

Charting a Course for Understanding The Multi-Cultural Latino



A HARTMAN GROUP AND MSL GROUP AMERICAS SYNDICATED RESEARCH REPORT 2013



For 25 years, The Hartman Group has provided the most insightful and relevant understanding on consumer motivations, behaviors, culture, and trends. *The Multi-Cultural Latino Consumer* provides timely new data, insights, and perspectives on one of the most influential segments of the consumer-driven marketplace. This report delivers the critical understanding to help companies think differently and plan strategically to more effectively connect with Latino consumers and, as a result, capture new market opportunities.

A large opportunity awaits those who chart a course for understanding the Latino culture

How do manufacturers develop products that resonate with Latino consumers?

How do marketers effectively communicate with Latinos? Are you speaking their language? Do you really understand the culture and market to them as distinct from other large demographic segments? What do you need to know about these most influential consumers?

According to U.S. Census Bureau data, the Latino population is growing at a rate much faster than most any other demographic group. Every 30 seconds a Latino turns 18. Furthermore, for the first time in U.S. history, babies of minority groups make up the majority of all babies born – due in large part to the Latino population. With a collective buying power exceeding \$1 trillion in 2010 (projected to grow to \$1.5 trillion by 2015), the ability to connect with Latino consumers in relevant ways is vital to future prosperity.

Yet it is a complex demographic segment to understand, one that does not identify itself as one group. The Latino population in America itself is composed of a diversity of cultures, not one uniform demographic.

The *Multi-Cultural Latino Consumer* report uncovers key points of understanding and offers meaningful ways to leverage these points into effective communication tactics for reaching the Latino consumer.

Latino Acculturation Model Groupings



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ABOUT THE REPORT

Report Length: General report (PowerPoint and PDF format) 91 pages. Set of standard demographic data tables in Excel format included.

Market Coverage: U.S. market

Release Date: April 2013

Price: \$15,000

METHODOLOGY

Integrated two-phase qualitative and quantitative approach:

- 1.) Quantitative: A national online survey conducted among 1,283 Hispanic/Latino-origin respondents (representing over 20 countries of origin) reflecting Hispanic/Latino U.S. adults (ages 18-64) and 413 non-Hispanic/Latino-origin respondents reflecting non-Hispanic/Latino U.S. adults (ages 18-64).
- 2.) Qualitative ethnographies fielded in Seattle and Dallas.

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REPORT OVERVIEW

Multi-Cultural Consumers

The Hispanic/Latino consumer is one of the most dynamic and rapidly growing consumer segments in the U.S. – one that many marketers, manufacturers, and retailers are clamoring to reach. With over 20 different countries of origin represented under the Latino umbrella (according to our research), a challenge exists – how to most effectively reach out to this broad and diverse audience?

After much scrutiny, we have determined that there are two key models of exploration that can be used to best understand – and, therefore, communicate with – this large and powerful cohort.

- **Model 1:** Acculturation is one method of analyzing the Latino consumer group. The acculturation model used in this study is an algorithm that incorporates language spoken at home, overall cultural identification, media habits, and years spent in the U.S. to determine where on the acculturation spectrum an individual falls. Based on this algorithm, we have determined the following groupings of Latinos: unacculturated, bi-cultural, and acculturated. While acculturation can explain how the identities, experiences, and distinctions of the Latino group living in the U.S. may change over time, it may not paint the full picture of this consumer group.
- **Model 2:** To help create a more robust picture of the Latino group, we turned to the idea of “multi-cultural” influences. Dimensions of this perspective include relationship with one’s country of origin (COO), knowledge of contemporary American culture, and participation in global cultural. The multi-cultural framework allows for an appreciation of how Latinos are just as much a part of the American fabric as any other consumer, a greater perspective on each level of acculturation that goes beyond simple demographic considerations, and an understanding of how shifts in global culture affect individual consumers and that these shifts are reciprocal – all cultures give and take with one another.

It is by exploring Latinos through both these frameworks that we have come to determine key aspects of the multi-cultural Latino. Some of these characteristics include: a common language, growing equality between genders, a more relaxed family structure, an increased focus on the individual, a greater awareness of personal boundaries, an emphasis on education as well as hard work, and an awareness of physical well-being. It is these shared differences that bring Latinos together. By identifying with other outsiders “like me,” they have created their own dynamic sub-culture within the U.S. consumer market.

Health + Wellness

Latinos are very aware of their health in that they are concerned about conditions such as pain, weight control, anxiety/stress, or cardiovascular issues – more so than the general population.

Latinos also place slightly more emphasis on the non-physical aspects of well-being than the general population. Having a definition of health + wellness that focuses a bit less on the physical gives Latinos more freedom to explore alternative health practices. This exploration varies by acculturation level in that consumers pursue over-the-counter medicines, prescription medications, foods, or alternative healthcare modalities at different rates.

The majority of all Latinos (64%) consider sustainability (concerns for issues such as the environment and social well-being) when making purchase decisions since their buying choices affect their world, children, peace of mind, and overall health + wellness.

Food Culture

There are three areas where food culture differences can be seen between Latinos and non-Latinos: fresh foods, eating occasions, and social eating.

- Freshness is a strong determinant of quality, and 82% of Latinos will readily seek out fresh foods. The embracing of packaged foods increases with acculturation. However, Latinos’ preference for fresh foods does not necessarily mean those foods are healthy; some food is consumed for “comfort” and less for “good for you.”

All three cultural influences shape perspectives on lifestyle and identity, and, thus, consumers’ purchasing decisions, product usage, and shopping behaviors.



“What does it even mean to be American? You have so many different cultures here. How can you define it?”

– Tammy (Country of Origin: Mexico)

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REPORT OVERVIEW (continued)

- Americans value dinner as the most important meal of the day, while the Latino eating culture more highly values the midday meal (comida) followed by a light snack in the evening.
- Latinos are also more likely to be eating socially with family or friends and less likely to be eating alone. Even those who have to eat alone because of various constraints (e.g., schedules, work, etc.) aspire to be eating socially whenever possible.

Local is important to Latinos, but it is important to note that local can signify items from their COO or the nearby geographic area, which connotes freshness and community support.

Latinos present a great opportunity for American brands. American products are a quick connection to contemporary American culture for unacculturated Latinos. For acculturated Latinos, they are a household standard, just as they are for the general population.

Dining out is where all Americans, including Latinos, really embrace and experiment with global flavors, which are usually foods they cannot readily put together at home.

Shopping/Spending

The U.S. has a plethora of retail options, and Latinos participate in all of them. Latinos are generally very comfortable with American retailers and their product offerings, but they also frequently visit their local tienda (store) to shop for specialty Latino items. While the Hispanic aisle at conventional “American” stores offers some items to Latino consumers, it is not, nor will it ever be, a replacement of the local tienda.

Among consumer segments, quality is more of a purchase factor for acculturated consumers, while price drives more purchase decisions for unacculturateds. Latinos – similarly to non-Latino consumers – question the ability of online retailers to deliver high-quality fresh/perishable foods. Given the priority Latinos give to fresh/perishable foods, this is a large obstacle, but one worth trying to overcome as Latinos are ready, willing, and very able to use the Internet for a variety of transactions.

Among personal care product shoppers, Latinos have great trust in American brands as they are perceived to work better than their Latin American counterparts and many of these American brands have a long history in their COO.

Social Media/Information Sources

Social media allows Latinos to have a connection to family and friends in their COO. Latinos will use social media to connect with brands/retailers – but only for cost/time savings. In addition, Latinos love their smartphones – emails, texts, or apps for smartphones have a high usage rate among Latinos.

Both English and Spanish language media are used, although Spanish media is used secondarily to English media for information. Latinos are less likely to follow American TV, radio, or print, but they will look to American online media.

Who is the multi-cultural Latino consumer?



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WHAT'S INSIDE: SAMPLE PAGES

Traditionally, acculturation has been the model used to explore the Latino culture in the U.S.

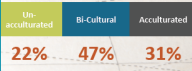
Ethnic groups living in America have long been explored through acculturation.

Acculturation has been, and still is, a very useful tool in understanding how individuals cross geographical and cultural boundaries; it's also an easy model for grouping Latinos – especially handy for marketing and governmental surveys.

The acculturation model used in this study is an algorithm that incorporates language spoken at home, overall cultural identification, media habits and years spent in the U.S. to determine where on the acculturation spectrum an individual falls.

Based on this algorithm, we have determined the following groupings of Latinos:

Latino Acculturation Model Groupings



We also started with the more conventional Acculturation model

	Unacculturated 22%	Bi-Cultural 47%	Acculturated 31%
Language spoken at home	97% Spanish dominant	58% Equally Spanish/English	86% English dominant
Media habits	88% Spanish only/mostly	58% Equally Spanish/English	98% English only/mostly
Years in U.S. (median)	97% foreign-born 5-9 years	60% foreign-born 20+ years	88% U.S.-born 20+ years
Overall Cultural Identification	91% closer to Latino	45% equally close to both	55% closer to U.S.

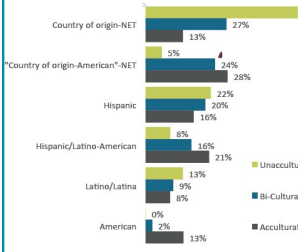
A6. What language do you usually speak at home? A7. Thinking of your overall cultural identification, would you say you feel...? A8. Thinking of your media habits, including television, radio, newspapers and magazines or the internet, would you say you...? How many years have you lived in the United States? Base: N=307-Acculturated, N=578-Bi-Cultural, N=398-Unacculturated

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COO is the most desired way to be identified, but not always the most practical

Preferred Term for Identification



Most Latinos prefer to be identified by their Country of Origin (COO); it is a source of pride and distinction.

Many Latinos feel that Mexicans are often seen as second-class citizens by the general American population. Although they do not agree with this assessment, Latinos from other COOs do not want to be stigmatized as well. By using their COO, they are sure to call attention to the fact they are not Mexican.

Unacculturated consumers are the most likely to use their COO to identify themselves; e.g., "I am Cuban."

As consumers become more acculturated, they identify more and more with America. However, Latinos rarely give up on their COO as a way to self-identify.

"COO-American" is the heavily favored phrase for both Bi-Culturals and Acculturateds. There are exceptions to this trend.

Mexicans have lower rates of using their home country as their preferred term (51% of all Latino unacculturateds use COO, but of Mexican Unacculturateds, only 31% choose Mexican). This may be an attempt to overcome some of the negative perceptions some Americans have of Mexicans.

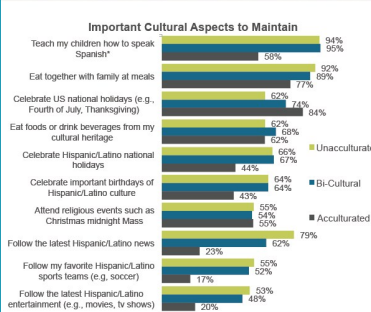
Latinos understand that identification by country is not always the most practical solution for various government and commercial organizations and have accepted the need to be grouped together...

Even fully acculturated Latinos often want to maintain a connection to their Country of Origin through their self-identification.

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Social and family events are important aspects maintaining a connection to one's Country of Origin



Family values are recognized in a variety of ways:

- Recognizing a large variety of celebrations
 - Large national (American) holidays
 - Holidays from Country of Origin
 - Celebrating religious holidays
- Using more intimate settings as a venue for enjoying family as well
 - Family dinners
- Indirectly supporting family values through:
 - Language
 - Food and drink

C1. Among the following aspects of your cultural background, how important are they to maintain or celebrate? Base: N=307-Acculturated, N=578-Bi-Cultural, N=398-Unacculturated. *Among parents only. Base: N=95-Acculturated (small base size), N=239-Bi-Cultural, N=136-Unacculturated.

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Country of Residence | U.S. media and values bring attention to the more measurable aspects of Health + Wellness

Latinos feel that Americans place more emphasis on the physical (diet and exercise) aspects of health.

As Latinos grow more accustomed to the American take on health, they begin to focus more on:

- Weight
 - Latinos are very aware of the obesity problem in the U.S. and how easy it is to become a part of it.
 - Easy to access packaged foods
 - Less physicality in day-to-day lives

In the U.S., health + wellness feels like a series of legal claims. - Thania (COO Mexico)



Latinos, especially more acculturated Latinos, are looking to reduce their intake of carbs/fried food and increase their intake of fresh foods while also making a concentrated effort to exercise.

Many Americans feel they cannot accept products at their face value and need to read labels in order to ensure they are indeed getting what they want. More acculturated Latinos do the same – trust (a highly regarded Latino value) starts to wane the more they are exposed to American culture.

*2. Are you or anyone in the household concerned with or trying any of the following health conditions? - Concerned (Preventing or Treating). Base: N=43-Non-Latino, N=1283-Latino. Significantly different at 95% confidence.

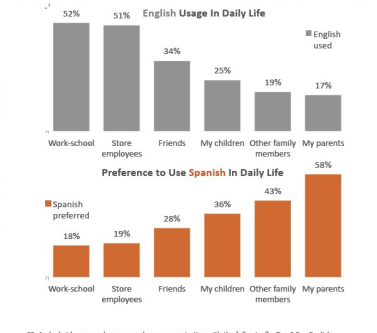
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Maintaining the language is important for cultural identity; Latinos are more likely to use Spanish around close friends and family

A shared language provides an immediate connection across a range of COOs and allows Latinos to easily engage with one another.

Speaking Spanish is preferred more when interacting with la familia, especially with parents (58%).



C2. And what language do you use when communicating with the following? - Top-2 Box English. C3. What language would you PREFER to use when communicating with the following? - Top-2 Box Spanish. Base: N=1283-Latino.

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"X" marks the spot: The pantry demonstrates the multi-cultural Latino's diverse food culture

Latino Preferences – fresh, homemade, represents their country of origin
 American Constraints – quick, convenient, brand names
 Global Experiments – flavorful, new, fun



American constraints and Latino preferences mix with global experiments to create a full and diverse pantry.

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