form (boomers, Blacks, women, Hispanics, etc).

'Liatt'

Good comments all. Interesting that Rodriguez is cited, because he just published a book that goes even further. Its title is "Mongrels, Bastards, Orphans and Vagabonds," a history of Mexican-American immigration. The main thesis is one of assimilation and acculturation (to a changed mainstream, to be sure), and that America itself is becoming so "mongrel" that eventually all racial, ethnic and cultural distinctions will be rendered meaningless. (I have reviewed the book for www.hispanictrending.net and for the

February issue of Growth Strategies.)

Rodriguez reinforces a point I have made many times over the years: English language adoption among Mexican-Americans is far more extensive than is commonly believed. Just because there are vast swaths of America where only Spanish is required to function does not mean that only Spanish is spoken among Spanish-speaking populations. How else, asks Rodriguez, could upwards of 75% of Mexican-Americans be employed in white-collar or skilled occupations?

Rodriguez goes so far as to label the entire "Hispanic market" a contrivance, an "invention" of Spanish-language marketers such as Univision, who sought to convince mainstream corporations that Latinos would continue to speak Spanish no matter how many generations their families live in the United States. But that is not the case. True, Spanish is certainly not going to fade away in the regions of the country that serve as gateways to new immigrants. The sheer size and continuous nature of Hispanic immigration, the proximity of Latin America to the US, and the availability of Spanish options in media, business and government services guarantee the continued proliferation of Spanish usage in the US. But it's not what the kids are doing: young Hispanics may be very proud of their heritage, but English is the language of that powerful assimilation machine known as American culture. Hence, the language of the future is English.

According to a study conducted by researchers at the State University of New York (SUNY), English remains the language of choice among the children and grandchildren of Hispanic immigrants, despite continuing waves of migration from Latin America. In contrast to concerns from some analysts that English may be losing ground to Spanish in some parts of the United States, the study finds the majority of Hispanic Americans moving steadily toward English monolingualism. Among third-generation Hispanics, the fastest-growing segment of the US Latino population, 72% speak English exclusively.

Further, the study finds that this trend has generally continued among Mexican-Americans, the country's largest immigrant group, even during the immigration boom of the 1990s. Even for Hispanics in Los Angeles, a magnet for immigration from Latin America, the pattern of language shifts across generations remains similar to those among Hispanics nationally. The report suggests that many other researchers and analysts have underestimated the pressures of assimilation, and are missing its contemporary signs. (Hello, Samuel Huntington?)

What's behind this English preference trend? Although not generally understood or appreciated, Hispanic immigration to the US, as well as the share of the US Hispanic population that is foreign-born, both peaked years ago. Migration to the US will decrease even further after 2010, according to University of California professor Philip Martin, due to a drop in Mexico's birthrate. Hence, the explosive growth of the US Hispanic population in the coming decades will be fueled more by natural increase (native births) than by immigration. This will speed the processes of assimilation, acculturation and English-proficiency.

[BrainTrust Profile](#) **[Roger Selbert, Editor & Publisher, Integrated Retailing](#)**

Most companies are completely missing the business opportunity. "Right now, marketers spend an average of 3 to 5 percent of their budget on advertising to Hispanics," although they make up 15

percent of the population, said Laurel Wentz, multicultural and international editor of Advertising Age. Now it's glamorous to do marketing to bilingual Hispanics, but the fact remains that most Hispanic adults emigrated to the US from another country, primarily Mexico. And the life they lived in the other country, especially if they came here for financial reasons, was one of abject poverty, little exposure to brand selection, and little opportunity to be exercise the power that consumers get to enjoy here in the US. Until companies take the time to understand the habits, practices of these consumers as well as their products' or services' benefits and fit into the Hispanic community, they may totally miss the opportunity to convert these millions of potential consumers into customers. More than anything else, I think most companies simply are just not interested in targeting Hispanics--which is great for the ones that are!

Right on, editor--I'm glad you're doing your part to bust the Nova myth. It's amazing how many times we hear that in seminars, in the press, etc. And it's so wrong!

[BrainTrust Profile](#) [Eva May, President, Español Marketing & Communications, Inc.](#)

From my experience, there is tremendous difference among first, third, fifth generation Hispanics in the US. There is also tremendous difference among the Hispanic population depending upon their roots. Hispanics tracing their family roots to Puerto Rico, Mexico, Spain, or Argentina do not have the same background or buying interests. Members of the Jewish religion have a central dogma and kosher food relates to that dogma. There is no central dogma in which Hispanics believe. The closest you might come with Hispanics is selling fish on Friday during lent because of the prevalence of Catholicism.

We are not successful because we don't pay attention to differences that make a difference.

[BrainTrust Profile](#) [Camille P. Schuster, Ph.D., President, Global Collaborations, Inc.](#)

What Hispanic are we talking about?

The sixth generation American in Phoenix with a Hispanic last name?

The Argentine industrialist with a Miami condo?

The Mexican migrant farm worker in Wisconsin?

The second generation Cuban refugee newscaster in Ft Lauderdale?

The sixteen year old Florencia 13 gang member in LA?

The Honduran dishwasher in Chicago with six kids?

The third generation Denver pediatrician?

Beware of stereotypes. Market to individuals.

'DrCellmor'

#1: Stop calling Hispanics "Hispanics." Spanish speaking people prefer to be called Latino.

Latinos also prefer to shop where they know they are going to get products from their country or the spices and brands that they are used to getting...at a reasonable price.

'gingernyc'

Some marketing is a no brainer. A prime example of missing the market is the American studios have their DVDs that are meant for

US markets with just English and French subtitles.

The studios are missing the mark by not adding Spanish.
'BKenn01'

Wow!

Where do I begin?...I'm writing an upcoming book on this subject.

First and foremost, I would like to inform everybody that there isn't such a thing called "Hispanic Marketing" (see my blog for further reference <http://carlosarambula.blogspot.com>).

Marketing is an absolute discipline and it applies to all consumer segments, regardless of the consumer segment being HISPANIC, KOSHER, or PET OWNERS.

Language is not an issue in most segment markets, and it shouldn't be the main issue when addressing the Hispanic Consumer. So if your marketing communications are prioritized by language, you need to take a few steps back and look at the big picture.

The main issue as marketers is the consumer behavior with the brand/product/service. Usage and attitude, purchasing behavior, and other measurable metrics like brand awareness and category development are critical issues. Spanish language usage is a subset of all the aforementioned and a factor in the metrics.

I often hear about anecdotal myths like the Chevy Nova story, and I'm dismayed that they play a role in product development. While it is easier to reduce communications to the Hispanic consumer to a language issue, it doesn't address the challenge. Language by itself does not address marketing needs and opportunities.

As a Spanish speaking pet owner, I like Progressive's Pet Injury coverage program. As a bilingual multicultural pet owner, I'm open to receiving my message in English, in fact if it was in Spanish media I probably would have missed it completely. Moreover, as a marketing professional, I will be the first one to tell you to dismiss my or anyone's personal experiences and instead rely on proper marketing.

I'm not privy to Progressive's marketing strategies. But from the outside, I can easily assume that the program was created for pet owners (regardless of any other factors like ethnicity, language, income, and so forth) and the best way to reach that consumer segment was English Language media.

I'm not surprised by the political talking heads dismissing the Hispanic voter due to ill-conceived statements by self-anointed Hispanic Marketing experts. Every time I listen to political conversations, or monologues, I recognize how much is dismissed or ignored in the assertions they make.

The Hispanic Consumer Segment is not just growing in volume; it is evolving into multiple segments. Yet I still hear twenty-year old axioms utilized as doctrine. If this is the approach your current "Hispanic Marketing" experts are taking you need to reconsider your marketing alliances.

There is another aspect to language that needs to be addressed, the functionality of language.

Here is a simple rule, anything that requires the slightest of instructions, warnings, and perhaps even greetings, should be in the language of the audience.

 [Carlos Arámbula, Managing Partner,](#)

[Arámbula-Phillips Communications, Inc.](#)

Retailers may miss marketing opportunities because they are not in touch with their shoppers-be they Hispanic, Asian, African American, Indian, or Caucasian. Often, ads are written and programs are developed for certain groups of consumers without input from customers and employees who represent the very groups the company is trying to reach. I call this a missed opportunity.

For example, a focus on fresh products appeals to many ethnic groups such as Hispanics and Asians who prefer to buy fresh produce and meats. Marketing efforts can be made to appeal to these groups of consumers through signage, product mix, etc. while still reaching the growing number of consumers in general who prefer "fresh" products throughout the store.

[BrainTrust Profile](#) **[Odonna Mathews, President, Odonna Mathews Consulting](#)**

In my opinion, at the end of the day, the opportunities are being missed because very few marketers want to take the time to fully understand the complexities and diversity of the US Hispanic consumer segment. The arguments, including many of them in the responses on this site, often seem to take an either/or focus, as in: It's not Hispanic, it's Latino; or: there is no Hispanic marketing as opposed to there are marketing choices that may or may not make a focus on some segment of the Latino population of business value; and of course the classic, Spanish vs. English as opposed to allowing for both.

Marketers are not usually anthropologists or sociologists, and frankly even though their job requires an understanding of consumer behavior, they are often ill equipped to really get into the psyche of consumers and understand what makes them tick, individually and collectively. The research methodologies used are often superficial and therefore, a superficial marketing approach is usually what gets executed.

The US Hispanic market is not a priority for most marketers and, as such, it is a segment that gets short shrift. I would say the same for African Americans and Asians and other non-white groups. So, it has just been easier to gloss over the market's specific variables, lump it into one homogeneous group and check a diversity box for the purposes of public opinion. Mistakes are made because very few people care.

Is it worth using an ethnic segmentation as a starting point for marketing decisions? Only you can decide that based on your business goals and objectives. I can tell you , however, that there is evidence of business results in this approach and it is not simply the invention of advertising agencies and other vendors looking to capitalize on the illusion of a market segment.

Call it what you will...Hispanic marketing or marketing to a specific target audience that may or may not share similar values, history and language choices, it still comes down to knowing your consumer...and when it comes to US Hispanic consumers I believe that there is an overall lack of interest in knowing this consumer, with all of the many variables that define the US Hispanic experience. And it's that lack of interest that has lead to mistakes and missed opportunities.

[BrainTrust Profile](#) **[Rochelle Newman-Carrasco, CEO, Principal, Enlace Communications, Inc.](#)**

When "experts" are interviewed, smart journalists ask for the facts driving the experts' conclusions. If there are no facts, then their opinions might have no special credibility. Every day, any RetailWire reader sees various BrainTrust panelists completely disagreeing with each other. So experts often disagree, and furthermore, facts are often contradictory. About inappropriate ethnic advertising: Hispanics aren't the only ones. It often seems that the majority of all advertising, ethnic and otherwise, is inappropriate and wasteful.

[BrainTrust Profile](#) [Mark Lilien, Consultant, Retail Technology Group](#)

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