



don't get lost in translation

Culturally savvy marketers connect
with diverse Hispanic market

BY LESLIE WERSTEIN HANN

PHOTOGRAPHY BY MITCHEL GRAY

There really is no single Hispanic market. Certainly common cultural values unify the country's growing population of Hispanic consumers, but distinctive segments demand different strategies with regard to language, media and messages.



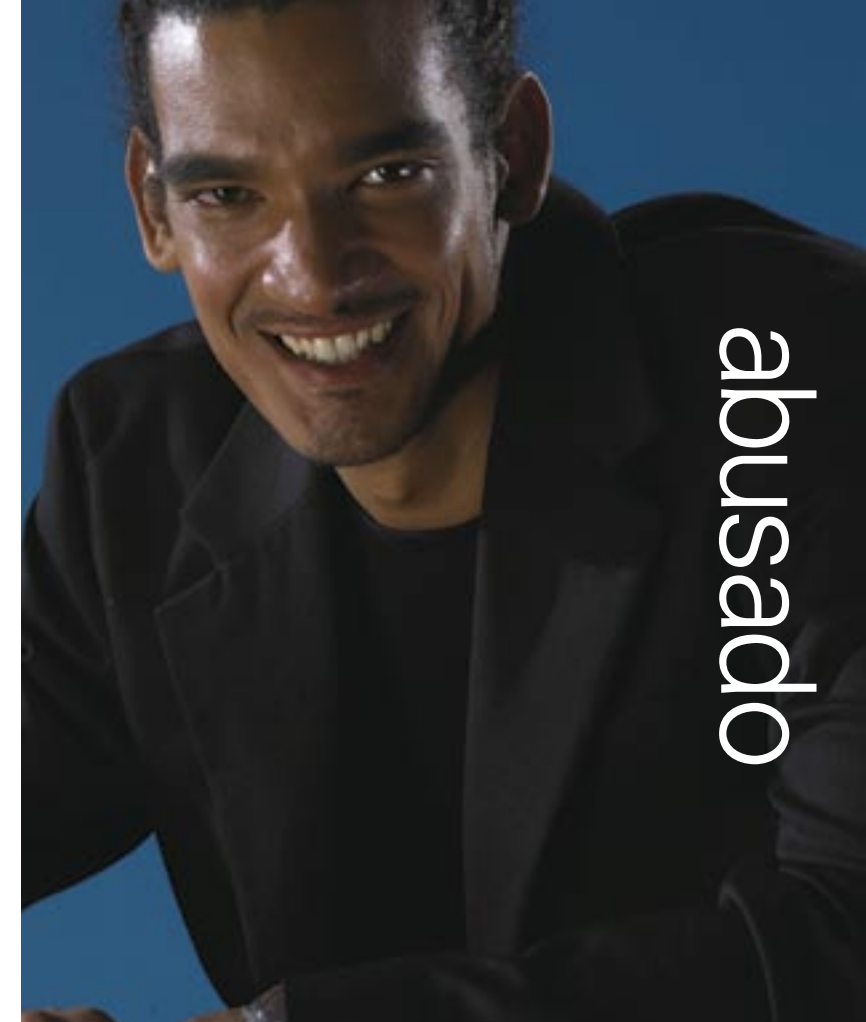
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Simply offering a service, product or message in Spanish won't do. And understanding the diverse cultural values of the demographic is crucial to developing a marketing strategy.

America Online recognized this, and began taking an "in-culture" approach — based on an understanding of cultural values — back in 2003. That's when the Census Bureau reported that Hispanics had become the fastest growing, not to mention largest, minority group in the United States. While AOL was blanketing mailboxes all across the country with free-trial CDs, the ISP's marketers were also successfully targeting Hispanic households not only with a product in a different language, but one with a different culture.

HISPANIC CULTURE ISN'T HOMOGENOUS

"AOL is the only ISP where you can turn on parental controls in Spanish even if your kid is surfing the Internet in English," says David Wellisch, AOL Latino vice president and general manager.

That's important because AOL's approach demonstrates a fundamental truth that distinguishes winners from the also-rans in the frenetic race to reach the Hispanic community, a fast-growing market. While different ethnic subgroups within the Hispanic community often call for presenting messages differently, the major divider is between English-preferred and Spanish-preferred consumers.

AOL's solution was a parallel network — but not one that simply mirrors the English-language service. It saw the potential for growth in the "Spanish-preferred" segment of the Hispanic community — those who speak only Spanish or are fluent in English but prefer Spanish. Hence, AOL Latino users have access to everything on AOL plus comprehensive Spanish-language programming on sports, news, entertainment, financial and lifestyle topics — along with special content to improve computer literacy and other features.

Even within the "Spanish-preferred" consumer group there can be a wide diversity. In addition to offering Spanish-language versions of standard AOL features — for example, e-mail ("Bienvenidos, tienes e-mail" takes the place of the familiar "You've got mail"), Spanish-language customer support, and parental controls — AOL Latino provides original content targeted at a Latin audience.

With generational changes taking place, many households often contain a mix of Spanish-preferred and English-preferred consumers. Parents and grandparents within a household may speak mainly in Spanish while the children may speak to their elders and friends both in English and Spanish. While AOL recognized that Hispanics who speak English may be shaped by different cultural values than other Americans, the company found that the same offers that attracted non-Hispanics to sign up for AOL also attracted English-speaking Hispanics who comfortably straddle two cultures.

"To garner the English-dominant Hispanic market, you don't have to do much that is too different," Wellisch says.

CHOOSING A MEDIUM IS CRITICAL

Mail has been a critical strategic tool in reaching English-preferred and Spanish-preferred consumers. AOL has found that many Hispanics have less exposure to computers and the Internet and decided to keep direct mail of CDs as a key component of the company's marketing strategy. In fact, demographic data suggests direct mail is the only effective medium. For example, while the U.S. Hispanic market represents the fastest growing demographic segment of Internet users, only 37 percent of Hispanics have Internet access at home, compared to 47 percent of African Americans and 66 percent of the general population. To help overcome that barrier, AOL Latino not only mails CDs with the software, but also offers a bilingual computer, with printer and monitor, for \$199 plus a one-year AOL membership.

AOL also mails information about computer literacy classes the company underwrites for Hispanic parents, and advertises in Spanish media. "We give Hispanic consumers a chance to have a taste of the service and acquaint them with computers, making them more receptive to those CDs that arrive in the mail," Wellisch says.

AOL's success demonstrates how an in-culture approach lays the basis for an effective marketing strategy. In August 2005, 3.7 million unique visitors used

AOL Latino. "The profound impact and overall numbers have surpassed all of our expectations," Wellisch says.

That's because they made a successful effort to understand the culture and recognized the community's diversity.

"What makes a company powerful in connecting with a culturally different group is the ability to get into the folkways of the people, how they conceptualize their own lives and their perceptions of things," observes Dr. Felipe Korzeny, director of the new Center for the Study of Hispanic Marketing Communication at Florida State University and author of *Hispanic Marketing: A Cultural Perspective* (Butterworth-Heinemann, September 2005).

DON'T LOOK FOR QUICK FIXES

AOL's success proves that marketers who want to reach a diverse community — especially one that shares common values but may be divided by language — need to really know what will resonate. "Every segment of the Hispanic population can be marketed to, but not all products can be marketed to all segments," says Michael Saray, president of Michael Saray Hispanic Marketing in New York. "You have to know who you are targeting and make sure you are targeting them effectively because the Hispanic market is not homogeneous."

Sounds like Marketing 101? It is. Successful marketing to the Hispanic community is not rocket science. Yet the reason Hispanic marketing efforts seem so often to fail is that companies fail to apply the same lessons that

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Michael Saray
President, Michael Saray Hispanic Marketing, New York



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they know are crucial to success in the general market: Commit resources. Identify segments within the market. Develop a deep understanding of what prospects within each segment need, what they value, what they desire. Recognize that each segment may be at a different place in the product life cycle. Tailor your marketing strategy to the segment that you are trying to reach. And choose the delivery medium — mail, in the case of the Hispanic market — that works best.

“Too often, companies are looking for a quick fix,” Saray says, and that often means resorting to a bad translation of a message that not only doesn’t resonate with any segment of the Hispanic community, but may make little sense at all.”

So how does being mindful of cultural differences, even within a specific demographic, translate into the real work of marketing?

Ford Motor Co., which has been marketing to the Hispanic community since about 1970, has aggressively stepped up its understanding and focus on the market with the launch of the 2006 Explorer. Much of the challenge in Spanish vs. English direct marketing is the fact that Hispanic households are often identified by surname, which doesn’t help marketers know the language preferences.

“Ford sends Spanish-only direct mail when it has a high level of confidence that that is what a customer or prospect prefers,” says David Rodriguez, multicultural marketing communications manager for the Ford brand.

The marketing message in the general market will be on the Explorer’s brand leadership, safety features, fuel economy as well as some of the technology.

“In the Hispanic market, we also talk about new safety and design features, but we are doing it in a culturally relevant way by making family a big part of the message because the midsize SUV is viewed as a family vehicle,” Rodriguez says.

CULTURAL DIFFERENCES ARE FOR REAL

Hispanic families tend to operate as a unit and make decisions as a family, demonstrating a high value for the interdependence of the group over the independence of the individual. Ford is mindful that tightly woven intergenerational families have a strong sense of community.

The term “in-culture” is used too much, admits Saray, “but at the same time, it’s so very true. It’s hackneyed, it’s clichéd, but cultural differences are real, and marketers have to take them into consideration.”

Marketers who do so will see results that transcend bottom lines. In satisfaction surveys, for example, AOL members express that “they feel like AOL Latino is something that is really impacting their lives,” Wellisch says. “At the end of the day, authenticity is a very important attribute for success in this market. Every day we are working hard to be a truly authentic online medium for the Hispanic community.”

In other words, they’re understanding the culture and their marketing solutions are paying off. ☒

are you missing a \$397 billion opportunity?

Habla de forma efectiva con los clientes hispanos

Consider this: With the U.S. Census Bureau reporting a U.S. Hispanic population totaling more than 40 million and New York-based Conference Board forecasting purchasing power among the under-45 age group alone growing from \$295 billion to \$397 billion by 2010, the Hispanic market is anything but a niche anymore.

Reaching this expanding demographic and getting Hispanic consumers to hit the buy button or pick up the phone is dependant on a marketer’s ability to leverage language, lifestyle and other cultural cues.

Miami-based AccentMarketing ties these cultural cues together under its trademarked Brand Fingerprinting, which defines brand perception within specific Hispanic market segments.

“As a whole, the market responds to lifestyle — how a brand will make consumers feel,” say Diego Naranjo, AccentMarketing account director for direct marketing.

Hispanic consumers, for example, have a strong sense of family and respond well to marketing that contains images of people and messages about products and services that serve the household.

Language is also important for clients seeking to achieve effective response in a market where fashion, food and music are also important. “If you distribute a piece in Spanish and have non-Spanish speaking reps taking customers calls, you’re not going to get very far,” Naranjo says. “If you solicit Hispanic consumers in Spanish, you have to deliver in Spanish,” he says.

Successful marketing, however, must transcend gener-

alizations and cultural clichés. In fact, Naranjo advises some clients to create promotions that dispel internal and external misperceptions.

“There are a lot of myths about achieving the ‘American Dream’ in the Hispanic market,” he says. “We have been working with a financial lender and created a piece to demystify the home-buying process. We define and discuss the myth — in this case, the notion that it’s impossible to own your own home — and then educate the customer on how they can own a home and get a mortgage.”

The Hispanic market as a whole is undertargeted, he says. Until very recently, targeting and segmentation capabilities for this market have been poor, and the challenge of understanding the demographic and producing materials in Spanish has kept many marketers away. Hispanic households receive an average of 50 direct mail pieces per year, compared to 500 or more in the general population.

“Hispanic consumers aren’t as jaded as the general market and are much more likely to read and respond to direct mail,” Naranjo says. “Response to direct mail is far outpacing that of the broader consumer market. With sophisticated segmenting, and the longer messages that direct mail allows, we’ve found the medium to be extremely cost effective for reaching this market.”

An increasing number of companies are realizing the importance — and influence — of the market. “It’s already a huge part of the economy and is growing fast,” Naranjo says. “If you’re not talking to the Hispanic consumer, you’re missing out on a tremendous opportunity.” ☒

