

Ketchup or Salsa: Finding Success in a Rapidly Growing Hispanic Marketplace

The petroleum wholesalers and retailers have had their challenges to overcome, marked by low to non-existent margins, increasing price volatility, and environmental concerns. If this were not enough, Florida faces a population shift bringing the industry its biggest challenge. Being successful in this environment includes finding ways of adapting to an ever-increasing shift. Hispanics have become the largest minority in the United States, with growth of more than 75% in the last decade, a growth that continues quantitatively. It is estimated that Hispanic growth in the Southeast will outpace all non-Hispanics populations over the next 25 years. Presently, Hispanic sales represent annual spending volume of more than \$600 million, and are expected to exceed \$1 trillion by 2010. The complexity of the Hispanic consumer segment is evident in its distinct sub-segments, generally broken down into Mexican, Central/South American, Puerto Rican, and Cuban. The Mexican sub-segment makes up almost 70%. It is not difficult to see why the industry must understand the importance of developing a Hispanic marketing plan. There are four considerations to make when developing a plan.

The first consideration is more of an axiom: Knowledge does not equal success. Salsa outsells ketchup in the United States; and over 30% of all Major League Baseball players are Hispanic. Knowing this will not necessarily benefit a marketing plan; however, knowledge is the beginning and statistics are helpful, but understanding the local demographic base is essential. Looking around, asking questions, doing the research, and finding out what the local demographic consists of is foundational.

While it has been said “the Spanish language is the catalyst of the culture,” a culturally relevant marketing plan should be implemented with sensitivity. Translating an existing advertisement into Spanish does not necessarily correspond to success. Consider creating a culturally relevant plan that includes contracting Hispanic advertisers who will develop materials that express in cultural norms your message. Cultural sensitivity helps develop relationships within the Hispanic community and in turn relates to increased sales. Within the relationship developed knowledge becomes successful. Knowledge and language cannot be divorced.

Mistakes cannot be avoided: Limiting them can be. The first step to avoiding mistakes is recognizing the predominant ones. Understanding the importance of employing well-trained Hispanic personnel is essential. One of the most overlooked mistakes involve neglecting this

aspect. Relationships are built or broken here. Customer communication is most effective when the employee is a qualified bilingual Hispanic. Addressing Hispanics in their own language is the foundation for any well-developed marketing plan.

All Hispanic cultures are not identical. This rich diversity can result in difficulty when developing an effective marketing plan. The difficulty begins with cultural segmentation. There are over 20 Latin countries not including Spain, Puerto Rico, and the Caribbean. While it is important to develop a plan for reaching every segment, it is within the realm of possibility to maximize strategies. Research should reveal the predominant “local demographic.” Conversely, disregarding segmentation will undermine efforts to develop a successful plan. Do the research; determine the primary target group; then build the plan around the group.

Culturally appropriate, “in language” advertising should be a natural result of the initial research. Once the target group is identified, emerging strategies can be developed to reach the targeted consumer. Hispanic consumers tend toward television and radio. A large portion of the population listens to radio all day. As a result, radio offers the greatest exposure. Hispanic television presents a close second. Minority newspapers also work well, but are not as effective. While each has its advantages, the point is to be “culturally appropriate.” Few non-Hispanic advertising companies have the resources and knowledge to successfully develop a plan that adequately works. Use of a Hispanic advertising company capable of developing an ad campaign makes sense.

Potential mistakes aside, now winning strategies can be developed. Consider four strategies when developing a successful Hispanic marketing plan. With the great diversity among the sub-segments, a successful plan will discover and build on similarities that transcend cultural differences. Even though many Hispanics speak and read English, over 95% consume some form of Spanish media daily. In other words, the Spanish language is of utmost importance. This “catalyst” is the place where success begins, leading to the first strategy - hire bilingual Hispanic employees.

Employing Hispanics is a precursor to adequate education. Cultural sensitivity does not happen spontaneously; it is taught. We do not live in a vacuum, thus training for all employees has to be intentional. This requires knowledge beyond mere basics. Winning strategies include using professional Hispanic marketing consultants to provide proper training or training materials.

Hispanic vendors also provide a rich source of useful information. They are often overlooked, seen simply as providers of products rather than reliable sources of knowledge and training. Their expertise within the Hispanic community is an invaluable tool that should be tapped to help facilitate the success of the marketing plan. Their understanding of this segment of the population including the relationships that they undoubtedly have is likely the most underused asset available.

Cause marketing is a bonus to any successful plan. Charities and community events are an integral part of Hispanic life. A well thought out plan will include participation in cause marketing. Studies show that Hispanics are the most loyal customer base. Engaging in Hispanic events, donating time and money, as well as supporting the Hispanic community will reinforce the plan and grow the necessary relationships that build on their loyalty. If Hispanic consumers are the goal, then involvement in their culture is key.

Through each of the strategies developed, relationship is “numero uno.” Hispanics may be the most relationally driven consumer group in the American marketplace. Making and maintaining strong Hispanic relationships is essential to every step in the process. Business growth and success will not be possible without a strong understanding of the ever-changing Hispanic world that is fast developing. Considering all the factors when developing a marketing plan will insure success well into the future.