

Understanding the Cultural **Diversity of US Hispanics** and Their Shopping Habits

ARTICLE

Lucy Koch

riven by gains in education and greater access to financial resources, the estimated buying power of US Hispanics is poised for growth. But Hispanic consumers and their shopping habits are often misunderstood or overlooked by marketers.

US Hispanics are digitally driven shoppers. We forecast that 68.6% of US Hispanics ages 14 and older will make at least one digital purchase in 2019-just slightly lower than the figure for the total population, 71.5%.

White	73.19
Asian	70.6%
Black	69.7 %
Hispanic*	68.6%
Other**	64.1%

US Digital Ruver Penetration by Race/Ethnicity 2019

Note: ages 14+; digital buyers are internet users who have made at least one purchase via any digital channel during the calendar year, including online, mobile and tablet purchases; *can be of any race; **includes Native Americans, Alaska Natives, Hawaiian and Pacific Islanders and bi- and multiracial individuals Source: eMarketer, May 2019 248786

www.eMarketer.com



The mobile orientation in Hispanics' digital usage is evident in their ecommerce activity. But that's not to say they have abandoned PCs for making purchases. In Q1 2019 polling by GlobalWebIndex, US Hispanics were more likely than non-Hispanics to have made a recent purchase via mobile, and less likely to have done so via desktop/laptop. However, the difference was not substantial.



Regardless of device, Hispanics are more apt to buy if a bargain is involved. GlobalWebIndex identified the top "online purchase drivers" among Hispanics as free delivery (63%) and coupons and discounts (50%). Bargain-hunting tendencies are likely rooted in Hispanics' frugality when it comes to spending.

"While US Hispanics don't necessarily have a stronger propensity compared to the general population, they are more cautious about incurring debt," said Mario X. Carrasco, co-founder and principal of ThinkNow Research.

"[Hispanics] spend a lot more money on food and entertainment, but don't spend as much on big-ticket items—things that tend to eat up a lot of the income of other ethnic groups," added Jose Villa, president of marketing agency Sensis.

He noted that Hispanic millennials are a bit of an anomaly in terms of their spending habits, as they are more likely to get into debt and willing to spend more, but this spending pattern doesn't hold true for



millennials' younger counterpart. "We're seeing Gen Z revert back to older perspectives, like those shared by Gen X and boomers; they're much more similar in their frugality."

Understanding the spending patterns of Hispanics is important for marketers eager to tap into this large and lucrative market—but their messaging often misses the mark. For one, language is a useful way to ingratiate a brand with Hispanic shoppers. According to Simmons Research's "The State of the Hispanic-American Consumer 2018," Hispanics who predominantly speak Spanish were especially receptive to Spanish language in advertising. But Spanish in that context also had a sizable constituency among Hispanics who predominantly speak English.

For example, 53% of Spanish-dominant and 27% of English-dominant respondents endorsed the statement: "When I hear a company advertise in Spanish, it makes me feel like they respect my heritage and want my business." Similarly, 50% of Spanish-dominant and 24% of English-dominant Hispanics declared themselves "much more loyal toward companies that show appreciation for our culture by advertising in Spanish."

But marketers shouldn't assume that there is a one-size-fits-all approach to reaching these shoppers, or fall into the assumption that Spanish-language messaging is enough.

"Many times when marketers think of Hispanics, they think Spanishlanguage marketing, but I think that paradigm really has to go away," ThinkNow's Carrasco said. "If we're going to have to split into a binary view of Hispanics—one that is more useful than language is foreignvs. US-born—because that reveals more insight into how Hispanics view themselves, how they spend and their purchases habits."

When marketers aren't alert to all of these cultural nuances, it can reflect the absence of a patient, long-term approach to the market. "A lot of companies go in and out too quickly," Villa said. "And particularly for those in industries that have not historically reached out to Hispanics, it is a long game. It's a marathon, not a sprint."

