

Relating, not translating: why and how to market to U.S. Latinos

By: Kelly McDonald

You've read the statistics, you've seen the Census data — Latinos are the largest and fastest-growing ethnic group in the United States. Illinois is one of the most populous Hispanic states and the Latino population cannot be ignored. It is large, getting larger, and for marketers and businesses, it means a huge opportunity to gain incremental business.

The numbers are huge

The latest Census numbers reveal there are 43.3 million Latinos residing in the United States. If you're like me, that's a staggering number to get my head around. Just how many is 43.3 million? Consider this: *there are more Latinos living in the United States than there are Canadians in Canada.* The Latino population in this country rose almost 60 percent in the last 10 years, compared to a mere 13 percent increase in the non-Latino population.

Another way to look at it: currently,

almost one in seven U.S. residents is Latino. By 2020, this ratio will increase to *one in five*. And this is having a profound effect on our culture and our society.

The Latinization of America

The influence of this exploding population is seen everywhere: our food, our music and entertainment, our sports, our media and our politics. For example, look carefully at your grocery store; new products that cater to Latino tastes now fill shelves of supermarkets everywhere. Tortillas now outsell bagels two to one. Salsa is now the number one selling condiment in this country. Lays makes a *limón* (lime) potato chip. *Dulce de Leche* (caramel) is everywhere: Betty Crocker has *Dulce de Leche* cake frosting and *Dulce de Leche* is Häagen Daz's number-four selling flavor of ice cream. Even M&M's has tested *Dulce de Leche* candies in select markets. And it's not just new flavors: American brand icons are even cre-

ating new *products* to capture Latino customers: in addition to pudding and gelatin, Jell-O now makes instant Jell-O flan. The Girl Scouts created a new Mexican-style cookie called *Olé Olé*.

The influence is seen in other ways, too: Mattel makes *Quinceañera Barbie* (a quinceañeros is an elaborate celebration of a girl's 15th birthday, the equivalent of a debut into society). Mattel also makes Spanish Teacher Barbie and Capitán Benavides (GI Joe). The *Wall Street Journal* reports that the top three surnames for new homes purchased in California last year were Hernandez, Fernandez and Gonzalez. And President Bush was the first president to deliver his weekly radio address in Spanish. Nickelodeon's bilingual Dora the Explorer is the number one pre-school show on television, leading Anglo as well as Latino children to sleep on Dora sheets that say *Buenas Noches*.

Latinos are not one-size fits all: the four Latino mindsets

So how can you capitalize on this large and lucrative market to grow your business? It starts with recognizing that not all Latinos are alike. In fact, saying you want to market to Latinos is like saying you want to market to women. It's a big group, a broad categorization, and to do it effectively, you need to know which sub-group is really your market.

With Latino marketing, it's not just about translating a message into Spanish. Sure, Spanish is a critical part of reaching Latinos, but to really reach them *effectively*, you have to understand their level of *acculturation*. Acculturation is defined as the process of adapting to and acquiring a new culture while retaining the old culture. Or, put



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another way, the merging of two cultures in close contact. Acculturation is what happens when a person moves to a new country or is exposed to a country's culture, its values and lifestyles. There are four distinct Latino mindsets that reflect the varying levels of acculturation among Latinos:

The first is the *Cultural Loyalist*. The *Loyalist* is foreign-born, a recent arrival who has been in the country less than five years. This person is Spanish-dependent or Spanish-exclusive and tends to have very traditional values.

The second mindset is the *Cultural Embracer*. The *Embracer* is also foreign-born, but is a resident of the United States, and may have lived in the United States for many years. This person tends to be more professional, more educated and aspirational. They may be bilingual, but they prefer Spanish.

The third mindset is the *Cross-Culturist*. This Latino is U.S.-born, first generation and is bilingual and bi-cultural. They easily live and work in two worlds: English and Spanish. They are equally comfortable in both Latin and Anglo culture, hence the label *Cross-Culturist*. They are fashion-forward and urban but very much in touch with their Latino roots.

Lastly, there is the *Cultural Integrated*. This is the fully acculturated Latino. U.S.-born, second, third or fourth generation. This Latino may not speak Spanish or perhaps, does not speak it well. *Cultural Integrateds* are English-dependent or English-preferred.

Latinos are under-marketed in many key industries

There are entire industries that offer tremendous potential opportunity for gaining incremental sales and customers, simply because little marketing is targeted to Latinos. The banking and financial industries are hugely under-penetrated with this high-potential market. Insurance, automotive, real estate, telecommunications (particularly wireless products), grocery, apparel and electronics are all industries that represent low Latino marketing penetration but high sales potential also.

The Latino population in the United States offers you a way to expand your business substantially. As the Latino population continues to grow, smart companies and associations will need to reach out and connect with this lucrative consumer base emotionally, rationally, culturally and relevantly. Taking the time to learn more about this lucrative opportunity will pay dividends, today and *mañana*. **IB**

About the author: Kelly McDonald is a marketing and advertising expert with 20 years of ad agency experience, on both the general market and Latino sides of the business. She worked in top positions for several global ad agencies, including Young & Rubicam, TBWA Chiat/Day and Temerlin McClain before making the move to Latino advertising and marketing. McDonald will be a featured speaker at the 2006 Women in Banking Conference, Sept. 28-29, in Springfield.

The Illinois Bankers Association has established ... the Emerging Markets Advisory Committee with a mission "To identify and develop professional development and networking opportunities for Latinos in the financial services industry, and to help financial institutions attract and serve Latino customers and Latino communities." Find out more about this new committee in the April issue of *Illinois Banker*.

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page 13
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