

## **Hispanics' Brand Loyalty is Marketers' Dream**

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ol-GAH-tay.

That's how Colgate is pronounced in Latin America, where the familiar U.S. brand is often used as a generic word for toothpaste, whether or not it says Colgate on the tube.

That's enviable brand recognition for Colgate not only in Latin America, but also in the United States where a growing tide of Latin immigrants brings all kinds of consumer loyalties from home.

Studies show that brands are more important to Hispanic consumers than other groups. More importantly for marketers, Hispanics are more brand loyal.

This, said Gary Berman, chief executive of Market Segment Research, is perhaps due to the narrower range of product choices and marketing messages that reach U.S. Hispanics, as well as brand equity from home countries.

"They're much more brand conscious," he said. "They perceive branded products as superior, and they're willing to pay more for a branded product because they want to provide their families with the best."

This is especially true among less acculturated Hispanics, who tend to adopt more general-market consumer behaviors, such as buying more generic store brands, as they become more integrated into U.S. society.

That means even marketers who have a leg up with brand equity from Latin America must strive to keep that loyalty.

"Equity from the home country is a tremendous benefit to marketing the brand here," said María Madruga, president of MASS Promotions, which handles Hispanic marketing for Knorr food products. "But that equity can be eroded quickly and substantially by brands here in the U.S. There are too many other competitors to rest on the laurels of the brand in Latin America."

Brand loyalty is just one of a number of Hispanic consumer patterns that veer from the general market. Recognizing them, experts say, is key to tapping into the burgeoning buying power of Hispanics.

The University of Georgia's Selig Center for Economic Growth estimates Hispanic purchasing power was \$580 billion in 2002. By 2007, it is projected to hit \$925.1 billion.

Luckily for marketers, shopping is an important activity for Hispanics, who look at it as more of a family entertainment experience, Berman said. They are more likely to take family members with them shopping, buy more on impulse, and spend more due to their larger, younger families.

Marketers say aroma can help sell a product to Hispanics too. "Fragrance is really important. Sixty percent of Hispanics smell a new product before buying it," said

Sally Rivera, director of ethnic marketing for Colgate Palmolive, at a recent conference.

That behavior suggests why Hispanics are such high consumers of fabric softener. In addition, they value cleanliness highly and wash clothes more frequently, Berman said. The lesson: Those behaviors could translate into promotional hooks for detergent marketers.

Hispanics also prepare more meals from scratch than other groups. That's a tendency that Knorr appeals to by using Chef Pepín, a Latin TV chef, to endorse its product line.

Madrugá said Knorr's slogan "Tú pones el amor, Knorr pone el sabor" (You put in the love, Knorr puts in the flavor) also appeals to an ingrained sentiment in Hispanics of all origins: Food is a way to express love.

"It's the essence of why the Hispanic female cooks a meal and derives satisfaction from that," she said. "It's that extra special little sazón [seasoning] that you give to your black beans and that makes Mom's black beans unlike everybody else's."

Recognizing that acculturated Hispanics like the general market eat more ready-to-eat foods, Knorr is now rolling out a new heat-and-serve product, Creamy Soup, in bilingual packaging to target this growing segment.

While Knorr has a leg up with U.S. Hispanics because its bouillon cubes and soup packets are widely used in Latin America, many marketers don't have that advantage.

Take Brown and Forman Beverages Worldwide, which is making a big push to tap the Latino market for its quintessential American bourbon brand, Jack Daniel's.

"First of all, it has to counter Jack Daniel's prevalent image as 'a redneck drink for rock 'n' roll people,'" said Patricia Vasconcelos, the company's East Coast Hispanic marketing manager. "We have to build the brand differently for professional Hispanics ages 21 to 30."

Besides advertising in Spanish, the brand is trying to be attuned to Hispanic cultural cues. For example, liquor store posters point out that like many Hispanics, Jack Daniel's roots are planted in a small, rural town. "No one care if it's Lynchburg, Tennessee," Vasconcelos said. "We're trying to find the similarities to say 'It's for you.'"

The company is also heavily promoting the brand through events such as the Latino Comedy Series, featuring Latin comedians. It was recently held in New York and is slated to come to Miami in September. This summer the company is also planning a Rock en español concert series in New York.

Ford Motor Co. takes a very regionalized approach to Hispanic marketing. "We look at registrations and the Hispanic subset of surnames, as well as retail sales," said Joe Zubizarreta, chief operating officer of Zubi Advertising, which handles the account. "Then we can regionalize messages and know where to push specific products."

If registrations of competitors' trucks are up in Dallas, for instance, Ford gears up its

campaign in that area.

Depending on the vehicle, Ford's Hispanic campaigns can differ quite a bit from the general market. The F-150 pick-up truck is marketed to Hispanics as a family vehicle, tough yet spacious and comfortable. For the general market, Zubizarreta said, it's viewed primarily as a work vehicle. "Toughness" is the chief promotional message.

Similarly, the Focus is viewed by the general market as a "kid's car" -- for college students and young adults. "For Hispanics, it can be a first new car purchase, a car owned by a young family," Zubizarreta explained.

Hinging marketing campaigns on such sensibilities can go a long way to building new brands with Hispanic consumers. "You have to look at the whole culture -- what's important and what is the priority," Madruga said.

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