As the largest minority population in the United States, Hispanics have the buying power to positively impact the futures of brands and retailers. They currently spend an additional $370 annually on apparel and services compared to non-Hispanic demographics, and are projected to total 31% of the U.S. population by 2060.

If brands and retailers are still considering whether or not to target this burgeoning market segment, they should consider the fact that current estimates list Hispanic apparel and services spending at more than $30 billion. Winning the loyalty of Hispanic consumers could secure a confident future for brands and retailers willing to tailor their services to meet the demands of this growing demographic.

FASHION FORWARD
Hispanic consumers have distinguished themselves as a unique customer segment in part through their strong tendency toward being fashion forward. Hispanics are more likely than non-Hispanics to adopt new fashions earlier (43% vs. 34%) as well as buy these fashions at the beginning of the season (27% vs. 19%). This suggests that many Hispanics are willing to pay a premium for newness. This fashion forwardness can be critical for brands and retailers as they are eager to move merchandise off the shelves to make room for new, full cost apparel.

Perhaps because of their fashion forwardness and desire to find the perfect, trendy ensemble, Hispanics spend an average of 22 more minutes shopping in-store than non-Hispanics. This is an opportunity for brands and retailers to take advantage of a captive audience and the additional time and money they could potentially contribute to a store’s bottom line.

Although both Hispanic and non-Hispanic shoppers are most likely to get wardrobe inspiration from what they already own and like, Hispanics are more likely to be motivated by fashion magazines, television shows, commercials, and celebrities. Targeted marketing through these channels, such as gaining a celebrity endorsement, partnering with a magazine that has a substantial Hispanic readership, or collaborating with Hispanic-centric television shows, could be effective ways to stimulate apparel purchases among this fashionable demographic.

KEY INSIGHTS
- Promote fashion-forward trends to capture the attention and dollars of this growing demographic.
- Cater to the social aspects of shopping and provide additional product education to increase consumer loyalty.
- Deliver performance features and outfits customized for each sport in cotton fabrics to build sales.

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SHOPPING HABITS
Contrary to non-Hispanic consumer segments, Hispanic shoppers are more likely to view shopping as a fun, social activity (67% vs. 54%). In fact, they are more likely than non-Hispanics to say they love or enjoy shopping which could be another contributing factor to why they spend more time in-store (63% vs. 51%). Creating social spaces where customers can linger – such as areas for snacks, drinks, or comfortable seating – and fostering authentic conversations among staff and customers could generate longer shopping times. This potentially translates into more sales and a more loyal customer base.

Another substantial way to encourage loyalty among this budding consumer demographic is to provide increased apparel product education. This could yield noticeable results as Hispanic consumers are 40% more likely than non-Hispanics to be loyal to brands providing product education (56% vs. 40%). Even basic education regarding fiber content and garment care could be beneficial. When it comes to choosing which fibers to wear, they consider cotton a favorite (72%) and are willing to pay more than non-Hispanics for cotton items such as 7% more for a good-fitting pair of denim jeans.

ATHLETIC APPAREL
As performance features become more popular and the athleisure trend continues to gain traction, it is critical to note how Hispanic consumers relate to these and other athletic apparel trends. Hispanic consumers participate in high-intensity workouts and are more likely than non-Hispanics to participate in dance or Zumba (18% vs. 11%) and running or jogging (25% vs. 18%). Many of these and other high-intensity activities demand performance features as well as custom apparel, outfits, and accessories. This could explain why Hispanics are 50% more likely than non-Hispanics to buy a new outfit when taking up a new athletic activity (21% vs. 14%).

Brands and retailers can capitalize on athletic trends while also taking advantage of the fact that Hispanic customers are willing to pay a premium for the perfect athletic outfit ($87). This is a 37% spending increase over non-Hispanic demographics. In fact, they are willing to pay even more for performance features in their favorite fiber – cotton. Performance features Hispanics are willing to splurge on include cotton products that prevent odor, regulate temperature, shape and smooth, and don’t show sweat. Providing these fabric innovations in cotton will help brands and retailers secure the spending power of this growing demographic.

About the Research