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To tap the Hispanic market, you first have to understand it

Updated 2/20/2007 8:34 PM ET

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What's this?



Ask an Expert Steve Strauss

Q: I read your [column](#) about the top trends in business and want to inquire about No. 7 – the new Hispanic consumer. How do I reach this market? I have a product I think would knock their socks off, but am unsure where to begin. Any advice would be appreciated. — Wally

A: While we all hear plenty these days about the rise of the Latino consumer, sometimes lost in translation is an understanding of how to tap this growing market. So today we

are going to figure out how to do that, but first, a caveat: While it is problematic to characterize any group as a monolithic whole, that is sometimes part of our job as businesspeople, is it not? What will attract my women customers? Will kids buy this? Would older men be persuaded by this ad?

When it comes to ethnicity, we are on even more treacherous ground, and even I, who married into a Hispanic family, am not altogether comfortable saying what will and won't work for Latin-culture consumers. So I have turned to an expert for help, but first some facts:

- The U.S. Hispanic market, some 50 million people, is the second-largest in the world, trailing only Mexico.
- Hispanic consumers have one of the largest disposable incomes of any minority group, and the U.S. Census Bureau predicts 29% growth in the Hispanic population in the next eight years, vs. 9% generally.

So what we have is a growing market with plenty of money to spend. Even better is that, according to George San Jose, president of The San Jose Group of Chicago, "many of these Hispanic consumers do not yet have any strong brand loyalty because they tend to be younger than the general U.S. population." San Jose knows what he is talking about. His company is one of the top three Hispanic marketing companies in the U.S.

According to San Jose, there are two trends entrepreneurs need to keep in mind as they begin to figure out how to tap the Hispanic marketplace:

First, many Hispanics are still comfortable with Spanish as the language of choice. "The grandparents may still speak Spanish exclusively, while their children may be bilingual, and the 20-something generation may speak primarily English while still being fluent in Spanish," San Jose says.

It is vital to understand this, San Jose says. "If you want to reach the older generation for instance, advertise in Spanish, and do not translate your ads!" He suggests that network TV remains a strong medium for reaching the Hispanic market (90% saturation), as are radio and newspapers; Spanish-language radio and newspapers especially may be a good avenue, he says.

The second factor to understand is how much family is integral to the Hispanic lifestyle. Not only does the burgeoning younger generation tend to have more children than the general U.S. population, making baby and family products a big seller, but many also have extended families throughout Latin America, offering even more opportunities.

For example, San Jose shared the story of the Midwest airline that was unsuccessful in selling to the Hispanic market. The problem, he says, was that the airline's slogan was "Use Our Airline to Get Away!" But Latino families don't want to "get away," instead, they want meet up with their extended families and vacation together. A new slogan, "The Official Airline of Family Vacations" worked wonders.

So the takeaway here is that to sell to this mushrooming demographic you have to begin by understanding the culture. It is not merely a matter of using Latin music in your ads, but rather, understanding the psychology of the Hispanic consumer and running with that.

Do that, and you may have *mucha buena suerte*.

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