



## Trend Bites

*A taste of what's going on out there for the consumer to experience.*

### Living Habits and Marketing Preferences of Latin Americans in the U.S.

*[Issue 3; April, 2008]*

**There will be 18 million Latin American households in America by 2020. The following is a summary of recently published information on the Hispanic community in the U.S.**

#### **WHERE DO U.S. HISPANICS LIVE?**

As 2020 approaches, the majority of Hispanics will be living in Hawaii, California, New Mexico and Texas in larger, many times border cities. Though Latino immigrants are more likely to settle first in the nation's cities, they usually move out to the suburbs after getting settled in search of the American dream. Across the Midwest, for example, it is the Latin American who will seek and find higher-paying, low-skill jobs that fewer, more fortunate workers will accept or tolerate in towns now void of big factories or other higher-paying jobs. Many of these "ghost" towns, formerly booming and primarily white, have been vacated by a single, key employer and now draw Latin Americans with no skills to the new, lower-paying big employer, Wal-mart. With the exodus of the white community when large employers closed, the Hispanic consumer can then find affordable housing, giving new life to these otherwise deserted American towns. *[nytimes.com, 10.17.07]*

#### **WHERE AND WHY DO HISPANICS GO?**

Unfortunately, when the jobs disappear, particularly those tied to construction and the housing industry, so do the Hispanic immigrants. In southwest Florida, for example, Latin Americans are leaving en masse now that the housing market is on hold. Some are finding work in other towns and some are returning to their homeland. In fact, fewer than 1 in 5 Latino families (18%) have the combination of assets, education, sufficient income and health insurance to ensure middle-class financial security. Compared to the middle class as a whole, more than twice as many Latino households (41%) are in danger of slipping out of the middle class. *[businesswire.com, 2.21.08]*

#### **WHO ARE LATIN AMERICANS IN THE U.S.?**

The birthrate among Hispanics is the highest of any race or ethnic origin and peaks the youngest at age 20–24, meaning that Latinos tend to have the most children (average 2+) at an earlier age (average age 27). They are responsible for growing new home and vehicle sales, contribute 14% of total U.S. spending, and are the ideal retail consumer, being relatively fashion-conscious, open to advertising and attracted to brand names. *[U.S. Census 2000, Univision 2006]*

#### **HOW DO HISPANICS RESPOND TO MARKETING?**

First, second and third generation Hispanics prefer reading and hearing Spanish, as they can identify best with their heritage and understand language nuances. Because of this Spanish language preference, the Hispanic



consumer responds best to Spanish signage, promotions focused on Hispanic life events such as first communions, and unique products that cater to their Latin American heritage. Hiring bilingual workers, using dual English/Spanish signage and offering mainstream offerings are also helpful to boost sales and establish goodwill in areas that cater to a part Hispanic, part non-Hispanic population. [Draftfcb, "Reaching Hispanic Shoppers at Retail", 10.17.07]

The average U.S. Hispanic spends 20% more time online than the average non-Hispanic and now spends more time online than they do watching television. More than one-half of Latino's time on the Internet is spent on sites written in Spanish, so that using dual English/Spanish language on internet sites will likely garner the most traffic and sales. [Special Report from Search Engine Strategies Latino Conference, searchenginewatch.com, 7.12.07]

## **WHAT CAN YOU DO?**

### **WHERE DO U.S. HISPANICS LIVE AND HOW DO THEY RESPOND TO MARKETING?**

Analyze existing markets in high-occupancy states and ensure that selling venues and Web sites are appropriately updated with dual English/Spanish signage. Each selling venue can profile its specific Hispanic population to best learn their unique habits and practices, needs and preferences so that the retail or sales mix, special events and promotions are appropriately targeted to maximize their effectiveness. [Companies and] "retailers need to shift from simply communicating to Hispanic shoppers to understanding them." [Draftfcb, "Reaching Hispanic Shoppers at Retail", 10.17.07]

Like most consumers, the Hispanic consumer is first attracted to low prices, but then is highly responsive to unique events, special merchandising areas, product assortment that fits their lifestyle and heritage and knowledgeable bilingual staff. [Draftfcb, "Reaching Hispanic Shoppers at Retail", 10.17.07] Thus, ensure that Hispanic consumers in less popular sales area are appropriately catered to once they are lured to the sales venue with special sales or reduced prices.

### **WHERE AND WHY DO HISPANICS GO AND HOW CAN WE KEEP THEM?**

You can aggressively target the Hispanic consumer for low-skill positions to provide additional regular employment opportunities to keep families in town. A human capital initiative specially designed to attract and keep these valued employees can be developed and customized for each sales venue and its market. Perhaps there are partnering opportunities in low-income, residential housing near your sales venues that cater to Latino immigrants as well.

### **WHO ARE LATIN AMERICANS IN THE U.S. AND HOW DO THEY RESPOND TO MARKETING?**

Any special events or promotions or Web site upgrades designed to attract the Hispanic consumer should include emphasis on fashion and brand names that are relevant to this group, as they are highly fashion and name-conscious. Since Latin Americans are family-oriented and tend to have larger families, effort should be placed on developing marketing programs for moms to ensure the appeal of any communications or events to Hispanic mothers and fathers as well.