



## 10 Reasons Companies Fail to Reach Latinos

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In my experience working with Fortune 500 companies, I have found 10 reasons why management teams fail to capture a significant share of Hispanic consumers.

### 1. *There is no company-wide alignment on making the Hispanic market a strategic initiative*

Halfhearted efforts result in failure because they lack the rigor and discipline applied to every other aspect of the company's business. For example, when entering an emerging market for the first time, a company conducts qualitative research to uncover customer insights that leads to innovative new products and services, followed by quantitative research to confirm, clarify and measure results.

This is routine practice when deploying a high impact go-to market strategy in an emerging market, yet many U.S. companies today cannot get their minds around an emerging market within their own borders.

### 2. *Companies fail to allocate a minimum level of resources including budgets, people and time*

Making this a "nice to have" budget item won't work.

### 3. *Companies fail to treat Hispanics as a true emerging market*

Many Fortune 500 multinationals have invested wisely in pursuing business in Brazil, Russia, India, and China – markets with large populations, growing economies and consumers starving for western products and services. Yet they ignore the U.S. Hispanic market, which will soon become one of the 10 largest economies in the world.

According to the U.S. Census, Hispanic purchasing power will exceed \$1.5 trillion by 2015 – only nine economies in the world are larger. If Hispanic-America were a nation, it would be a member of the G-20. In fact, Hispanic-America's purchasing power per capita (at \$20,400) exceeds that of each of the four BRIC countries – Russia (\$15,900), Brazil (10,800), China (\$7,600) and India (\$3,500).

That is an emerging market worth pursuing.

### 4. *Not establishing clear return on investment metrics to track opportunity and progress*

Companies must use both internal and external resources to monitor every aspect of their Hispanic business, from procurement to human resources to product development, marketing and sales.

### 5. *Not selecting the right product or marketing mix*

Companies must do the research it takes to properly size up the opportunity and define the right product and marketing combo, and spend accordingly.

### 6. *Not investing in the human talent and research tools it takes to understand this unique consumer*

Segmenting Hispanics simply by language preference and acculturation is not a best practice, but it's what most companies do. There are several outstanding firms that specialize in understanding and reaching the Hispanic consumer; they can help companies develop a winning strategy.

*7. Lack of innovation*

Most consumer products companies have robust R&D teams. As insight into the Hispanic market becomes more focused, these teams can develop new products or revise existing ones to attract Latino consumers.

*8. Having a short-term view with unrealistic expectations about outcomes*

Successful companies deploy a long-term strategy, adjusting and refining it based on results against realistic milestones. This insures continued market growth and sustained profitability.

*9. The absence of a Hispanic link in the value chain*

From supplier diversity to recruiting Latinos at every level of the organization, the company's Hispanic business strategy should be holistic and all-encompassing. Whether it is in the makeup of the board of directors or the company's social responsibility initiatives, the Hispanic consumer and the Latino community overall must be part of the entire value chain.

*10. When companies only see the Hispanic business model through a marketing lens*

Hispanics are not only consumers; they are preferred manufacturers and vendors, dedicated employees, active community members, and yes, loyal consumers.

Companies that avoid these pitfalls will realize a much higher return on their investments in connecting with this growing emerging market – right within our own borders.

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