

The Whole Enchilada

How to gain a better understanding of the fast-growing Hispanic market

By *Betsy Wiesendanger*

Meet José Gomez. He's one of the 35-million-strong group of consumers you'd better get to know in the coming years.

Born in Cuba, he came to the United States in 1962 through a program called Operation Pedro Pan (so named because Peter Pan took the three Darling children away to Never-Never Land.) Gomez's parents, fearing for the safety of their children under the new Castro regime, sent José, then 11, and his six-year-old brother to live with a family in Fulton, NY. Eight months later, his parents managed to escape with his toddler sister, and the five of them relocated to a relative's home north of New York City.

Education was important in the Gomez family. "It was the only way to get ahead," says Gomez. He studied, improved his English, and by the time he was 17 was admitted to prestigious Columbia University. While in school, his aunt and uncle kept urging him to meet the Cuban daughter of a friend of theirs, who had also immigrated. They met, dated for five years and soon after Gomez graduated with a degree in pharmacy, married in 1974.

Gomez worked hard, saved money and was soon able to buy a small commercial building in Port Chester, NY, a town heavily populated by Central American immigrants. There he opened up his own store, where today at age 55, he still puts in a nine-hour day seven days a week. "I don't buy a lot of stuff," he says, but he does enjoy restaurants and travel – he and his wife have journeyed to Spain, Hong Kong, Australia and Tahiti.

If you were selling to Gomez, what, if anything, would you do differently?

Your answer may well determine your ability to tap into the biggest growth market of the next decade. If you are like a lot of salespeople, the information in the 2000 US Census was your wake-up call – a big wake-up call...as if a million NoDoz tablets were dropped into your coffee cup. Suddenly, everyone sat up and took notice of the fact that the Latino population was muy grande, making up 12.5 percent of the total population. By 2010, the Hispanic population could well be the second largest racial and ethnic group in America, lagging behind only whites, according to census projections.

Peso Power

Hispanic purchasing power is also increasing faster than any other minority group in the United States, according to the Selig Center for Economic Growth. Hispanics' buying clout more than doubled from \$223 billion in 1990 to \$580.5 billion in 2002. By 2007, that number could top \$926 billion. The center also notes the US Hispanic market is already larger than the entire economies of all but 11 countries in the world. By 2007, it may exceed the gross domestic product of Canada, the eighth largest economy in the world.

Those numbers haven't gone unnoticed by sales executives. "I haven't heard any company or person talk about marketing today where they don't mention the Latino community," says Fred Siegman, a Chicago consultant who specializes in helping clients build strategic relationships. Yet not enough salespeople are really aware of how to sell to this market, maintains Gary Berman, chief executive officer of Market Segment Research, a multicultural research and consulting firm in Coral Gables, FL. Some reps are put off by the fact that Hispanic consumers tend to bring the whole family along for a major purchase, such as a car. Hispanics are also less likely to ask questions and challenge the salesperson, which leaves the salesperson wondering what the Hispanic customer is really thinking.

So what's a salesperson to do? Many, like real estate broker José Ubaldo Jaramillo, make seismic shifts in their selling techniques.

Jaramillo's firm, Tarbell, Realtors, operates in pricey Irvine, CA, where single-family homes start at \$600,000, and condos go for \$300,000 and up. The vast majority of his clientele – 80 percent to 85 percent by his estimate – is Hispanic. Many weren't born in this country and tend not to be knowledgeable about the steps involved in home buying, he says. "They think that I do everything, including providing loans," he says. "They don't understand that they have to go to a bank for that." As a result, he spends much more time walking them through the purchase process. In addition, foreign-born Hispanics often don't have good credit – or even a bank account – which means he's got to do greater due diligence on prospective buyers.

On the flip side, Jaramillo's sensitivity to the needs of Hispanic customers has helped him build a competition-proof clientele. "They might get a better price somewhere else, but they're afraid to go that channel," he says. "They want to develop a bond in

their own language.”

Personal Preferences

Not every rep sees the need for a radical change in selling approach when dealing with the Hispanic market. Oscar Piña, a financial advisor with MetLife in Coral Gables, FL, doesn't vary his style according to the ethnicity of his client. "People's financial concerns, whether it's retirement or education, are all the same," he says.

He may, however, emphasize certain products over others. Because Hispanics may be family-oriented, they tend to buy more and bigger life insurance policies, he says. Because they usually care for aging parents themselves – rather than relying on health-care facilities – long-term care insurance is a more challenging sale. "They don't perceive it as something they would use, because their parents would live with them, or the children would come together and pay for the cost," he says.

For other reps, the adjustments are subtle. Al Barrenechea, who runs his own export consulting firm, Global Pathways LLC, spent 10 years selling enterprise software in Latin America and the United States. While calling on PepsiCo's US headquarters, he noted that one of his contacts there, the CIO, was from Puerto Rico. Mindful that Hispanics tend to take more time cementing a relationship before moving forward with a deal, Barrenechea engaged in more than the usual amount of small talk and invited the CIO to play tennis. Barrenechea feels his nod to the CIO's background "gave me a way in, definitely," he says.

Clearly, Hispanics are not a homogenous market. Some prospects will appreciate your efforts to accommodate language and cultural gaps. Others may be insulted by your assumption that they are somehow different. So how can a salesperson do the right thing?

Play Your Own Game

First, realize that you may not have to vary your game at all. Large portions of the Hispanic population were born in the United States and grew up speaking English. US Census Bureau figures show that 61 percent of Hispanic adults were born here. Another study, done by ACNielsen Homescan, revealed that more than 40 percent of Hispanics over age 18 are either bilingual or prefer to read and write in English. In the B2B market in particular, highly placed executives will likely have worked hard to erase their accents and adopt American styles of dress and behavior, so you may not have to adjust your approach.

When entering a new situation with a Hispanic customer, however, it's still a good idea to have your antennae out. "To be successful, you've got to assume that everything you do, from the way you walk in and greet people to the way you close, might have to be changed if you're going to be effective," says Monica Francois Marcel, a partner with Language and Culture Worldwide, a Chicago cross-cultural training firm. For example, most salespeople are told they should look a prospect in the eye because it communicates trust. Eye contact in Latin American cultures, however, can actually show disrespect, says Marcel. Hierarchy and authority are also much more important among traditional Hispanics, she says, as opposed to American and European contexts in which what you've accomplished, rather than who you are, is what counts.

"A Latin American person would take an environmental scan and figure out where do I stand vis-à-vis this other person? And how should I be behaving?" she says. For example, if you're meeting four people at once, it would be smart to seek out the senior person and treat him or her with more deference. "To many Americans, that seems like a waste of time," says Marcel. "But it will actually make the sales process much smoother."

As for other differences, Hispanics place much more emphasis on relationship development. "Anglos just want to get the info," says Gary Berman of Market Segment Research. "They don't want to be 'sold' proactively, and they might have already done a lot of homework. Hispanics, on the other hand, are just the opposite. For big-ticket B2B sales, you may be expected to spend much more time socializing outside the office, by going to the prospect's home for dinner, for example. Any attempt to skip the niceties or close a quick deal will be seen as a rebuff.

Gender Bender

Gender roles are also more marked than in Anglo cultures. If you are a woman and a Hispanic client effusively compliments your appearance or asks about your children, it's tempting to think, Whoa! This guy is getting way too personal, too fast. In fact, Marcel says, "This kind of thing is often a precursor to a business relationship."

Perhaps the best advice of all comes from Freddie Torres, a Chicago account executive with office products giant Corporate Express. A fourth-generation American, Torres is still keenly aware of his Hispanic heritage and is now starting up a networking group for Hispanic salespeople. On the job, he lets clients take the lead. "If they're polished and professional, that's how I try to come across. If they're a little more laid back and talk about where they grew up and how rough it was, I'll definitely let a story out about growing up on the south side of Chicago. It's situational." Whether you're dealing with Hispanics or not, you can't go wrong with that. •

Research Sites

- The Census Bureau, www.census.gov
- Market Segment Research, www.marketsegment.com

- Selig Center for Economic Growth, www.selig.uga.edu
- ACNielsen, www.acnielsen.com
- Language and Culture Worldwide LLC, www.languageandculture.com