

## How To Tap the Hispanic Market

Forget stereotypes. Small businesses need insight and bilingual ads to attract a population that will make up 25% of the U.S. by 2050

Translated into dollars, according to a University of Georgia report, Hispanic buying power has tripled between 1990 and 2003 from \$222 billion to \$653 billion. At the same time, the number of Hispanic-owned businesses has spiked tremendously. According to the Census Bureau, there were nearly 1.6 million Latino-owned businesses generating \$222 billion in revenue in 2002, a 19% increase from 1997. Despite the strong numbers, the Hispanic market remains largely overlooked by businesses both big and small.

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staff writer Stacy Perman recently spoke with Felipe Korzenny, professor and founding director of the Center for the Study of Hispanic Marketing Communications at Florida State University and the co-author of *Hispanic Marketing: A Cultural Perspective* (Elsevier, 2005), about the potential for businesses to tap into the Latino market. Edited excerpts of their conversation follow.:

Although

the numbers both in terms of population and revenue are extremely high and robust, the Hispanic market has largely been overlooked. Why?

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don't believe that marketers have understood how to benefit from targeting Hispanics as separate from the rest of the population. The assumption that most marketers make is that eventually they will catch the Hispanic consumers as they become more acculturated.

How is this necessarily a misstep?

Because

they do not realize that understanding the culture is part of making a difference in the way in which you can connect with the consumer. So what they are missing is the opportunity to establish a closer relationship and making their brand more desirable or more wanted by Hispanic consumers by addressing them from a cultural perspective.

What is the biggest mistake companies both big and small make in regards to courting this community?

Being

stereotypical. [For instance,] they will go with an ad agency that says, "Use some Latin music and a nice family and let's try to lure the consumer." Or there are ones that just don't make an effort. These are the two extremes. In between, there are categories like the ones who just take an ad and translate it [into Spanish] somewhere else and say this is a Hispanic ad. That's the most primitive approach.

What would you consider a successful approach?

One of the most successful marketers is Procter & Gamble (PG). They strongly believe in getting consumer insights in order to connect with the consumer. They are the ones that either launch a new product or position it in the Hispanic market by talking to many consumers and finding out how to make the product relevant to them. That perspective has to be a conscious part of your strategy, but it is not yet widespread.

How well do Hispanic businesses market to themselves?

Being

Hispanic can help you, but it is no guarantee. Just by being Hispanic, you do not necessarily know how to market to Hispanics. For example, let's say you are a second-generation Hispanic raised in Chicago. Just the fact that your parents are Hispanic and you have roots does not mean you know how to market to the majority, especially if you don't understand the variety of Hispanics with lots of different cultural backgrounds.

What is the importance of bilingual marketing?

Bilingual

marketing is the way of the future. I think in the past years there was an emphasis on using the Spanish language. But that was because marketers assumed that the [community] tuned in only to Spanish-language media. We are finding that more and more Hispanics are spending a lot of time with both English and Spanish media. And there are families where the kids are bilingual; they speak English, and their mother speaks mostly Spanish, and the father speaks more English than Spanish, and the grandparents are completely Spanish dominant, and extended-family members vary in their linguistic ability. So being bilingual is more effective and it is a way to emphasize culture.

How can a small business cater to the Hispanic market?

Small

businesses have been very slow to cater to the Hispanic consumer. They generally don't have the resources. There are some exceptions because some of them come from the community and can empathize with the market without doing a lot of research.

One of the first things that a small business can do is to hire community members that have links to the community. It gives them permission to market and connects them to the community. Another thing is to be very proactive by serving the community in a way that is culturally relative. One of the biggest mistakes in being proactive is to forget to listen to the customer. Those that go out of their way to be part of society and talk to people, and understand their rituals and way of thinking, are more likely to succeed.

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