

BEEF
TRAINING
CAMP

HISPANIC MARKETING





A CHANGING MARKET: NEW FACES, NEW EXPECTATIONS

As a beef retailer, you've seen how your meat department has changed to reflect industry trends and consumer demands:

- Case-ready beef packages now account for a substantial portion of your meat inventory
- Customers looking for quick meal solutions have made convenient beef products increasingly popular
- Newer cuts like Flat Iron Steak and Petite Tender have made their way from the restaurant menu to the supermarket meat case.

Just as the look of the retail meat case is evolving, the make-up of the country's consumer base is also shifting. For instance, the ethnic mix of the population is changing to include more Hispanics. With 44.3 million people, the Hispanic population is the largest minority group in the United States and is growing faster than any other ethnic group.¹ Hispanic immigrants from Mexico, Central America and South America settle in all parts of the country and bring with them diverse cultural experiences and attitudes influenced by their home countries. In most instances, the expressions "Hispanic" and "Latino" are used interchangeably to describe immigrants of Spanish or Latin American descent.



These changing demographics mean increasing numbers of new Hispanic faces are showing up at your meat case. To effectively target this growing market, you will need to recognize the unique needs and expectations of your Latino beef customers.

Learning how Hispanics live, how they shop and how they feel about beef are the first steps in selling more beef to the Latino community.

THE HISPANIC MARKET & BEEF RETAILERS

How does the sizeable Hispanic market translate to dollars and cents for beef retailers?

Studies have shown that Latinos are the main source of growth for the grocery industry. Hispanics shop at grocery stores about 26 times a month — triple the average of the general population.² With Hispanics in your store almost daily, the potential impact on your bottom line can be significant due to the increasing Latino buying power.

Hispanic income is on the rise, growing 60-70% faster than the general population at 7.4% a year. Hispanic purchasing grew from \$212 billion in 1990 to \$863 billion in 2007. Projected estimates for 2011 put total Hispanic spending at \$1.2 trillion.³

In order to maximize that spending at your beef case, it's important to analyze the whole Hispanic picture: demographics, differences among various groups, values, buying habits and beef cut preferences.

¹ U.S. Census Bureau, 2006

² Food Marketing Institute, El Mercado, 2005

³ The Selig Center for Economic Growth, Univ. of Georgia, 2007

PROFILE: HISPANIC POPULATION

DEMOGRAPHICS

Along with size and buying power, demographic studies have revealed these key Hispanic statistics that are meaningful to beef retailers:

Larger families

Hispanics generally have more mouths to feed; there are approximately 4.0 Hispanics per household, compared to 2.6 persons for the general market.⁴

More children

More than half of Hispanic households have children (57%), compared to only about one third (33%) of non-Hispanic households.⁴

Spend more on groceries

Hispanics spend \$133 on weekly groceries, compared to \$91 for the general market.⁵

Spend more on beef

Hispanics spend 42% more on beef than non-Hispanics, about \$326 annually per person, compared to \$230 for the general market.⁶

Armed with these figures, savvy beef retailers will want to focus attention on the Hispanic market to capture their share of Latino beef dollars.

HISPANIC CLUSTERING

About two-thirds of US Hispanics are from Mexico. Others come from Central and South America, Puerto Rico and Cuba.⁷

When Hispanics move to the United States, it's very important to them to maintain ties to their homeland even as they adapt to their new culture. This process is called acculturation. Unlike Hispanics, other ethnic groups are more likely to assimilate, or try to blend in with their new culture and abandon traditional customs.

Studies have identified five main Hispanic groups, or clusters: New Arrivals, Old World, Transitionals, Up & Comers and American Dreamers.⁸

These clusters are arranged in a series called an Acculturation Continuum (see below). Where groups fall along the continuum reflects how much Hispanics have acculturated while integrating the American lifestyle.

The first cluster encompasses those Hispanics who were born outside the US, speak only Spanish and have been in this country less than 25 years; they are still steeped in their home culture.

As the continuum progresses, the percentage of U.S.-born, English-speaking Hispanics increases in each

cluster. Median income also increases along the continuum. Hispanics on the right side of the continuum are more likely to celebrate American holidays and follow US news, music and sports.

This continuum is important to retailers, because it correlates to buying habits. Clusters falling to the left of the continuum buy more Hispanic foods, while clusters falling to the right buy more traditional American fare.

CONNECTION TO FOOD AND FAMILY

The Hispanic culture is family-centered with strong emphasis placed on food and home cooking. Latino families enjoy eating together and believe that food signifies commitment to family and tradition.⁹

The mother is the heart of the Latino family. Hispanic mothers enjoy great personal satisfaction from preparing family meals. Cooking is seen as a way to express creativity, love and care.¹⁰

VALUES

Hispanics values are based on four guiding principles:¹⁰

Family

Latinos believe family is the heart of Hispanic life. The mother plays a central role.

Heritage

Hispanics are proud of their rich cultural heritage and feel the need to preserve their traditions.

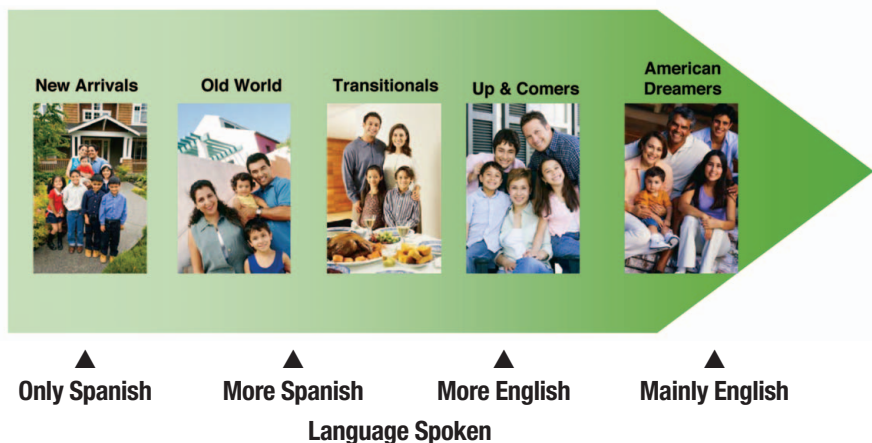
Integrity

Pride and self-worth are integral to Hispanic life. Hispanics like to be self-reliant and believe it's important to contribute to the community.

Success

Being a good provider and having job security signifies success for Latinos. They believe wealth should be used to enjoy life.

Acculturation Continuum



Source: Simmons NHCS Adult Full Year Unified Study, Spring 2005

⁴ Nielsen Media Research, 2005 Universe Estimates

⁵ Food Marketing Institute, El Mercado, 2005

⁶ Cattle Industry Annual Convention and Trade Show, Hispanic Market Overview, 2005

⁷ U.S. Census Bureau, 2002

⁸ Simmons NHCS Adult Full Year Unified Study, Spring 2005

⁹ Tyson, 2005

¹⁰ Yankelovich Hispanic Monitor, 2002

PROFILE: THE HISPANIC SUPERMARKET CONSUMER

In some ways, Hispanic shoppers are very similar to the general population — they value a clean store, fresh produce and helpful employees.⁵

But Hispanics also like to feel connected to where they shop, and they want grocery stores to recognize their cultural differences. A majority of Hispanics also consider community involvement important when choosing where to shop for groceries.⁵

HISPANIC SHOPPING HABITS

Hispanics shop at different types of stores; however, grocery stores are the number one shopping destination for Hispanics for two main reasons:⁵

Low prices

Latinos like a good bargain; 95% of Hispanic grocery shoppers find low prices important.⁵

Convenience

Grocery stores offer easy “one-stop” shopping for Latinos; they can complete multiple household errands there.

Here are the shopping stats:

- 94% of Hispanics shop in supermarkets at least once per month
- 68% shop at discount superstores
- 56% shop at *carnicerías* (meat markets)
- At least half make visits to *bodegas* (corner stores) and *panaderías* (bakeries) every month
- Saturday is the most popular shopping day for nearly 4 out of 10 Hispanics.⁵



The Acculturation Continuum (see previous page) comes into play regarding where and how Hispanics grocery shop. Less acculturated Latinos who are still strongly connected to their home culture spend more on groceries. They seek out Hispanic foods and products and shop at ethnic stores five times more than acculturated Latinos. Acculturated Hispanics who have adopted a more American lifestyle are more likely to choose stores based on convenience and efficiency.⁵

Latino shoppers spend more on major stock-up trips than the general market shopper. The Hispanic shopper also “fills in” more often, but spends less on each trip than general market shopper (\$32 vs. \$49). Hispanic fill-in trips are often prompted by children’s items needed that day.¹¹

Knowing the make-up of your store’s Hispanic customer base is crucial to meeting Latinos’ needs. Do you have a large percentage of acculturated Hispanic shoppers visiting your store to buy meat? Or do you have a greater number of unacculturated Hispanic customers who will likely make a separate trip to a *carnicería* for their meat purchases?

Understanding when and why Latino shoppers are in your store will also help you better serve your Hispanic market. Is today’s visit a major weekend stock-up trip, or a weekday fill-in trip?

¹¹ Unilever, Winning the Hispanic Shopping Trip, 2006

PROFILE: HISPANIC BEEF LOVER

Good news: Hispanics are serious about beef!

Latinos eat beef 4 to 5 times per week, compared to 2 to 3 times per week for the general market. This accounts for Hispanics spending over 40% more on beef than the average population.⁶

Hispanics think positively about beef; they view it as a status food that makes them “strong, healthy and smart.”⁶ Latinos also believe beef is a good value and find that it is more affordable in the U.S. than in many Latin American countries.¹²

HOW HISPANICS CHOOSE BEEF

Freshness is the number one quality Hispanics look for when choosing beef. Hispanics consider meat fresh when it is bright red in color.

Hispanics also look for an expiration date and a USDA stamp on the package and make sure that the beef doesn’t smell bad or look slimy.¹³

WHERE HISPANICS BUY BEEF

Because fresh beef is important to Latinos, a store’s meat department is a major deciding factor in where Hispanic consumers shop. Hispanics cite low prices and meat quality and freshness among the top reasons for choosing a beef retailer.¹³

Hispanics are willing to shop for beef in mainstream grocery stores if they carry the cuts Latinos want. Studies show that a significant number of Hispanics (77%) buy supermarket pre-packaged beef for these reasons:¹³

- Better meat prices (60%)
- Faster way to shop/no lines (52%)
- Higher quality of meat (47%)
- Meat is fresher (41%)

However, Latinos who are accustomed to shopping a full-service meat counter stocked with traditional Hispanic cuts don’t always find what they are looking for in the meat case of conventional grocery stores. Supermarket beef cuts often look different and have different names.

To get the familiar cuts they are looking for, 63% of Hispanics buy their beef at an independent butcher called a *carnicería*. Hispanics indicate they shop at *carnicerías* because:¹³

- Meat is fresher (20%)
- Better meat prices (20%)
- Higher quality of meat (17%)
- Faster way to shop/no lines (12%)

CONNECTING WITH HISPANIC SHOPPERS

To identify the distinctive needs of Latino beef eaters, the beef checkoff conducted several Hispanic consumer studies in 2007. These bilingual studies included focus groups, consumer usage and attitude surveys, and customer interviews in different locations throughout the U.S. The findings from this research can help beef retailers tailor their merchandising to capture a larger share of Latino beef purchases.

One of the keys to attracting Latino consumers who might otherwise shop at *carnicerías* to your meat case is to carry foundational Hispanic beef cuts like Milanese, Ranchera, Carne Asada, ground beef and ribs. To make the most impact, include a bilingual name for these cuts on the package, to make it easier for Hispanics to identify them.¹³

Foundational Hispanic Beef Cuts

These are four foundational cuts that Hispanic consumers look for:

- Milanese (58%)
- Ground Beef (52%)
- Ranchera (30%)
- Ribs (30%)

Hispanics use beef in a wide variety of traditional dishes. Get to know these favorites:

Popular Hispanic Beef Dishes Based on “Prepare Often” Responses

Traditional

- Milanese (46%)
- Carne Asada (36%)
- Caldo de Res (29%)
- Fajitas (29%)
- Bistec (25%)
- Tacos (20%)
- Carne Guisada (20%)

Other Favorites

- Picadillo (18%)
- Ranchera (17%)
- Steaks (16%)
- Meatballs (14%)
- Bistec Empanizado (14%)
- Hamburgers (11%)

Broader List of Dishes

- Tinga (7%)
- Roast Beef (7%)
- Tamales (6%)
- Bistec en Cazuela (6%)
- Ropa Vieja (5%)
- Bistec de Palomilla (5%)

Source: The Beef Checkoff, Quantitative Hispanic Retail Shopper Insights, 2007

Source: The Beef Checkoff, Quantitative Hispanic Retail Shopper Insights, 2007

¹² Abecé Hispanic Marketing & Advertising Newsletter, June 19, 2006
¹³ The Beef Checkoff, Quantitative Hispanic Retail Shopper Insights, 2007

Knowing the make-up of your customer base is also smart business. Not all Hispanics are the same, and different nationalities prefer different styles of dishes using various beef cuts:

- Mexicans enjoy thin, flat cuts such as *milanesa*, *carne asada* and *arrachera*
- Caribbeans enjoy shredded beef dishes such as *ropa vieja* or ground beef dishes like *picadillo*
- Argentinians and Chileans enjoy thick, juicy steaks such as *bife de chorizo* and *lomito*¹⁴

Do your homework! Learn the origins of the Hispanics shopping in your store and stock your meat case with the cuts your specific customers will enjoy.

Make it easy for Latinos to find their preferred cuts in your beef case. Consider creating a designated “Hispanic Beef” section in your meat case that features cuts for popular Latin American dishes. Use bilingual signage to identify the section, and include bilingual cut labels on each package. Merchandise with other Hispanic foods such as rice and beans.

Use point-of-sale (POS) materials developed by the Beef Checkoff to help draw Hispanic customers to your meat case:

- Hispanic cut chart
- Hispanic dictionary
- Hispanic counter signs and posters
- Hispanic meat case signage

For information about these resources, visit www.beefretail.org/resoHispanicToolkitElements.aspx

The Beef checkoff study results indicate Hispanics think meat departments could also serve them better by providing samples with recipes, conducting in-store demos and offering pre-marinated products.

Incorporating these Hispanic elements in your store is one of the best ways to appeal to and connect with Latino shoppers, particularly if you are trying to help unacculturated Hispanics feel at home. Bilingual staff, signage and packaging are very important to unacculturated Latinos.⁵

THE NEXT STEP

The Hispanic facts and figures provided here are just a starting point; as a beef retailer, it's up to you to use this information to reach your Latino customers. To gather information about your specific Hispanic population, visit www.census.gov.

It's a good idea to do a little informal research too: talk to your customers! Assemble an Advisory Panel from the Latino community. Panel members can help you discover everything from the nationalities of the Latinos shopping in your store to which Hispanic cuts are popular during different seasons. Participate in the Hispanic community with store-sponsored events. Connecting with your Latino customers and learning their culture is the best way to serve their needs and capture their beef dollars.



For more information visit BeefRetail.org



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¹⁴ Food Marketing Institute, RetailWire Discussions, Hispanics and Beef: Economics or Ethnicity?, June 16, 2006