



Fertile Ground for Acculturation

by Juan Ruiz

Yes, it is happening! The ethnic landscape in the United States is changing. The latest U.S. Census figures being released are confirming the U.S. is becoming a multicultural country and the current growth rate among minority populations is changing the landscape much sooner – and much more quickly – than anyone would have expected.

The population growth is mostly fueled by the Hispanic market. This segment accounted for 56 percent of the nation's growth from 2000 to 2010! The impressive growth the Hispanic segment is experiencing definitely has implications in the way marketers and researchers will have to approach the market as a whole. There are many unknowns that are worth exploring. Understanding and foreseeing the impact this new ethnic landscape will have on your product category is key to remaining competitive. And there are many opportunities that are waiting to be uncovered. The sooner we start to pay attention to this, the better.

The latest U.S. Census numbers are

painting an interesting picture about the growth that the Hispanic market is experiencing:

- ▶ It is happening pretty much across the entire United States and is not limited to traditional Hispanic states or Hispanic markets. For example, non-traditional Hispanic states like South Carolina, Tennessee and Alabama are the top three states with the highest Hispanic children population growth over the decade.
- ▶ The growth is birth-based rather than immigration-based. One in four children entering school is of Hispanic origin. Overall, Hispanics account for 16 percent of the U.S. population,

however, among children ages 17 and under, Hispanics are 23 percent.

The Hispanic market is important, not only due to its size and purchasing power (some estimates place it already above \$1 trillion), but also because it is changing and, with the next generation, it will look very different from how it looks today. The fact that the Hispanic market is significantly younger and growing up exposed to the American culture hint that the next generation of Hispanics will be more acculturated than the current one. However, far from merging with the U.S. general population, there are many reasons to believe that this market will continue to have unique and complex characteristics.

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This is interesting, but, why is this relevant?

Based on our LatinoEyes® Acculturation proprietary model, we estimate that about a third of the current Hispanic population is unacculturated; half are bicultural, and the remaining two in 10 Hispanics are acculturated. With this new Hispanic generation, we will see the bicultural segment grow at the expense of the unacculturated segment. But we'll also see sub-segments among bicultural Hispanics gain in importance. Time will tell how these new segments evolve; however, right now we can envision two significant groups emerging and gaining importance among bicultural Hispanics; 1) the bicultural by birth and 2) the bicultural by choice.

▶ The bicultural by birth segment includes U.S. born Hispanics who are bicultural only because they were born in a Hispanic household. They will

share some of the Hispanic values and have some understanding of Spanish; however, they won't see the Hispanic culture as a dominant force in their lives. Most likely these kids are being born to bicultural parents.

▶ On the other hand, the bicultural by choice segment will include those Hispanics, born in the U.S., who identify themselves fully with their Hispanic roots and make an effort to learn more about them. They are very proud of their Hispanic roots and love its culture, music, food, etc. They are also making an effort to maintain their knowledge of the Spanish language. This segment most likely has foreign born parents.

These segments exist already in the Hispanic market. Our experience tells us that bicultural Hispanics today lean more towards the “by choice” than “by birth” segment. However, the coming

generation, with a majority of U.S. born Hispanics may change this balance and because of their size, these two segments will be more relevant in marketing plans. At this point, since acculturation is a personal journey, it is hard to predict the size of each segment and the likelihood of Hispanic children going one way or the other. It will be interesting to see how other variables like country of origin, U.S. region, neighborhood, friends, etc., will play in this complex equation.

Now, regardless of which sub-segment Hispanic children fall into, they are already having a significant impact in the American society and are changing the family dynamics inside their own homes. The fact they are born in the U.S. starts shaping them differently since the beginning. They are learning Spanish and the Hispanic culture from their parents in their first years at home. As soon as they start attending preschool and kindergarten, they begin to experience a whole new world firsthand. It's not that the Hispanic culture stops influencing them, giving the right of way to the American culture; they start living in both worlds, mixing them, going back and forth from one culture to the other depending on the circumstances.

Hispanic parents start noticing the changes and try to react/adapt to them. Hispanic parents are faced with the daily task of teaching their children to



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balance their worlds outside home and the Hispanic culture and values they want to teach them. For Hispanic parents, it is very important to pass their values to their children, as well as keeping the language. They think these values will better equip their children for a world that is drastically different from the one they grew up in. At the same time, education is very important to Hispanic parents, so they tend to support their children in their educational efforts. They want their kids to succeed in life and part of that includes allowing them to adapt to the American culture.

As with all households, Hispanic kids are influencing purchase decisions made for the entire household. Hispanic children tend to participate actively in grocery shopping trips with their parents. They don't hesitate to ask for new products and brands that they have seen their friends consume or that they have seen on TV. In many cases, parents tend to accept these requests, because their children's requests make them curious, and because they like to make their kids happy. If they like the product, chances are they will also recommend it to their friends and family. Hispanic children's influence has changed the family's shopping list and is opening the door to new products in their own households, and possibly those of family and friends. And with one in four children growing up in Hispanic households, their influence is no doubt spreading to their non-Hispanic friends, too.

Children's influence is not limited to grocery shopping. We have seen that they are also influencing decisions in almost every category (clothing, restaurants, vacation destinations, electronics, etc.) and have an important influence in media exposure too. Children are dictating many of the programs that are watched on TV, are influencing the language in which the TV programming is watched and are also opening their homes to the world of the Internet. It is not uncommon to see Hispanic families purchasing computers and connecting to Internet so that their children can do their homework. Parents are learning about the benefits of using

the Internet through their children.

For Hispanic households, particularly unacculturated, having school age children increases the pressure to become more acculturated.

So, tomorrow's Hispanics won't be the same they are today. However, this doesn't mean Hispanics will lose the characteristics that have differentiated them from the general market over the years. We see them evolving as a market – i.e., they will be more educated, with a higher purchasing power, – but at the same time, the Hispanic influence will still be there. Things like family gatherings, Hispanic traditions, “quinceañeras,” the food, the way to express love and respect to one another, etc., won't go away any time soon.

So, when you're working on your next marketing strategy or developing your research plan, think about your audience and if that audience does, or should, include the growing Hispanic population – in most cases it does! Take the extra few minutes to think about what that means to your product or brand and how you should start incorporating this exciting and growing segment in your marketing and research plans. It will be well worth your time!

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