

## How to Win the Hearts and Minds of Hispanic Customers

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With the Hispanic population in the US expected to surpass white non-Hispanic inhabitants by 2030, marketers are scrambling for ways to tap into growing spending power while generating loyalty to their brands.

The challenge they face is to move beyond simply pushing established products or services. Success requires a consumer-centric approach that hinges on offerings that are relevant to the target population.

Strong, enduring brand loyalty can be built among Hispanics, but not by using tactics that work for white, Middle America. Winning strategies reflect the needs, preferences, and native cultures of Hispanics without ignoring the ongoing acculturation to their new homeland.

This complex mix of factors makes it imperative to have a robust segmentation that enables marketers to find and act upon the most attractive segments. The right approach eliminates the assumption that individuals from the same country think alike even though there are shared beliefs that span nationalities and geography.

Critical considerations include the country of origin, number of generations in the US, and more typical variables such as education and disposable income.

In addition to understanding all of the previous items, successful marketers need to incorporate into their perspectives how purchasing decisions are made by Hispanics. The opinions of friends and family members weigh heavily in buying decisions for the average Hispanic consumer.

A program shown recently on cable TV's HGTV demonstrated how a real estate broker cashed in on that knowledge. Hispanic would-be homebuyers were allowed to spend a night in the house so they could invite family and friends for dinner prior to making the purchase decision. The family decided to purchase the house after getting positive feedback from the guests.

Once Hispanic segments are identified and targeted and purchase drivers identified and measured, marketers need to offer brands that customers know and trust. This is especially true for those first-generation Hispanics who still have strong ties to their native countries and cultures. New York-based Colgate-Palmolive Co., for example, is successfully wooing Hispanic customers here by importing Suavitel, a popular fabric softener it sells throughout Latin America.

As marketers gain greater access to the Hispanic market, they inevitably face the prospect of moving Hispanics away from products they're comfortable with, and toward mainstream American offerings. While increased education and wealth help drive this adoption, marketers should take a test-and-learn approach and explore different tactics to drive adoption. These should include loyalty programs, in-store coupons, and even licensing well-known brands from outside the US. One example: Oak Brook, Ill.-based Blistex Inc. lip balm is selling a product with the flavor of Jarritos, a popular soft drink in Mexico, to lure Hispanics.

Once a brand penetrates the Hispanic market, marketers must turn their focus to generating loyalty. Merely translating advertisements that target mainstream America won't sway groups with disparate backgrounds. Instead, messaging should be tailored to each specific audience, reflecting their specific needs and preferences. This likely requires new positioning to differentiate the brand from competitors while earning credibility and relevance with the target audience.

Outreach tactics also need to be adjusted for this market. Large celebrations such as Mexican Independence Day and local festivals and sponsorships of athletic activities, for example, can build bonds with Hispanic consumers.

Marketers for Unilever's Dove soap and Suave shampoo are boosting participation in such grassroots events while also increasing online activity to boost loyalty among Hispanic consumers. A market-specific Web site, ViveMejor ("Live Better"), features all of its food products, from Hellmann's mayonnaise to Skippy peanut. Once customers register on the site, they receive discounts on various products and can sign up to receive a free companion lifestyle magazine, which contains recipes and other information.

As the Hispanic population continues to grow larger and more affluent, winning marketers will be those who understand brand loyalty cannot be achieved by translating advertisements into Spanish.

They will reject a "one size fits all" approach as doomed to fail given the diversity and complexity of this market. They will achieve breakthroughs with this critical audience by creating relevant, meaningful customer experiences with their brands. They will win by engaging both the hearts and the minds of the Hispanic community in all their efforts.

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