Segmenting Hispanics: The Next Iteration

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Typically marketers divide their "target" audiences in segments in order to make better use of their marketing resources. Instead of a blanket approach to reaching the entire public, marketers attempt to divide their customer and potential customers by subgroups. By dividing their audience they can customize the way in which they will reach each group, both in terms of the media they need to use and crafting the messages that are more relevant to them. So, for example, a typical segmentation would be composed of groups like "Dedicated home-makers," "Active young professionals," "Outdoor matures," etc. This type of segmentation is defined by lifestyle or something that is different about the preferences and activities of these segments or groups.

Hispanic segmentation, however, for many years, already, has been based on acculturation almost exclusively. Acculturation is the process by which individuals acquire a second culture, and in this case the culture of the United States. This made sense historically because there were only 10 million Hispanics in the US in 1980 and now there are about 45 million, thus the majority of the growth for over twenty years was due to immigration. Immigrants, obviously, need to adapt to their new culture, to acculturate. That is why the emphasis was on segmenting Hispanics as immigrants who were acquiring a second culture.

This view sometimes had a built in bias because it assumed that moving from being Hispanic to becoming part of the "American" mainstream was an aspiration and a good thing. Thus there have been segmentations that talk about Traditionals, Transitionals, and Assimilated. That type of nomenclature suggested that Hispanics improve as they become part of the receiving culture.

Usually segmentations have been linear and thus precluding the possibility of Hispanics being part of both worlds at the same time. That is why a bidimensional segmentation model became popular in the 1990's. The traditional linear model can be illustrated as follows:

LINEAR MODEL

Traditional Hispanics → **Assimilated Hispanics**

This model only allows the consumer to be classified as going from the culture of his/her country of origin to the culture of the United States. The diagram below illustrates a bidimensional approach to acculturation segmentation:

BIDIMENSIONAL ACCULTURATION MODEL
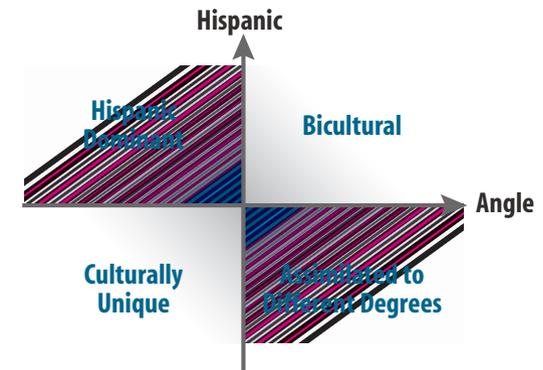
This latter segmentation has rendered very useful results. However, now that Hispanics are increasingly born in the US and proficient in the English language, new segmentation approaches need to emerge. That is because the characterization of Hispanics as speaking Spanish vs. English is becoming less relevant than ever before. Between 65% and 75% of US Hispanics speak English well or very well.

At the same time, the issue of whether Hispanics are new immigrants or not is also becoming less relevant. These distinctions are not obsolete, but have become less pronounced in characterizing Hispanics. It is their culture and how they live their life that makes them different. How they use their time? What products do they consume? What is their family life like? What entertainment are they exposed to? These are questions that need to be added to new and more useful segmentations of Hispanics.

So, for example, there are young Hispanics who are more educated and heavy consumers of fashion and music, but who still feel very much part of their heritage. There are young aspiring professional women who are sports oriented, and still claim to be Hispanic. There are older professionals that are Hispanic at home and very much part of the US elite in the business world. There are many other segments I could profile for you here. The point, however, is to illustrate the need for future segmentations to include, besides acculturation variables, more lifestyle differentiators that will allow the marketer to better reach and connect with specific groups. More refined approaches are needed.
In fact, it could be argued that an overall segmentation of consumers should include cultural insights about Hispanics and other culturally unique groups. This way, one could determine the extent to which Hispanics, for example, dominate specific lifestyles. This approach, however, does require cultural knowledge and understanding. It cannot be a measuring scheme that assumes homogeneity but it is rather informed by cultural insights and knowledge.

The moral of the story is that culture is now the most important point of connection in marketing to Hispanics, beyond language, and number of years in the US. We need more powerful tools to differentiate increasingly sophisticated Hispanic consumers. A combination of acculturation, lifestyle, consumer behaviors, and attitudinal variables is likely to do a more useful job.