

Category: *Prepaid Services Industry*

Methods: *Qualitative Research, In-Depth Interviews, Hispanic Research*

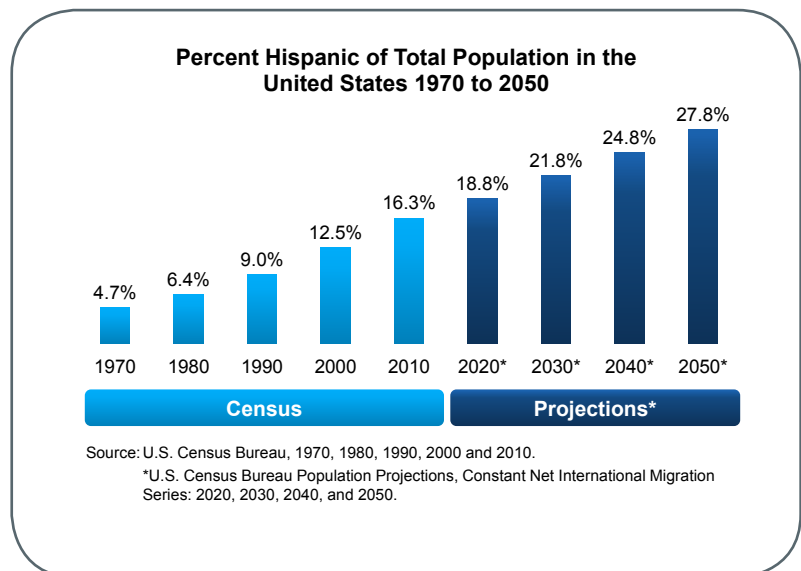
Summary

A large U.S. company believed that unacculturated Hispanics might represent a viable target market for its services, but marketing efforts to this segment had largely failed. The firm asked Decision Analyst to propose research that would lead to an improved marketing strategy to reach and convert unacculturated Hispanics in the U.S. Decision Analyst proposed and conducted a series of in-depth personal interviews in Texas and California. The learning from this one study helped the company completely reshape and reorganize its marketing and sales strategies for the unacculturated Hispanic market.

Strategic Issues

The Hispanic population has been growing steadily in the U.S. over the past 50 years. According to the U.S. Census Bureau, the Hispanic population accounted for 16.3% of the U.S. population in 2010, and it is projected to account for over a quarter of the total U.S. population by 2050.

Despite the overall growth of the U.S. Hispanic population and heavy marketing investments by the company in Hispanic areas, the unacculturated Hispanic market continued to languish and underperform, compared to other population groups. Even though the company's senior executives had considerable experience in marketing to Hispanics, they decided that perhaps they did not really understand the unacculturated Hispanic segment.



Accordingly, the company hired Decision Analyst to do an extensive qualitative investigation of the unacculturated Hispanic market.

Research Objectives

The primary objectives were to identify the key motivators and reasons that led Hispanics to purchase services from the company, and to identify the barriers and obstacles that blocked purchases of the service. Component objectives of the research:

- To explore unacculturated Hispanics' feelings, attitudes, knowledge, and values related to the types of service the company offers.
- To explore reactions to the basic service concept among Hispanic consumers, and identify potential barriers to acceptance of the concept.
- To examine different selling models and distribution systems, as well as positionings and messages, to identify the best way to market the service to unacculturated Hispanics.
- To explore awareness and perceptions of the company's brand and logo among unacculturated Hispanics.



Research Design and Methods

Decision Analyst conducted in-person depth interviews in large markets in Texas and California. All interviews were conducted in the Spanish language by one of Decision Analyst's Hispanic moderators. To be classified as "unacculturated," Hispanics had to speak Spanish in their homes as the predominant language, and had to consume Hispanic media predominantly. A total of 35 depth interviews were conducted, and each interview lasted approximately one hour. The interviews were audio- and videotaped.

Decision Analyst developed the discussion guide, working closely with the company. The structure of the interview can be visualized as a funnel. Each interview began very "wide open" on the general topic, and then gradually moved to specifically focus on the company's interests and issues. The interviewing

method tended to be nondirective. Projective techniques, such as role-playing and storytelling, were used to help uncover deeper emotions and feelings.

Results

The in-depth interviews revealed that unacculturated Hispanics had a great need for the company's services and fully recognized that need. However, they were not planning to buy the company's services. The research pinpointed the major reasons:

- Unacculturated Hispanics did not trust the company's sales system or salespeople.
- Unacculturated Hispanics wanted "personal interaction" with sales representatives, and were resistant to buying over the telephone or via a website.
- There was no way for unacculturated Hispanics to pay for the service in cash (and many of the unacculturated did not have credit cards or checking accounts).

Based on these findings and a number of other hypotheses developed by the research, the company was able to:

- Develop marketing messages and materials relevant to the unacculturated Hispanic market.
- Optimize its service plans to meet the actual needs of unacculturated Hispanics.
- Develop new payment methods acceptable to unacculturated Hispanics.
- Develop a training program for sales staff based on the concerns and needs of unacculturated Hispanics.
- Develop a new retail and distribution strategy to better accommodate the needs and expectations of unacculturated Hispanics.

As a result of these initiatives, the company's sales to unacculturated Hispanics quickly turned upward, and have continued to grow ever since.