

SOUTHERN CALIFORNIA HISPANICS: SEGMENTATION POSSIBILITIES

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Depending upon the estimate, there are currently between 19 and 23 million Hispanics residing in the U.S. At the current pace, Hispanics will likely constitute the largest minority group in the U.S. by as early as 1985. To say then that Hispanics represent significant marketing potential is only to understate in the most extreme of ways. And what is true for the country is even more accurate for California, where more than 30% of the total U.S. Hispanic population resides.

In order to gain first-hand and current information about Hispanic consumers, a field survey was conducted during Summer, 1981. A total of 359 interviews, all conducted in East Los Angeles by trained bilingual interviewers, were completed. Results were distinct: the Los Angeles Hispanic community was not a monolithic, homogeneous group. Differences were observed in social class, country of origin, length of U.S. residency, English and Spanish proficiency--and consumer behavior. Four distinct segments were defined.

New Arrivals: Hispanic who have lived in the U.S. less than one year. It was estimated that there were between three-quarters and one million such individuals in Southern California. These new arrivals understand some English but feel more comfortable with Spanish. They are younger and more independent than other Hispanics. This market apparently lacks stability and a commitment to residency. They tend to read Spanish-language newspapers and listen to Spanish-language radio.

Residents in Transition: Hispanics who have lived in the U.S. more than one year and less than ten. It was estimated that there were 1.5 to 2.0 million persons in this category in the greater Los Angeles area. This is perhaps the prime area for marketing attention. The segment has not firmly established buying habits, is more susceptible to advertising than the other segments, is not unstable like the new arrivals, yet not as assimilated as the longer term Hispanics. They have a better command of the English language than the new arrivals. This group continued to prefer to listen to Spanish-language radio and read Spanish-language newspapers.

Long-Term Residents: Persons who have lived in the U.S. more than 10 years. Ten years of residency in the United States appeared to mark the end of the transition period, a point at which the assimilation process is as complete as it will become for a non-native Hispanic. There were three-quarters to one million persons in this segment. This group tends to be the opinion leaders of the community and the sponsors of new arrivals and residents in transition. Opinion leadership is an important link in the brand selection process of Hispanics; hence this group would be significant to marketing strategists. They are more comfortable with the English language than the previous segments. Over 75% are bilingual and approximately 40% speak Spanish at home. English-language media had increased in preference when compared

to the previous groups; however, Spanish-language media listernship remained serving only a supplementary role.

Hispanics Natives: Hispanics whose parents were born in the U.S. There were approximately .5 to .8 million people in this segment. This group had an apparent preference for the English language, yet retained an understanding of the Spanish language. In this survey, 93% were bilingual, 78% completed the survey in English and 88% spoke English at home. They were most likely to read English-language newspapers and to listen to English-language radio. They were less likely to live in the highly concentrated Hispanic communities.

While the previous segmentation paradigm can only be viewed as preliminary in nature, marketing implications can nevertheless be seen. For example, several possible media strategies are apparent. Past studies had agreed that Hispanics held a definite preference for radio and television over print media. Current research indicated that this bias has decreased; and, in the aggregate, this study also supported these conclusions. However, it is suggested that for a more accurate picture of Hispanic media habits, it is necessary to take into account the particular biases and preferences of each individual market segment. When such analysis is performed, it can generally be concluded that the longer Hispanics have resided in the U.S., the more reasonable it would be to use print media and English messages to communicate marketing information. On the other hand, the shorter the residency, the greater would be the necessity of using broadcast media with Spanish messages to reach the relevant sub-segments.

It became apparent that there existed a strong congruency between traditional U.S. social classes and the Hispanic segments suggested here. Thus, New Arrivals are dominated by lower-lower class individuals--mostly unskilled laborers, uneducated, living from day to day. Residents in Transition represent the lower end of the upper-lower class--semi-skilled laborers and blue collar workers. Long Term Residents span the upper end of the upper-lower class through the lower segment of the lower-middle class; and Hispanic Natives are comprised of over-privileged lower-middle class consumers as well as all upper-middle class consumers. To the extent that such social class correlations remain stable, traditional social class theory and strategy may then be applied to the explanation of Hispanic consumer behavior.

The transitory nature of New Arrivals may make them ideal candidates for relatively inexpensive non-durables and other high repeat purchase products, particularly those which are not tied to other durables--e.g., beer or hand soap but not detergent. Residents in Transition may be the key marketing segment, primarily because these consumers are literally in the process of establishing new buying habits; therefore, these consumers may be particularly attractive to marketers of products which tend to encourage high brand loyalty. Long Term Residents possess the greatest proportion of opinion leaders; it would be reasonable to give them priority consideration when introducing new products and brands. Finally, Hispanic Natives, in most instances, should probably not be singled out as Hispanics; rather, they should be appealed to as part of the primary culture. On the other hand, it is extremely important that marketing efforts do not alienate these consumers as Hispanics; for although they have physically left the Hispanic community, they retain strong emotional and communication ties with it.