

Solutions

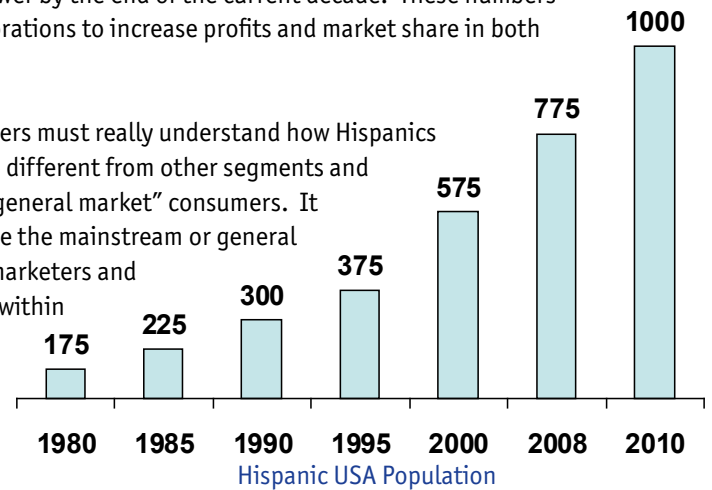
Speaking To Hispanics

Who are they? How do they think? What do they buy?

The Opportunity

Hispanics now comprise the largest multicultural segment in the United States, nearly 15%. Currently, one in five youths in the U.S. is Hispanic and by 2020 it is estimated that 20% of the American population will be Latino. With an increasing population and ever-growing socioeconomic status, Hispanics are expected to surpass the \$1 trillion mark in spending power by the end of the current decade. These numbers represent tremendous opportunities for corporations to increase profits and market share in both product and service sectors.

To be successful in the Hispanic arena, marketers must really understand how Hispanics think, what drives that thinking, how they are different from other segments and where they may be similar to mainstream or "general market" consumers. It should be noted that by 2050 Hispanics may be the mainstream or general market consumer in this country. Moreover, marketers and agencies must understand the great diversity within the Hispanic population and when and how to target each sub-segment. New York Latinos are very different than Miami Latinos, which are very different from Texas Latinos.



Savitz Research Solutions

Savitz Research can help you understand and improve your bottom line with Hispanic consumers. Many of our experts were doing Hispanic Research prior to the 2000 Census when many companies took notice of the increasing numbers and influence of the segment. They understand where the market segment was, how it has evolved and where it is headed in the future. From the early days of assimilation to acculturation to the current trend of retro-acculturation, Savitz's experts know the segment and how to reach them. Unlike most research companies claiming multicultural capabilities, we are experts in not only Hispanic Research, but also Hispanic Marketing and we have the analytical staff that understands the nuances of doing Hispanic research. Here are some services we offer.

Marketing Research

- ▶ **Design Product and Services:** Idea Generation, Needs Assessment, Concept Tests, Optimal Product Design, Product Tests, Taste Tests
- ▶ **Develop Effective Communications:** Concept Development and Testing, Copy Testing, Media Mix and Media Weight Testing
- ▶ **Market Products and Services:** Segmentation, Strategic Positioning, Promotion, Pricing
- ▶ **Measure Performance:** Awareness, Trial and Usage Tracking, Advertising Tracking, Customer Satisfaction and Brand Equity
- ▶ **Use Special Techniques:** Ethnography, Shadow Shopping, Focus Groups with Planted Respondents

Marketing Consulting

- ▶ **Educate Marketing Executives** on the Attitudes, Beliefs and Shopping Behavior of Hispanics
- ▶ **Guide Executive Understanding** of the Hispanic acculturation process and determine its implications for their products and services
- ▶ **Develop Marketing Plans** for a company or specific product or service
- ▶ **Design/Re-engineer** a company's marketing infrastructure to meet Hispanic customer needs
- ▶ **Create Compelling Advertising and Promotions** for key Hispanic targets

Nearly 15% of the U.S. population, Hispanics represent tremendous opportunities for U.S. companies.

Savitz Research Solutions are experts in both Hispanic Marketing Research and Hispanic Marketing.

What Do You Really Know About Targeting Hispanics?

To be successful in speaking to and marketing to Latinos, companies must really understand how they differ from other segments as well as how and when to target different Hispanic sub-segments. Here are some critical points to consider.

1. In general, Hispanics do not have the same shopping habits as mainstream consumers.

Shopping is more of a family and social event for many Hispanics. Latinos do not just buy things to take home to the kids. They take the family shopping so everyone can participate in the shopping experience.

Hispanic women like to actually touch and feel merchandise prior to purchase especially when it comes to baby items. Past research has shown Latino moms are very concerned with the fabric and the make-up of baby clothes and how that will affect their little ones.

Hispanics do not always understand concepts like “everyday low prices”. Hispanics want sale items and they want them to be clearly marked with information. Consider local bodegas or tiendas (stores) in Latino neighborhoods – the stores often have multiple signs in the windows or on shelves indicating key sale items. In addition, Hispanics tend to purchase at these “tiendas” in more reduced amounts than in other outlets, but with greater frequency; making this traditional Hispanic distribution channel one of great importance.

2. Hispanics spend more per household and over-index on consumer packaged goods.

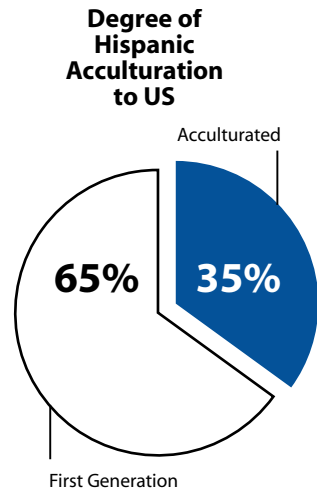
Hispanics, due to their often larger family size, often over-index on multiple household items and consumer packaged goods including cleaning supplies, detergents and food stuffs. They tend to spend a higher percentage of their income on groceries than other Americans because they eat more meals at home, often cook from scratch and have larger families.

3. Latinos are very brand loyal.

Hispanics tend to be more brand loyal than other segments. In the U.S., they will tend to use brands they know and consumed in their countries of origin and it is often difficult to get them to switch. However, research and case studies have shown that they will switch brands. In Hispanic families, family members have a greater influence on what products are used and what brands are bought, therefore, speaking to the correct person in a family may generate more brand loyalty or a brand switch. Therefore, it is important for companies to understand who is using their brands currently and why, so they can keep those consumers while competing companies need to learn the triggers that cause Hispanics to switch and push to make the switch happen faster.

4. The Hispanic culture is a matriarchal one whereby the mother is most often the household key decision maker and is heavily influenced by the children and father on what to purchase.

Hispanic moms really pay attention to the wants and needs of their families. When it comes to purchase decisions, Latino moms listen to what their families want. Multiple studies have shown that Hispanic moms see buying family members the items they want is an extension of love and caring for their families.



5. Country of origin is a critical variable in targeting Hispanics.

Some well known brands like Colgate and Kellogg’s cereals have wide recognition in all of Latin America. However, this is not always the case for ethnic products. MASECA brand corn flour that is used to make tortillas is well known among Mexicans but not among South Americans. Even common brands like “Goya” tend to be better known by Caribbean Hispanics and less by Mexican Hispanics.

Marketers must realize the language and cultural differences that exist among Hispanics from different countries. For example, Hispanics from different countries eat at different times of the day, serve different types of food and even refer to meals differently. Indeed, Mexicans call their main meal of the day “comida” and evening meal “cena”; other Hispanics may call them “almuerzo” and “merienda”; respectively.

6. Level of acculturation is also a critical variable in targeting Hispanics.

Unacculturated Hispanics (called First Generation) tend to be foreign born, speak primarily Spanish at home and typically have low levels of income and education. Thus, they must be addressed with Spanish media and provided with more and better explanations of any product or service.

Acculturated Hispanics tend to be U.S. born, speak English as much as Spanish at home, have higher income and education and consume both Spanish and English media. While many aspire to be mainstream Americans, not all share this view.

Retro-acculturation is a new trend seen among Hispanics. Even second and third generation Hispanics are seeing their children stepping away from cultural customs like language and seeking to have them embrace their cultures and heritage. Therefore, many acculturated Latino families are returning to Spanish-only in the household. Additionally, while the old assimilation/acculturation model assumed Hispanics wanted to work towards being mainstream Americans, that is no longer a given. There are sufficient numbers of Hispanic communities where speaking English and adopting American ways are no longer requirements for living the proverbial American “good life”.

7. In general, it is not good practice to simply translate a successful mainstream ad campaign into Spanish.

Direct translation from English into Spanish can be disastrous. A campaign about the benefits of milk used the expression “got milk” which translates into Spanish as “tiene leche”. However, in some Hispanic cultures this translates to “is lactating”. In a campaign for an airline, the expression “flying leather” was used to express the benefit of the quality of its seats. When translated directly into Spanish this expression may be understood by those of Mexican descent as “flying naked”.

Unlike Caucasians and African Americans, Hispanics want information in ads above entertainment value. What are the product’s benefits, what will it cost me, where do I find it?

Additionally, while Hispanics want to celebrate their uniqueness and culture, they do not want to be seen as different. This is very important in speaking to Latinos. Therefore, visual cues and hot buttons must carefully be considered when dealing with the Hispanic market.

The most important point to consider when reaching Hispanics through advertising is to make a connection with them. Successful ads make Hispanics say, “Hey, that ad really speaks to my needs.” Thus, translating directly from English to Spanish can only achieve limited results or worse: a misunderstanding.

What do you really know about researching the Hispanic consumer?

Doing proper research is critical to being successful in researching Hispanic consumers. Here are some critical points to consider.

1. It is not a good idea to mix Hispanics from different countries in a focus group.

In a group setting, Mexicans tend to be more reserved and polite, while Cubans tend to be more outgoing and assertive. Therefore, information from a mixed group will be biased toward Caribbean Hispanics.

Participants who do not share the exact same language, colloquial expressions, and slang tend to be less focused on the discussion. They may be distracted by the way the other people communicate to the point where, at times, the moderator may have to explain, interpret or clarify to one group what another group is saying.

Additionally, the ability of the moderator to play the “gender roll” is essential to build rapport with the respondents. One would never assign a female moderator to discuss liquor products with a focus group full of men. Such an arrangement would likely produce little in the way of information since the men would be foremost thinking of respect for the women and how responses might affect cultural sensibilities.

2. First generation Hispanics do not provide the same amount of information on a typical survey as more Acculturated Hispanics.

A 15-minute telephone survey will take about 18 minutes among first generation Hispanics since they tend to take longer in expressing their opinions and offering greater detail in their responses.

When rating products or services, Hispanics tend to give higher ratings than other cultural segments because they are less likely to criticize a product they do not like. Indeed, if the satisfaction ratings given by Hispanics were at the same high level as that of mainstream consumers the product may have actually failed to satisfy the Hispanic target!

There are analytical ways to better understand ratings among Hispanics and normalization techniques when comparing those ratings to other market segments.

3. The market where Hispanic research is done should be selected carefully.

For example, Miami and New York alone would not be good cities to conduct a taste test for a spicy new Mexican food product because they under-represent Mexican Americans. With the influence of their Indian heritage, Mexicans tend to prefer more spicy foods. Hispanics from South America are more influenced by Europeans and consequently prefer food that is more bland, while Caribbean Hispanics do not prefer spicy foods either; therefore, doing focus groups in Los Angeles or Houston would make more sense.

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*Don't mix Hispanics
from different
countries in a focus
group. Cubans are more
assertive, Mexicans
more reserved.*

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4. The Internet remains a limited tool for researching Hispanics but is becoming less so.

The Internet may work for more acculturated Hispanics, but it is not recommended for estimated 65% of Hispanics who are unacculturated for two reasons. First, many of them do not have access to computers. Second, many Hispanics cannot read English and some cannot even read Spanish.

5. Language and nuances matter in Hispanic research.

As eluded to earlier, nuances matter in Hispanic research. Language and vocabulary are important but also understanding terminology differences within the language is critical in questionnaire design and getting the most out of a study. Is a cellular phone really a wireless phone?

Translation is also critical when doing Hispanic research. Questionnaires should always be translated into Spanish and then back-translated into English again by a Spanish speaker to ensure no meaning was lost.

6. Think outside the box when researching and marketing to Hispanics.

Hispanics can be difficult to reach in marketing research. Many tend to move often, few older Hispanics tend to be heavy Internet users, and many are distrustful of strangers asking questions. Therefore, grassroots efforts can be beneficial. In-person interviews and marketing in local neighborhoods can be handled with assistance of community leaders. Setting up research for taste tests and ad copy testing can be applied at local stores or locations and past efforts have shown that Hispanics will participate and provide valuable information under the right scenarios and circumstances.

SAVITZ RESEARCH SOLUTIONS

Savitz Research Solutions can help you identify potential Hispanic marketing opportunities and solve Hispanic marketing problems. We will help you arrive at profitable business solutions in this growing segment of the market.

The biggest difference between our company and other Hispanic Research firms is that we are both experts in Hispanic Marketing Research and in Hispanic Marketing. We can do most any type of research on Hispanic targets. However, because of our marketing experience, our research will provide more insightful recommendations to really help you increase your bottom line among Hispanics.

El Jefe (The Boss)

Savitz Research Solutions is directed by Juan Carlos Arriola who is indeed an expert in Hispanic Marketing Research and Hispanic Marketing. Prior to joining Savitz Research Solutions Juan Carlos:

- ▶ Worked as Managing Partner at Latinvisa Interamericas, LLC.
- ▶ Moderated hundreds of Focus Groups in Spanish and English domestically and throughout Latin America
- ▶ Designed and managed hundreds of quantitative and qualitative research projects directed at Hispanics and Latinos
- ▶ Has an MBA in Strategic Analysis and Planning from ESTNA
- ▶ Has a MA in Social Sciences from Universidad Francisco Marroquín, Guatemala City
- ▶ Earned a Professional Researcher Certification (PRC) from the Market Research Association

Call us for all your Hispanic Marketing Research and Hispanic Marketing needs.



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