

Embracing the Hispanic Market

By Chris Luna

Last year saw phenomenal growth in the Hispanic consumer market. But how phenomenal?

The Selig Center for Economic Growth at the University of Georgia estimated that Hispanics controlled \$736 billion in spending power in 2005; this amount is predicted to increase to more than \$1 trillion by 2010. And consider this growth rate: the 2010 amount will exceed the 1990 amount by 413 percent.

In Texas, the State Data Center reported that in 2000, 22 percent of the state's consumer expenditures were made by Hispanics; by 2040 it is projected that this amount will increase to 52 percent. And in 2005, Texas, with \$127 billion in Hispanic economic clout, ranked second in Hispanic buying power, only behind California.

The relatively young Hispanic population -- with larger families, more individuals entering the workforce and more moving up career-wise -- foreshadows additional gains in Hispanic purchasing power in 2006 and beyond.

So what can companies do to tap into the huge buying power of the nation's and North Texas' Hispanic consumers? In short, businesses wanting to attract and retain Hispanic consumers should re-think how they market to, and communicate with, this growing population. Here are some strategies to consider:

Multicultural Customer Service. Since Hispanics have different countries of origin, and their cultures vary accordingly, the Spanish language is often the unifying factor. Therefore, having multicultural and bilingual customer service makes good business sense. Dallas-based Telvista, Inc. is a firm that provides outsourcing solutions for sales, customer care and technical support, all with bilingual capabilities and an understanding of both U.S. and Latino cultures. Telvista, in addition to its call centers in the United States, operates several in Mexico.

Language Salary Incentives. Many businesses are recruiting bilingual employees in professions where these skills are key but are in short supply. The City of Dallas' Language Skills Pay program pays an extra stipend to those employees who are bilingual. Today, 987 city employees get paid an extra \$75, 85, or \$100 per month depending on their verbal proficiency. To ensure consistency and competency, an outside party does the testing and certification. Having bilingual employees can overcome the language barrier often present in selling and servicing Latino customers.

Bilingual Website. As the Hispanic population is increasingly web savvy, an easy and effective way to market to this underserved community is via the internet. Wireless phone service provider MetroPCS (www.metropcs.com) and financial institution Laredo National Bank (www.LNB.com) are examples of companies that have web sites where one click will take you to *en espanol* from their home page. The Spanish version should be checked for translation differences and can be customized for culture-specific marketing.

Ethnically Inclusive Photos. It easy for a company to put Latino faces in its advertising in the Spanish media. But the photos used in a company's general advertising and promotional marketing should be as diverse as its customers. And in Hispanic outreach, the old adage that "a picture is worth a thousand words" is especially true. People want to know whether a company identifies with and includes them, and the answer is often visual. And of course, Hispanic targeted advertising is an important component of an overall strategic advertising plan.

As a result of differences in average household income, demographics, language and culture, the spending habits of Hispanic consumers vary from the average U.S. consumer. Businesses must continue to develop new ways to embrace and reach the growing Hispanic market. If done right, companies can create Hispanic brand loyalty and increase their overall Hispanic market share.

Chris Luna, managing director of the Luna Group, LLC, has worked with and for several Dallas companies that have a large percentage of Latino customers. He can be reached at Chris@ChrisLuna.com.

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