

How Retailers Can Attract Today's Hispanic Shoppers

Item preference based on Hispanic shopper country of origin



The most recent census data shows the Hispanic demographic rising from 18% to 30% of the total U.S. population by 2050. To help retailers better understand this increasingly influential demographic, Robinson Fresh® conducted a survey of U.S. Hispanic shoppers.*

In Part 1 of this series, we discussed our survey findings and what they tell us about the grocery shopping habits and preferences of Hispanic shoppers. Assuming quality and price are reasonable, we learned most shoppers believe the appearance of the product is more important than a

low price. But our research indicates that the importance of appearance and price varies by commodity.

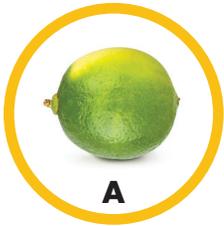
Very few Hispanic shoppers say their purchase decisions are exclusively led by one or the other—62% of Hispanic shoppers report a blended opinion, where their preferences of appearance or price varies by commodity. In Part 2, we expand on these insights with merchandising and pricing strategies you can use to better meet the needs of your Hispanic shoppers.

*See page 4 for more details about our survey.



Know what appeals to your Hispanic shoppers

Hispanic shoppers don't always share the general population's preferences for product appearance.



A

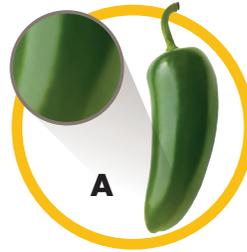
Limes

64% of Hispanic shoppers prefer option A—a small lime with a smooth, thin skin and some yellow.



B

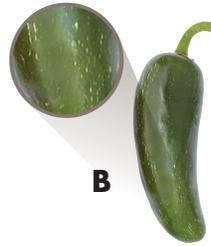
The second option is often preferred by U.S. shoppers overall—a darker green lime with some bumps. Option A is, in fact, the juicier and more flavorful lime. But this knowledge may be disappearing. Although the majority of Hispanic shoppers in any age group preferred A, younger shoppers trended toward B. If you offer the limes Hispanic shoppers prefer, provide education so shoppers know you're stocking a tasty lime.



A

Jalapeños

72% of Hispanic shoppers prefer option A, which is free of visible corking and respondents associated this with higher quality. Not one respondent chose this because they believed it to be less spicy; this presents an opportunity to educate consumers about pepper appearance.

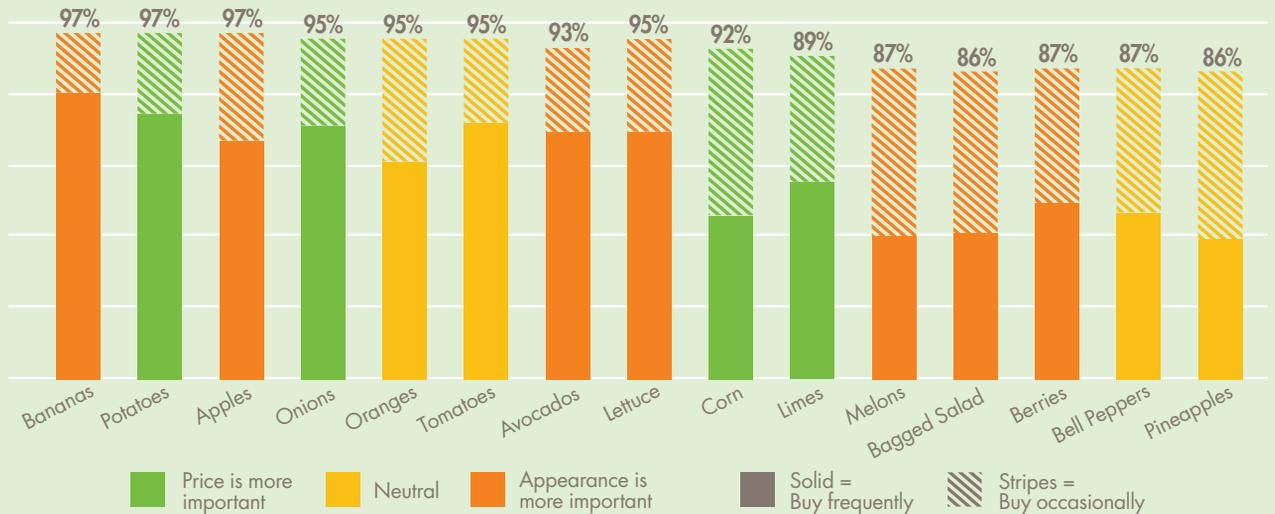


B

28% of Hispanic shoppers preferred option B, with the primary reason for choosing it being the visible corking and its association with more heat.

Hispanic shoppers' purchasing behavior

Total share of Hispanic shoppers surveyed who buy specific commodities



Rule of thumb

Simply by knowing the share of shoppers buying a product and the variability of a product's appearance, you can generally infer how important a competitive price will be. For most produce items, when the share of shoppers who buy an item is high or the appearance is variable, shoppers make purchase decisions based more on what they see versus what it costs.

Choose an "everyday low price" pricing strategy for items that are stable quality items year-round

We recommend an everyday low price (EDLP) strategy on items like onions, potatoes, corn, and limes. Items like this are more commoditized by the shopper—though bought by a high share of shoppers, the appearance is fairly stable. You can occasionally offer a buy one, get one (BOGO) promotion to get shoppers to buy more than planned, but produce items like this are inelastic and should be well stocked and priced fairly year-round.



Know what appeals to your Hispanic shoppers (cont.)



A



B

Bell peppers

When asked about preference on sizes of bell peppers, Hispanic shoppers are split on bell pepper size. Those who preferred option A believed they pay less for a smaller pepper, but a surprisingly large share of shoppers—particularly the younger generation—preferred this option based on food waste concerns. Shoppers who chose option B did so primarily for its value.

The “value” of a larger pepper can only be realized if you price by the each. Since there is not a strong opinion either way, consider offering a smaller pepper to cater to food waste concerns while providing an attractive price.

Capitalize on emerging commodities

Younger Hispanic shoppers are buying these items more frequently than their older counterparts. Consider testing these items by displaying them in a more prominent location. You can also merchandise them with other items to give shoppers ideas for how to use and prepare them.



Cactus



Jicama



Aloe



Coconut



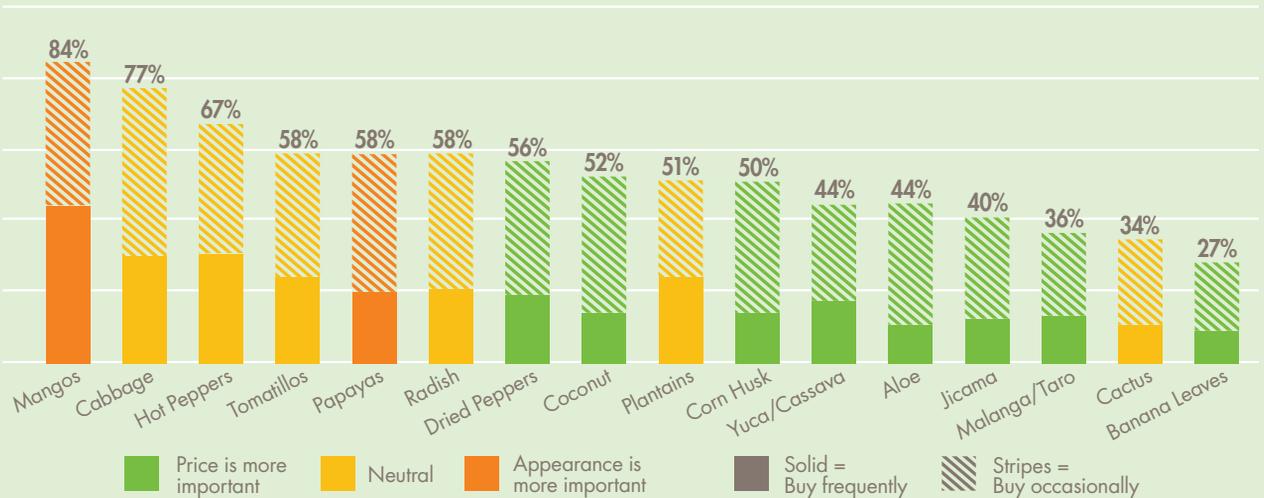
Dried Pepper



Tomatillos

Hispanic shoppers' purchasing behavior

Total share of Hispanic shoppers surveyed who buy specific commodities (cont.)



Leverage a high-low pricing strategy for seasonal, dynamic items

Hispanic shoppers favor appearance over low price when making buying decisions about many fruit items, especially three that were identified as hard to find: avocados, mangos, and papayas. You do not have to be the least expensive here to please your shopper. Having the right varieties, ripening levels, and merchandising strategy make all the difference. With an elastic commodity—like mangos—a high/low strategy can be very effective.



Having the right varieties, ripening levels, and merchandising strategy make all the difference



Key takeaways

1 Don't skimp on point-of-sale communication

Without relevant messaging and education, the right assortment will backfire, even with a 100% Hispanic demographic. Whenever



you venture outside the norm for U.S. retail, you have an opportunity to show shoppers that you're innovative and have them in mind. Capitalize on it by communicating well in-store and online.



2 Price key items competitively everyday

Items that are bought by many and don't age quickly are more commoditized than others. Price these items well every day. Promotions will be less effective here.

3 Leverage a high-low pricing strategy effectively

It doesn't make sense for every product, but for those that are hard to find and have rapidly changing quality and appearance attributes (e.g., fruit items), it can be highly profitable. When executed well, a high/low strategy can convince shoppers to make an unplanned—or larger—



purchase and can also help you manage inventory positions.

About Robinson Fresh

Robinson Fresh is the fresh produce sourcing and supply chain services division of C.H. Robinson, one of the world's largest logistics platform. As one of the largest fresh produce distributors in the world, Robinson Fresh helps grow and manage customers' complex fresh produce businesses through its global suite of products and services. For more information about Robinson Fresh, visit www.robinsonfresh.com.

About the Survey

In July 2019, Robinson Fresh conducted a primary research survey of U.S. shoppers who classified themselves as Hispanic or Latino. The survey followed a U.S. Census breakdown of Hispanics by age, household income, and state. It included 1,700 respondents, representing 23 countries of origin. Each respondent indicated they were responsible (at least in part) for grocery shopping for their household. This is one survey of several conducted by Robinson Fresh, which is the information advantage they bring to drive smarter solutions for businesses through experience, data, and scale.

Let's talk fresh

To discuss Robinson Fresh's capabilities, please reach out to **855-350-0014**
For more information, visit robinsonfresh.com or blog.robinsonfresh.com

