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**Tom Kelley:**

So, a while back, this next speaker Luis Fitch was working for a prominent international design firm headquartered in the Midwest. It should probably remain nameless. When he realized one day there were 340 people working for his firm and he was the only one who spoke Spanish. So he tried to convince his firm that Hispanic markets were an important opportunity. They were skeptical because -- because why? Because Spanish is only the third or fourth most common language -- spoken native language -- in the world, depending on how you count, competing head to head with another popular language called English. Or maybe just because the Hispanic population of states like California, where I live, hasn't crossed over the 50 percent mark yet, though it most certainly will sometime soon. So just to prove his point, Luis went out and got the firms and clients in Hispanic markets, but ultimately he co-founded his own firm, Uno, to serve those markets himself. If you phone his office in Minneapolis as I did last week, the first message you'll hear is, "Thank you for calling Uno, branding for the new majority." Which succinctly sums up their brand position in just five words: "Branding for the New Majority." So as inspiration to us all, Luis found a topic he had passion for, build a successful firm around it. He's here today to tell us about his firm's unique methodology, called Filtros, which Uno uses to stay close to that important market. So please welcome Luis Fitch.

[Applause]

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**Luis Fitch:**

Buenos dias! [Speaks in Spanish] Oh, what? This is an -- oh, sorry. This isn't English. Do you wish you would have taken Spanish classes instead of French? [Audience laughter]

Anyway, let's see -- prepare this and we're ready to roll. Hopefully, I can do this in less than 20 minutes. There's a lot to cover so I'm gonna go a little bit fast. Hopefully, you'll understand my accent. So don't panic, I'm gonna do this in English.

The agenda for today, I wanna talk very briefly about key facts about the Hispanic population. You heard them, you read them. I think everybody is aware of them. Then I wanna talk about the toolbox that we use called Filtros. Between the Filtros we have the U.S. census as a resource that it's free. Then we break it down by country of origin, levels of acculturation. How do we measure acculturation? Well it's based on levels of acculturation and then Filtros samples in some conclusions. As you know, the population already is 44.3 million and that's not us saying it. That's the U.S. census saying it. That's 15 percent of the population, plus there's another 10 million undocumented Hispanics or probably even more. So that's a lot of Hispanics out there in the United States. One of the first places when a client comes to us and they don't have a budget and we can't do primary research, we will go to the U.S. Census Bureau -- and anybody can access to the web -- and there's a section there on social characteristics on the Hispanics. You can go through age, children, disability there. I'm not gonna go through the whole thing 'cause there's a lot of great topics there and they break it down to a science. Then they get in to economic characteristics. So we usually go there before we even start a project. Even if we know it by heart, things are changing all the time. They

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break it down by states, by county, by zip codes and what not, so it's great, great information. One of the other things that we always consider when we're doing Filtros is how do we break this by country of origin. Mexicans, being neighbors, 66 percent, Central Americans 9 percent, Puerto Ricans 8.6, South American 5.8 and Cubans 4 percent, now if you're doing a project in Florida obviously Cubans is gonna be the majority. If you're doing a project in the East Coast, probably what I call the new arrival Central Americans and Puerto Ricans and New York, that kind of thing. Southwest will be Mexicans the majority.

When we start our project, again parts of understanding this, what is the level of acculturation that the market has? And basically, imagine that you just arrived in Beijing. This is how immigrants feel when they come to United States. So you need to feed yourself. You need to stay in a hotel. You know, all these things that you really don't understand what it means. After five years this is what it feels like and after ten years you get it. So that is acculturation. There's diverse indicators of acculturation and the most common ones are language usage. For example, at the office we all speak Spanish and then when the clients call us, just... basically, you know... corporations they speak English to us. When I go home I speak Spanish to my son and then I go Univision in Spanish and then I change the channel to CNN in English. So it depends on usage of language, media behavior, types of people, country of origin. Like my wife, she still keep calling her house a lot, so she's very connected even if we live in Minneapolis. Length of U.S. residency, an obvious one, values and expressions, and interpersonal network composition. And this is really important, too. A lot of people will come to United States that they will go and live in a neighborhood that is very Hispanic-centric where the church is in Spanish. They can go to restaurants in Spanish, if they want to they can not leave that and continue not learning in English if that's what they opted. We do a lot of food projects and because of being in the Midwest and our typical client will be, you know, they will come to us and say we got this product, we are really selling it to the general market but can we give it a twist, can we do something else so we can target the Hispanic market and they think that just by adding chili to it or hot peppers to the cookies or whatever that's gonna make it. Sometimes it's true actually but the reality is that we need to understand what is the acculturation level of the core market that they are targeting plus distribution channels that they have, can they really get in to their neighborhoods, can they or can only get closer and just in the largest supermarkets. That kind of questions come later but roughly 55 percent of the Hispanic population in US are relative unacculturated, mostly new arrivals of less than five years, mostly Spanish for personal communications, media and music and prefer traditional Latino foods and brands. Then we have partially acculturated. It's roughly 23 percent of the Hispanic population in the US, approximately five years in the United States, Spanish is preferred for personal communication, Spanish or English for media and music and prefer traditional Latino foods and brands and begins to recognize and incorporate American brands. And finally, we have the mostly acculturated, that is, basically 9 percent of the Hispanic population in the US, approximately ten years or more in the United States, English is preferred for personal communication, media and music, very familiar with American brands and foods and some use of Latino food brands.

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Now if you're doing a financial project, everybody wants to see what the wallet looks like of these core markets. So again, for the 55 percent of relative unacculturated, this is a typical wallet and is gonna be very cash-based, they still haven't had a credit card or a check. There's no relationship between banks. They're sending money home a lot. Well, not lately because of the economy but they don't have a car so bus tickets is gonna be very important. So if we're buying media and we're targeting this market that's what we want. We want bus shelters. We wanna get inside of the bus, all the transportation that they use. Starting to use products -- food products and coupons and it's something they -- not necessarily that we use in Latin America. Then you have the other 23 percent and look what happens to the wallet. You have a basic check, you're starting to get medical insurance, a little bit less in cash but now you have a basic credit card. Banks are after this market. You getting in to loyalty program cards, frequent series using coupons and library cards, great place for free Internet for the Hispanic community, the libraries. And then this is the wallet that I think everybody here looks like. We got it all checks, medical insurance, dental plan, basic credit card with rewards program, the gold credit card, all the versions in the world. This is only 9 percent, very similar to anybody who has lived here the whole life. A lot of people have asked me, "What's the difference between unacculturated and acculturated design?" Years back before Target was -- Target stores were getting in to these whole new brand images that is really cool, we're experimenting on the Hispanic market. We did a series of eight-page inserts for two of the largest magazines in the United States, "People en Español" and "Latina Magazine," and we first started targeting the relative unacculturated, that 55 percent and you can see how ethnic it feels and what not. The story is very core to that market of what we're talking about in the look and feel. Then the other 23 percent, we start to use some black and white photography. We're starting to change the roles of machismo that is very common in art culture and talking about how women -- and the role of women that plays in the family in the United States between Hispanic market. And finally, we have that 9 percent where we're trying to make it a little bit more hip, more cool, more colorful. It's the earliest days of what the Target was doing with their brand image. So we're trying to assimilate something like that but obviously for the Hispanic market.

So here is where the fun starts. Consider this your toolbox or your Crayola box. This is what we call Filtros and basically, we look at architecture, art, food, heroes, music, religion, holidays, language, immigration and self-identification. Now, you can act, change, focus in one of them and extend them however you want to do it. I'm just gonna go through this really fast. When we start a project and if it's an environmental project, we look at architecture to make sure that we can be inspired by different things, anywhere from pre-Hispanic, rural houses, hacienda style, colonial style, the work of Luis Barragan, Ricardo Legorreta, the work from Columbia Architectonic in Miami or contemporary Mexican architecture in New York, Enrique Norten. So there's a lot of place to look at. It's not just that we all live in an environment like rural houses, very stereotypical. Art, as you know, Jose Guadalupe Posada, Diego Rivera, Frida Kahlo, Joaquin Torres-Garcia, the work of Ruffino Tamayo. This particular painting was found in the streets of Manhattan, believe it or not. Fernando Botero, all the work of Chicano arts in United States, or contemporaries like

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Gabriel Orozco that happens to be at the Walker and it's one of the most prominent Mexican artists right now, contemporary Mexican artists.

Food, everything comes down to the Aztecs, the corn, "maiz" and from "maiz" you can get tortillas, tamales and I can go on and on and on. But we got chocolate. We've got pan dulce. We got pupusas. We got the Cuban sandwich and then this mix of nuevo Latino where you're mixing French with Latin American, this whole thing and that's happening with music, too. Heroes, Benito Juarez, we can go back to one of the first Mexican presidents and my personal favorite president who was a Zapotec, full-blooded Indian. Emiliano Zapata, Eva Peron, fictitious heroes, Santo, Blue Demon, Che Guevara, Chapolim Colorado, Subcomandante Marcos, Super Mario. This is an interesting mix. Here's this guy who's actually a lawyer who dress like the wrestlers and goes out there and defends the people's right, the low incomes. It's really, really, really cool.

Music, everybody says, "Oh, let's put some Mariachi and let's roll with the ad." It's like wait a minute, you know, we got Mariachi. We've got Mambo. We've got Norteno. We got Baladas, Rock en Espanol, Charanga and we got electronic music. So we've gotta make sure of who we're targeting here. Same with religion. Everybody thinks that we're just all Roman Catholics. Protestant is growing between the Hispanic market and United States. Pentecostals, Evangelical. We've got Santeria, we've got shamans, we've got curanderos, you know, spiritists and you name it. Holidays, you can create your own holiday calendar for your client, I mean if it's Dominican or if it's Puerto Rican.... But the big ones here is, you know, January 6 Dia de los Santos Reyes, you know. Febrero veinte siete, or February 27, Dominican Republic and Cesar Chavez Day, May Day, Mother's Day and so on, Day of the Dead they're already I think getting to know now, and December 12, a big one for the Mexicans. So a lot there in the Mexican calendar.

Language, there's those who prefer Spanish only. There's Spanish-prefer. There's those who are truly bilingual. There's those Hispanics who is English-prefer. There's English-only. To make it even more difficult, if I'm doing a radio ad or writing in a certain tone of voice, just between Mexico, I can deal with Mexican from the North, Mexican Central, or Mexican popular.

Emigration, reason for being here in United States. You can go back to 1942 for the Bracero Program. Another big reason: poor economic conditions, improved standard of living, family reunification here in the United States. Those who are coming here for political instability, crime and kidnapping, flew communism and now there's like education. They give -- they got permission and they stay here, that kind of stuff. Self identification, there's those who like to be called Hispanic, Latinos, Mexican, Mexican American, Chicanos, Puerto Ricans, Nuevo Ricans and Nuyoricans. So you can see it's not that simple. I mean I can't just go out and talk to a Latino out there who's speaking Spanish and say, "Hey, man. Are you Hispanic?" They might, you know, punch me.

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Here's some quick Filtro samples. Usually when we start a project like anybody else, we get an, you know, there's this research that we do and we put a lot of visual boards and this was one of the final ones. We're going to show it to the client. Once the client has picked two or three, we'll go to focus groups and I just want to show you this one because this is kinda like together with the focus group and the core market, we developed a store and they put this together and you can see the influence of Luis Barragan and papel picado, very Mexican. It was a supermarket that was developed in Denver, Colorado, specifically for new-arrival Mexicans and now African-Americans and Asian markets are going to the store because they're finding things that they were not able to find in other stores. So it's really interesting. It's very colorful. Avance means to advance and we'd created a whole line of murals. They're very inspirational for the core market.

Here's another project that we did for Mervyn Stores in California to celebrate La Plaza, a three-day celebration of Mexican or Mexico highlighting authentic Mexican handcraft, food and entertainment. We used Filtros to create a feeling of rural Mexico where letterpress, wood cut, that kind of, you know, roughness in the patina of little towns of outside Mexico. The reason for that, we wanted to showcase the handcrafts from six different Mexican states, the black pottery of Oaxaca, Talavera and rustic-style pottery from Puebla, basket toys and rugs from Mexico, copper from Michoacan and so on. So one of the things that we did, we wanted to make sure that the look and feel of this event translated to a lot of different vehicles of communication. The event was for three days; a lot of the merchandising sold out in a day and a half. And you can see that we took that roughness, something that you usually don't see in the Web, all the way down to electronic media.

And finally, this is a five-years art exhibit with Target and Cheech Marin with his collection of fine art, specifically with Chicanos. When Target came to us, they told us that this was specifically for the Hispanic market but we couldn't call it anything related to Latino Hispanic. It was very specific. The name was gonna be called Chicano and we said, "Wait a minute. Not everybody likes to be called Chicano." Once we find out that actually the art was specifically by Mexican Americans who like to be called Chicano and they believed in the movement, then we really, you know, believe in the project in the sense that it wasn't as necessarily for the Hispanics. Like I mentioned before, or Latinos, but for a specific demographic and so, one of the things that we did, we did -- we spent a lot of time with these artists in Texas, east L.A. in California and parts of Chicago where there was a huge and there is a Chicano movement because of the universities and that kind of stuff. So we were inspired by tattoos, murals, Olde English typography that has, for some reason, been overly used in their tattoos and then graffiti and that kind of stuff. So you can see how this brand comes together in different media in the inspiration. We create a style guide to make sure that all the museums understand what we were doing. Invitations bilingual.

So in conclusion, I made it in less than -- I've got a few minutes here. Basically, you wanna remember -- use Filtros for your own ethnography tool for a better design. Visit the U.S. census website for primary resources and social economic characteristics. Make sure you understand the country of origin for your target market. Understand the level for

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acculturation. Use the Hispanic-Latino calendar for events, festivities and others. And if you're still in panic, just call us. Thank you.

[ Applause ]

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**Tom Kelley:**

Great. Thank you. So, okay, I'm gonna ask the question that I think was on everybody else's mind when even -- during the intro when I said, you know, when you call Luis's office in Minneapolis, a lot of people were thinking, "Minneapolis?" You wanna address the geographic issue?

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**Luis Fitch:**

Well, the main reason we're there is because of money.

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**Tom Kelley:**

That's a good reason. Design and business. That was from the business side, just in case you weren't keeping score.

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**Luis Fitch:**

When I was 14 years old in San Diego, I interned for free for six months with a famous designer who -- from Mexico City -- Italian-Mexican who went to retire in San Diego and I remember one thing that he always told me. I said, "I wish I can be doing package design and, you know, I love packaging design." He'd say, "Luis, you're in the wrong place. We're in San Diego. There's no packaging design here." And then he says, "If you wanna do package design, you gotta go to where the package design is developed." San Francisco, Chicago and New York. And I always thought of that and so, later after graduating from school, I went and kind of specialized in architecture/retail design and in going to places like working for Fitch and international projects, I've always really involved --

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**Tom Kelley:**

So much for keeping the secret Midwestern design firm secret but go ahead, sorry.

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**Luis Fitch:**

Yeah, the secret, the secret. It's on the Web, it's written, there's been articles about it. And I was very passionate about my culture and looking at the numbers and the NAFTA happening in the '90s, I knew that there was gonna be a boom and there was gonna be a necessity of designers in United States doing work in Mexico and vice versa. Brands from Mexico come in very strongly now into United States. So -- but no, a head hunter ask me to go to work in Minneapolis and I went as an art director and after a year, I went and worked for one of their competitors, and then started with my wife Uno and stayed there because of who's there.

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**Tom Kelley:**

Right.

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**Luis Fitch:**

General Mills, Target and so on.

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**Tom Kelley:**

Okay. Lesson for us all. Go where the money is. Okay. So, you know, you gave us some examples. Are there more that you can tell us about? You know, a little case -- well, using Filtros or in your broader work at Uno that you'd like to talk about?

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**Luis Fitch:**

Well yeah, I mean most definitely let's talk about a little bit in the financial world. I think ten years ago, everybody in the financial world start seeing that Latinos, specifically Mexicans, were sending a lot of money home and these were Mexicans who didn't have -- they were not bankerized as an example. And so, we've done projects where we go to the neighborhood and because the U.S. banks are not necessarily in the 'hood, you know, in our 'hood, at least, and so, we tried to do satellites and brand them in a Hispanic way. So the Latino-Hispanic, or specifically Mexican, will feel at home. A lot of unacculturated and certain socioeconomic Mexicans who come to United States, they were never exposed to financial institutions in Mexico. They come from rural places. So coming to United States and they're sending money home, billions and billions, plus they're paying ten dollars for each pop that they send where you can do it for free when you open an account. It's just the level of education. Their biggest fear is emigration, financial institutions and the government in general. So we needed to create environments that didn't feel like that you're walking into the FBI or something like that, you know.

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**Tom Kelley:**

There you go. So you made a compelling case with the importance of understanding Hispanic consumers. Based on your knowledge of the market, are there any products and services that are truly universal? In other words, any categories where, other than language translation, you can speak in the same voice to a Hispanic consumer as to any others?

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**Luis Fitch:**

Well, I'm sure there is. I mean Nike is a great place to start. Starbucks, last time we were in Guadalajara, then we went to Puerto Vallarta, there were Starbucks everywhere. So I was really curious to see if something changed here and there. We walked in, it was the same as my neighborhood. It was the same thing. Obviously, everything was in Spanish but some of the main products were still in English because it gives it that, you know, cache for Hispanics. Very expensive, it was actually more expensive than United States, some of the Starbucks, but here and there, they will add a little, you know, product development like cafe cubano or something that. I don't understand why they haven't done it yet here, so. There is, yes. I mean there are brands but it depends on your socioeconomic, that's where things are starting to change.

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**Tom Kelley:**

And you know, you gave us some examples of coming sort of kind of up the learning curve on this and things but there probably lots of companies who, you know, really haven't addressed the Hispanic market directly. Any suggestions for a company out there who might wanna kind of get started. Where would they begin this process?

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**Luis Fitch:**

There was a lot of -- financial institution was the biggest one. It was criticized a lot. I think they all got their act together. What they do, they will hire their sister company, the general market advertising agency, and what they will do is to translate or transcreate the television ad, a couple of campaigns in the brochures but the bottom line comes to where you locate it and what kind of services, packages you have structured in the financial world. That's where I think there's a lot of opportunities. I think everybody has gotten into to the bandwagon of Hispanic but it's very macro. It's up here. Now, you gotta go in there and that's where the part that we believe we specialize. It's below the line. Well, can you develop specific products for those specific needs, the needs of the unacculturated sending money home to Mexico is not the same than somebody in, you know, North Carolina in general markets. So it's developing specific products and services that I think it's the key thing and for that, I can say everybody, automotive, financial, the food industry.

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**Tom Kelley:**

So just one last question. As far as, you know, when you start working with a client, are there kind of popular misconceptions in the sense of, you know, people who think they're getting it right but aren't. You know people that are high maintenance that think they're low maintenance, you know, that you have to wrestle with, you know, kind of over and over again, kind of a pattern of dealing with misconceptions.

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**Luis Fitch:**

I won't mention the client's name but I did a presentation a couple of months back in the board of directors and the CEO and the CEO said, "We're not gonna hire you." I said, "That's fine. Can I find out why?" He goes, "Well basically because you just told us that the unacculturated is gonna become acculturated sooner or later." I said, "Not necessarily, or if they do, you're missing this opportunity of 10 years, 20 years, whatever it takes with your brand being right away when they cross the border or starting to get into any brand."

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**Tom Kelley:**

Right.

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**Luis Fitch:**

So there's that misperception. Now everybody's talking about levels of acculturation or translating -- let's translate in and that's it where it's more than translating. It's transcreating what you're trying to do. So that's two of the big ones.

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**Tom Kelley:**

Right. Okay. Thank you very much.

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**Luis Fitch:**

Thank you.