

## The lust for Latino lucre

*How American firms are chasing the elusive Hispanic dollar*



One in six Americans is Hispanic. In politics, ignoring the Latino vote is suicidal, which is why the Republican Party is at last getting serious about immigration reform. In business, ignoring Latino tastes is equally daft, which is why American firms are at last getting serious about pursuing the Hispanic dollar.

Between 2000 and 2010 Latino buying power more than doubled (see chart), says the Selig Centre for Economic Growth. Mitt Romney's drubbing by Hispanic voters last year was a wake-up call not only for his fellow Republicans but also for his fellow plutocrats. "CNN was saying the Republicans would become dinosaurs, and some CEOs said: 'Wait, what about us?'," recalls Roberto Orci of the Association of Hispanic Advertising Agencies.

Wooing Latino consumers is easier said than done, however. As they grow richer and more numerous, their tastes are changing, too. One sign of the shift is language. When Latino advertising was born in the 1980s, a largely immigrant audience could safely be addressed in Spanish. Today, most Hispanics were born in the United States and only 23% of young ones prefer Spanish to English. For years Univision, the biggest Latino broadcaster, stuck resolutely to Spanish, and advertisers had to follow. This year, in a joint venture with ABC, Univision will launch Fusion, an English-language news station.

Spanish will persist for some products, particularly those aimed at fresh immigrants. Yet its relative decline presents new opportunities, says David Morse of New American Dimensions, a market-research firm. Marketing to Latinos was once a niche affair. Now it can be at the heart of a campaign. Latino ad agencies have recruited staff from general-market firms and have snapped up accounts for mainstream brands. LatinWorks, an Austin-based agency, has won accounts for Bud Light and Target; Lopez Negrete in Houston works for Kraft, the food giant.

In some ways Latinos remain distinct. Their median age is 27 (a decade younger than the national median). They live in larger family units and are more likely to be found in certain places: 62% reside in California, Florida, Texas or New York, though the population is dispersing.

Consumption habits vary, too. Latinos spend more of their income on food and clothing than other Americans, and may have a preference for strong tastes and smells. Gain, a vigorously fragranced range of detergents and soaps, is popular among Hispanic shoppers. Claiming that

Hispanic families spend 15% more than average on baby food, Beech-Nut, a purveyor of such products, recently joined forces with Goya, a Hispanic-food firm, to launch a range of guava- and mango-flavoured goodies. However, makers of the kind of pre-prepared foods popular with time-poor Americans are struggling to sell to Latina mothers, since many prefer “healthy” fare that can be homecooked.

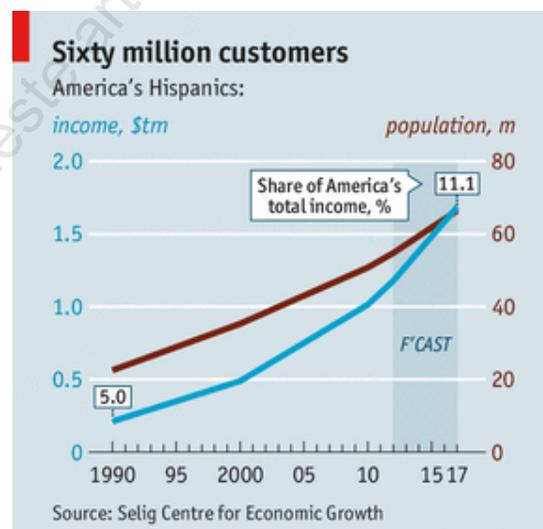
Some brands target young Latinos via the social-media sites they love to browse on the smartphones they are snapping up at faster rates than their non-Latino peers. Savvy advertisers also find ways, in Mr Morse’s phrase, to “wink” at Latinos without alienating others. Salvador Padron, who runs a multicultural research team at PepsiCo, describes a global ad campaign that showed images of a football game on a Brazilian beach. Other advertisers aim for accurate depictions of contemporary Latino life. A recent spot for Tide, a washing powder, shows a middle-aged Latina lauding her detergent in Spanish while her teenage granddaughter glances up from her phone to translate her abuelita’s eulogy into unaccented English.

### Welcome to America

Large firms such as Pepsi and Procter & Gamble make campaigns Latino-friendly from the start, rather than adding a Hispanic tweak later or simply translating an ad into Spanish. For example, ads for Pepsi Next featured William Levy, a Latino star, in both English and Spanish versions. They touted the fizzy drink as having “less sugar” rather than fewer calories, since few Hispanics consciously count calories.

Among retailers Walmart, which advertises heavily in Hispanic media and employs bilingual staff, stands out; Chiqui Cartagena at Univision, the author of a new book on marketing to Latinos, calls the firm “the best example of a brand that gets it now that didn’t get it ten years ago.” Still, many companies continue to neglect Hispanics. Mr Orci singles out pharmaceutical, cosmetics and tech firms.

One reason may be bad numbers. Isabel Valdes, a consultant, says it is impossible to measure Latino consumption precisely. Traditional methods of gathering data do not account for Latino peculiarities, such as spending lots of money in small, independent shops. Still, no firm has a good excuse for missing the biggest demographic trend in recent American history. Marketing departments still struggle to convince some bosses that Latino wallets matter, says Mr Orci. But since the election, specialists in the Hispanic market report a flurry of interest in their work.



Fonte: The Economist, London, v. 407, n. 8835, p. 71, 11 a 17 May 2013.