

Connecting with Hispanic Drivers

The top-selling brand in Latin America, GM is stepping up its efforts to woo the Hispanic market in the U.S.

A former General Motors executive once said that when domestic car brands are in trouble, it's because their buyers are too old, too white, and too Midwestern. That saying holds true for a few of GM's (GM) brands, which is why the auto maker, under the direction of GM-North America President Gary L. Cowger, is targeting the Hispanic market ..

The top-selling brand in Latin America, GM is stepping up its efforts to woo the Hispanic market in the U.S.

A former General Motors executive once said that when domestic car brands are in trouble, it's because their buyers are too old, too white, and too Midwestern. That saying holds true for a few of GM's (GM) brands, which is why the auto maker, under the direction of GM-North America President Gary L. Cowger, is targeting the Hispanic market (see BW, 3/15/04, "Hispanic Nation").

To reach this increasingly important group of buyers, GM spends heavily in Hispanic media advertising. Cowger, whose resume includes a few years as president of General Motors de Mexico, has even appeared in television ads speaking Spanish. Still, GM has a ways to go, Cowger conceded. Its market share among Hispanics is lower than for the U.S. overall.

BusinessWeek Detroit correspondent David Welch recently chatted with Cowger to get his views on reaching Hispanic buyers. Edited excerpts of their conversation follow:

Q: There is obvious growth in the Hispanic market, but how big will it get?

A:
It's a great growth opportunity. You ignore it at your own peril. It's the largest minority market right now at 12% of the population. It will grow to 20% by 2020.

Q: GM lost share of the Hispanic market in recent years. What happened?

A:

GM has underperformed over the past couple of years [in many areas]. With Hispanics, we were not doing enough in-language kinds of things.

Q: What are you doing to reach the market?

A: The

dual-language strategy is very important. We've gotten heavier with advertising in Spanish-language newspapers and TV. We also offer a credit course in Spanish to help people really understand what borrowing is all about.

Q: The Japanese auto makers are strong on the West Coast, which has a large Hispanic population. Can you build your business on the West Coast if you don't connect with the Hispanic market?

A: In

California, obviously, we underperformed on the car side of the business. We have a lot of products coming to recapture share in California. GM is the No. 1 selling brand in Latin America. We should be successful here, too. If I'm running at 28% of the overall market and 25% with Hispanics, I at least want to be at my overall share [in the U.S.].

Q: Toyota (TOYOF) is advertising heavily in the Hispanic market. How can you beat them?

A:

I don't care what market you're looking at. It's all about good product. We just have to make sure we're getting our products in front of these buyers.