

SPEAK MY LANGUAGE:

Marketing to Latinos in the U.S.

No comprende.
¿Dónde está usted?
¿Hable usted español?
BUENOS DÍAS
¿Cómo se llama?
¡Repita eso por favor!

By Shannon Miller
Contributor

Ignore this influential customer base at your own peril.

While on hold when calling McDonald Marketing, a beautiful Spanish-influenced guitar is gently plucked, and the woeful singing of a Spanish love song, complete with *castañuelas*, or castanets, plays softly.

The Dallas marketing firm, which specializes in appealing to the Latino market, practices what it preaches: More than 80 percent of the employees at McDonald Marketing are of Latino descent, evident as the secretary answers the phone in a thick Spanish accent, clearly bilingual. With Latinos taking the place of African Americans as the largest minority group in the United States — one out of five people in the U.S. are Latino, according to a 2002 census — it's in the best interest of the aftermarket to pay attention to this fast-growing demographic.

Unfortunately, a number of distributors contacted for this story were still lagging behind in catering to Latinos.

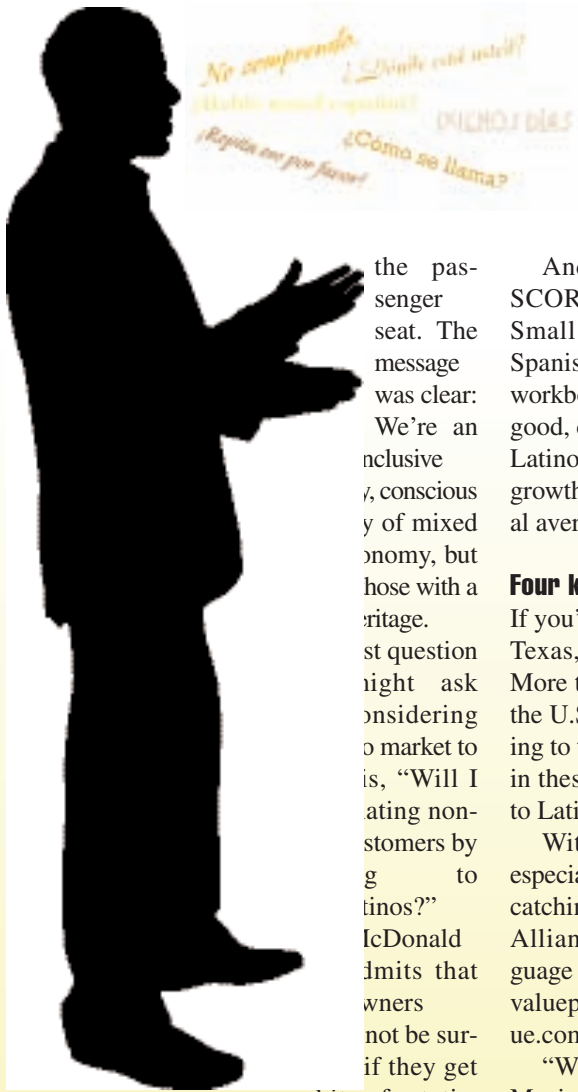
But for those who are interested, how can they begin to market in

a culturally relevant way to this audience?

Here are some compelling facts: Latinos spend 22 percent more on parts and accessories than non-Latinos. They spend 104 percent more than non-Latinos on vehicle audio equipment.

And, according to Kelly McDonald, president of McDonald Marketing, they bring cash with them when they shop. "Tell them how much, and they'll spend, no matter what the cost."

Toyota was one of the first notable companies to successfully market to both English-speaking and bilingual customers simultaneously during Super Bowl XL in 2006 with an ad promoting the new Toyota Camry Hybrid. The ad showed a man of obvious Latino descent driving the vehicle along a highway with his son in



the passenger seat. The message was clear: We're an inclusive, conscious economy of mixed income, but those with a heritage.

First question might ask considering to market to is, "Will I be attracting non-customers by going to Latinos?"

McDonald admits that owners not be surprised if they get a bit of static.

Face it, change is difficult. But McDonald reassures that "those who will voice an opinion are the vocal minority. Most people don't care. Marketing isn't about dealing with the world the way you want it to be; it's about dealing with the world as it is. No one is doing this to be nice. They're doing this to make money."

And do they ever make money. Nearly one out of 10 new vehicles sold are to Hispanics. In 2002, there were nearly 30,000 Hispanic-owned businesses in the United States with \$1 million or more in receipts.

"Culturally relevant marketing plans will become increasingly critical as the population becomes more diverse, and the buying power of U.S. Hispanics becomes more significant," according to the *Marketing and Advertising Review*. Marketing for Latinos isn't just affecting the aftermarket. Many brands, from fast food companies to airline companies, hospitals and automakers, have spent millions translating their advertising from English to Spanish.

Indeed, according to recent reports, AOL Latino, the leading Spanish language Internet service provider for U.S. Hispanics, and Autobytel Inc., an automotive marketing services company, announced a partnership to launch a new channel called *Automoviles* (Automobiles).

This new Spanish language auto channel, developed to provide AOL Latino members with comprehensive Spanish language car search and comparison tools, will include expert automotive content, dynamic data and tools and the ability to submit an online request to buy from a local Autobytel dealer.

And, in another recent release, SCORE — "Counselors to America's Small Business" — now provides a Spanish-language version of its popular workbook, *Small Business Basics*. This is good, considering there were 1.6 million Latino-owned firms opened in 2006 — a growth rate that is three times the national average.

Four key states

If you're reading this story in California, Texas, Florida or New York, take heed: More than 64 percent of all Hispanics in the U.S. live in these four states, according to the 2004 U.S. Census. If you work in these states and you're *not* marketing to Latinos, you're missing the boat.

With that in mind, many companies, especially those located in these areas, are catching on. The Aftermarket Auto Parts Alliance just launched a Spanish language version of its Web site (www.auto-valuepartes.com.mx or www.miautoval-ue.com.mx).

"We had a very big growth into Mexico. We knew we were not doing justice to the Spanish side of marketing," Steve Marks, senior vice president of marketing and advertising for the program group, says. The company recently hired Javier Martinez Jr. as the market manager for Mexico, who said creating a Spanish friendly Web site is a top priority for the group.

"We're certain that this new site will be received positively on both sides of the border, with all our Spanish-speaking customers in Mexico and the United States," says Martinez. On the site, Spanish users can get the same amenities as those using the English version, like pinpointing the nearest parts store, as well as VIN searches and job postings.

Starting with a multilingual Web site can be the first step in a bountiful marketing program.

Marketing to Latinos is an individual, often slow process that focuses on building long-term relationships, friendships and trust with members of the community. At AJS Auto Supply in Phoenix, half of its counter staff is Latino and speaks fluent Spanish, and president Jerry Conant says a lot of their customers can't speak English.

"We have a huge Latino business," says Conant, adding that in Arizona, the Latino market is one that "can't be ignored."

And his experience with the Latino buying habits backs up what McDonald had to say of Latinos as consumers. "They are very price conscious. They will buy quality if the price is right," she says. "We have a good rapport with them. With the Hispanic traffic, you've got to get and earn their respect. Once you've earned that, they're very loyal."

Conant points out a Hispanic trend that bodes well for retailers: "They're not afraid

to tackle anything. They're do-it-yourselfers. Go into any AutoZone on a Saturday and see who's working on their cars in the parking lots." This is consistent with the profile of this consumer painted by McDonald, who says this do-it-yourself mentality is a cultural trait. "The role as the male or head of household is, they're supposed to take care of their car," she notes.

Although Conant states that there's no special signage, there are American, Mexican, Canadian and Arizona flags in front of the store, which seems like all the signage necessary to make Latinos feel the company is welcoming to their business.

According to a U.S. Census report, 60 percent of Latinos here are U.S.-born.

While it might be apparent that marketing efforts definitely need to be a top priority for parts stores and repair shops where Latinos are a larger part of the population, those in other areas should pay attention, too. States with the fastest rates of growth for Hispanic-owned businesses between 1997 and 2002 include New York (57 percent), Rhode Island and Georgia (56 percent each), Nevada and South Carolina (48 percent each).

Surprisingly, many of those who were called for interviews still do not have any bilingual marketing plan in place. These locations were largely in the northern parts of the country, but a few in Austin, Texas, and Arizona did not have a marketing plan specific to Hispanic culture.

According to the 2004 U.S. Census, about 60 percent of Latinos in America are U.S.-born. They're described by those in

traffic, says McDonald. "They want a tricked out truck, one that gets them noticed," she elaborates. "They want you to look at them at the stoplight, to notice their truck, because this truck is a sign that they're making it in this country."

So with significant gains to be made by marketing to Latinos, and nearly nothing to lose, how do we begin tapping into this lucrative market? According to McDonald, begin by doing your homework.

First, you must be sincere in your efforts. McDonald says. "Don't do anything that you can't sincerely do. If you have fear and trepidation, don't do it. The consumer can sense a lack of sincerity."

Second, get an in-depth perspective on the Latino community where you live. Are they Puerto Rican or Mexican? Do they speak fluent English or primarily Spanish? One should also be up on the norms of the culture marketed to. McDonald offers one case in point about a marketing strategy that bombed when a company unveiled a promotional marketing strategy during Cinco de Mayo, the Spanish holiday celebrating the fifth day of May. The promotion was in Miami — largely Cuban in population. McDonald says, "They made a classic mistake of 'Oh, it's Spanish; therefore, it must be one-size-fits-all.'"

In 2005, Ford marketed the F-150 *Lobo*, or "the wolf," as a truck aimed specifically at Latinos, and it also unveiled the truck in time for Cinco de Mayo. The truck included several elements, including Lobo embroidered floor mats, 17-inch aluminum wheels, Lobo badging and a monochromatic bright red exterior. It also launched the advertising campaign with Latino celebrity Pablo Montero. Ford recognized the importance of accessories in Latino culture.

The bottom line is a marketing plan

When parts start speaking Spanish

The need to accommodate Latino culture goes well beyond dealing with Spanish-speaking customers. Now, parts and services are available to cater to your Spanish-speaking employees, too. Some diagnostic tool makers are offering multilingual readouts to their scan tools. Industry software provider Activant has a feature in one of its telephony systems that automatically routes Spanish-speaking customers to Spanish-speaking employees.

the marketing industry as being young, tech-savvy and upwardly mobile, with significant buying power. The average household income for Hispanics is \$45,700.

For Hispanics who come to the United States from a different country, "a vehicle — and not just a vehicle, but a truck — is a sign of success," says McDonald. As foreign-born Latinos become established in this country, the first thing they buy is a truck. And they typically do not want a homogenous truck that blends into

that appeals to many has a lot to gain. It's not about one specific industry or even one specific culture. It's about cultural awareness, being sensitive to the needs of many different types of customers, and this extends beyond just whether someone speaks Spanish or English. ■

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