Understanding Hispanic USA

Ricardo Lopez reveals the cultural similarities and differences among Hispanic-American subgroups and explains the cultural values that motivate Hispanic consumer behavior.

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Articles about the U.S. Hispanic population appear frequently in the business and trade press, and most of the articles center on the astounding population numbers. The 2000 census reported 35.3 million Hispanics live in the United States—12.5% of the total U.S. population. From 1990 to 2000, the Hispanic population grew by 13 million people, which represents 40% of the total population growth during this period. If your clients have not yet asked about conducting research among Hispanics, it won't be long before they will.

Latino Purchasing Power
Companies all over the world are trying to tap into the skyrocketing U.S. Latino purchasing power. According to the University of Georgia's Selig Center (www.selig.uga.edu), Hispanic purchasing power stood at $452.4 billion in 2001—a 118% increase from 1990! Census information supports those numbers, showing the median income for Hispanic households in 2000 was the highest ever recorded. And as a group, U.S. Hispanics spend more money on consumer goods than people in most Spanish-speaking countries.

There is no doubt that the numbers are impressive; marketers can no longer ignore the Hispanic market. Many qualitative research consultants (QRCs) are finding that to serve their clients well, they need to include Hispanic participants in their research samples. While the U.S. Latino market's importance is receiving more recognition, this market is extremely complex and generally misunderstood.
A Multifaceted Market

The U.S. Hispanic market is not a cohesive group of people that can be easily defined. While 58% of the market is of Mexican origin, that Mexican segment alone is diversified. It includes Hispanics who have been in this country for more than seven generations and many others who have immigrated just recently. There are at least 19 other Latino subgroups who have very little in common. At the most fundamental level, even language can vary widely. Geography, age, and acculturation only muddle the picture further. At the same time, Hispanics as a group share common traits, and most importantly, Latinos in this country consider themselves to be members of the group.

While Hispanics in the United States acknowledge their presence in the “Hispanic community,” it is worth noting that they did not belong to this community before coming to America. Marketers and researchers are often surprised to learn that there are no Hispanics outside of the United States. In Colombia there are Colombians, in Mexico there are Mexicans, and so on. Residents of Latin American countries do not consider themselves Hispanic. In fact, the term “Hispanic” itself is an American term. In our zeal to classify people, the term was created for research purposes. While the word literally means “from Spain,” the meaning we attach to the term was created by researchers. In spite of that, we cannot deny that there is a true Hispanic community in North America united by strong similarities in values and behavior.

How then, should we define “Hispanic”? It is easier to define what it is not. It is not a race, yet the confusion between race and ethnicity originated with the first uses of the term. Many in research, and particularly the U.S. government, used the term in questionnaires as a race classification. To this date, marketing research professionals, members of the press, politicians, and people who came to believe that “Hispanic” is their race, use the term in that fashion. The U.S. Department of Commerce, however, corrected itself many years ago and no longer includes Hispanic as a race classification in the census. Perhaps the confusion stems from the fact that many people of Latin American origin exhibit mixed-race characteristics.

Ethnicity vs. Race

The racial origins of most Hispanics are Caucasian, Native American, black, or a mix of all three.

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Other races such as Asian also exist in the Latino community. Ethnicity, however, is more important than race. From a marketing perspective, race is only a physical characteristic—not too different from other traits like eye color or height. With the exception of beauty products designed for a specific type of skin or hair, very few products target a race. Ethnicity, however, does define population segments based on their culture and behavior.

Common Values
We think of Hispanics as a group because of strong common traits among the Latino subgroups. Some traditional and colonial Spanish values transcend the different Hispanic cultures. The family, for example, forms the nucleus of Hispanic life, regardless of the country of origin. Hispanics also tend to be conservative and traditional in their cultural lifestyle. They are England, Jamaica, and South Africa, Latinos from different parts of the world speak Spanish with different parts of the world speak Spanish with different accents and dialects. And just as the culture in these countries may be as different as the English-speaking countries mentioned above, that fundamental link of language brings people together. At a deeper, almost unconscious level, language carries with it unifying cultural traits, brought about, for example, by colonization (which is how many countries adopted a particular language in the first place).

Some of these commonalities that link Hispanics may be familiar, but to truly understand the market, you must also understand why Hispanics behave the way they do. As with any subcultural group, Hispanics have clear-cut differences that set them apart from the general population. Trying to predict Latino behavior based on non-Hispanic market information is a recipe for disaster.

Ties to the Homeland
With the exception of Cubans who fled to the U.S. for political reasons, the majority of today's Hispanic population came, and continue to arrive, in search of financial stability. These immigrants see this country as the land of economic opportunities. In contrast, early European immigrants to the U.S. set out with a profound determination to start a new life without looking back. Once they got on the boat to America, many broke their ties with their homeland. Due largely to affordable air travel, today's immigrants can take a step into the U.S. while keeping a foot firmly anchored in their country of origin. Latino immigrants have more ties to their country of origin than any prior immigration group, and modern communication technology makes these bonds even easier to maintain. The dreams and behavior motivators of today's Hispanics are clearly tied to their country of origin.

As an example, let's look at the mindset of today's typical Mexican immigrant. The Hispanic population increased by 57.9% from 1990 to 2000, and 53% of that increase was fueled by people of Mexican origin. Most Mexicans move here with the idea of staying only temporarily. They are in constant communication with their relatives in Mexico, and they travel back often because transportation is inexpensive and readily available. Mexican Americans can also stay abreast of everything going on in their homeland by watching Mexican programming on U.S. Spanish-language television.

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more likely to subscribe to traditional gender roles in the family: the woman stays at home and manages the household, while the man provides financial support.

Another trait is the common desire of Hispanics to belong to a group, which they use as part of their identity. Puerto Ricans often fly the Puerto Rican flag as a sign of solidarity with their Puerto Rican community. Mexicans are in the fan community of their favorite soccer team. Cubans unite and exercise political influence in support of the embargo. In general, Latinos feel connected to the U.S. Hispanic community and respond positively to marketing programs that help their community. Yet after September 11, Latinos in the U.S. experienced a strong feeling of patriotism; many set aside their solidarity as members of ethnic sub-communities to experience a broader sense of belonging to the American community as a whole.

Spanish Language As a Link
Though these may seem almost stereotypical, other similarities include religious beliefs, a general easy-going "Latino" attitude, and language. Just like English is spoken differently in
Acculturation
In many cases, Latino males arrive in the U.S. first. Their plan is often to make enough money to return to their families in Mexico. As time goes on, many men find it more feasible to bring their families to the U.S. while continuing their pursuit of financial independence. Even at this stage, many new immigrants still dream of making enough money to retire to their homeland. The reality, however, is that most end up staying in the U.S. Once they live in this country for a few years, they tend to release those bonds with their country of origin by strengthening ties with a new homeland. We call this process acculturation. Hispanics want to feel that they belong to their communities. As time goes on, Latinos start to feel more American as their connection to their American community grows. These new ties strengthen when new immigrants have children born in the U.S. Their aspirations begin to change.

It is usually the Latino male who starts the process of acculturation. The woman traditionally stays at home and works hard to maintain the family’s Hispanic heritage. This balance of seeking a sense of belonging in the U.S. while simultaneously maintaining their Latino culture and traditions is paramount among Hispanics. The males are often the breadwinners—and are typically the family member who learns to speak English at work. In many cases, they have also been here longer and are more likely to understand American culture than their wives. The family sees the men as more “in tune” with the way things work in the U.S., deferring business decision-making to them. These Latino men, however, are often young and inexperienced. Their financial decisions are not always sound, and many must learn how to manage money through difficult life experiences.

The Hispanic American Dream
Many Hispanic immigrants know little about spending and using money or credit, which is not
something they faced in their country of origin. As more companies start to market to Latino consumers, many Hispanic families are beginning to fall into the credit card trap. Latinos often spend money, and use credit to buy things that make them feel successful. For these immigrants, feeling financially successful is very important. This idea of success is what I call the “Hispanic American Dream,” a dream that is largely based on monetary fulfillment.

The emphasis on financial success is key in understanding the Latino community. Coming to the U.S. entailed sacrifice, and Latinos made that sacrifice in order to live a better life and to provide a better life for their family. That better life is usually defined from a material standpoint. For this reason, Hispanics are extremely concerned with appearances; therefore they will do what they can to make it appear that they are well on their way, even if their vision of the American Dream has not yet been fulfilled.

The appearance of financial success manifests itself in many ways. Many Latinos spend money on products that are impossible to afford in their homeland, such as consumer electronics including large-screen TVs, DVD players, home computers, or expensive cell phones. In addition, many new immigrants buy their own house as a symbol of success to show relatives visiting from home.

Appearances are not always external, however. To achieve the Hispanic American Dream, Latinos must also convince themselves that they made the right decision in coming to the U.S. They do it by purchasing only the finest products and services. Brand loyalty is extremely high partly because Hispanics want to feel that they can truly afford the best, which is a point of pride. Second- and third-generation Hispanics learn the importance of appearances from their family, perpetuating the desire to achieve the Hispanic American Dream.

But even with all their apparent success, many Hispanics may never believe they’ve attained their dream. Even with success in front of them, Latinos may not view themselves as successful but will continue work very hard to reach their goal. Often their aspirations are for something that is far into
the future. In fact, many Latinos focus less on themselves and instead sacrifice for the future success of their children. As a result, they may never realize their own successes.

Other factors, such as age, the time an individual has lived in the U.S., and the level of acculturation, affect Hispanics' aspirations. For example, young Latino men who recently immigrated are less concerned with the future than older Hispanics. These younger men typically place a great emphasis on material possessions and focus on short-term gratification.

While most Hispanics decide to stay in the U.S., some have buried their dreams of returning home in an attempt to appear successful—in spite of significant longing and nostalgia for their homeland. Yet, as the Hispanic community in this country matures, those feelings are changing. More and more Hispanics fully identify with being an American and see the U.S. as their true home. Today’s Hispanics are well established in the American infrastructure and are becoming increasingly active in politics—without compromising their heritage and culture. Instead of melting into the pot, Hispanics are changing the looks of the pot.

As Hispanic culture filters into mainstream American life, some would argue that tacos, black bean soup, fajitas, margaritas, sangria, and dulce de leche ice cream are now truly part of the American cuisine. Hispanic entertainers such as Gloria Estefan, Ricky Martin, Marc Anthony, and Jennifer Lopez are pop culture icons. Sports lovers have watched many Hispanics who have followed the footsteps of Roberto Clemente to become American sports idols. It's impossible to ignore—Hispanics are truly a part of American culture.