

Report Published on Tuesday

Report examines Hispanic dairy market

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A new Innovation Center for US Dairy white paper analyses the growing Hispanic market and reveals strategies to more effectively meet the needs of this population and expand dairy sales.

The paper segments Hispanic consumers by level of acculturation, or the process of assimilating into a new culture, which is a strong indicator of consumption patterns. It examines dairy preferences, perceptions and consumption among foreign-born less acculturated immigrants, foreign-born more acculturated immigrants and US-born Hispanic residents.

“Hispanic consumers in the US are a highly diverse group with different beliefs, customs, experiences and behaviours,” says Dairy Management vice president of strategic insight, Lynn Stachura. “These cultural differences make it even more important for marketers to understand this audience and develop messaging and programming to meet their unique needs.”

The white paper states that milk consumption decreases as the acculturation process progresses. In fact, the less acculturated group consumes almost 50% more milk, cheese and yogurt than the most acculturated segment of Hispanic consumers. This gap could result in the loss of 700m pounds of fluid milk sales for this segment by 2030.

Additionally, there’s a vast difference in dairy preferences between the less acculturated and more acculturated consumers. Whole milk penetration is almost 14% higher among foreign-born Hispanics, compared with the US-born segment, while drinkable yogurt penetration is almost double, and Hispanic cheese penetration is nearly four times higher.

“By appealing to the unique traditions of the less acculturated group, while recognising that new habits get layered on, the dairy industry will be better able to maintain dairy consumption and help curb the drop-off,” Stachura says.

The white paper also pinpoints specific recommendations to help meet the challenge of creating demand by addressing the traditional needs of these consumers, including messaging, positioning, new product and packaging innovation, and distribution strategies.

“Our research shows that the unique nutrient package found in dairy products is extremely important to Hispanics,” says Stachura. “With the right products and messages, as well as increased distribution where Hispanics shop most, the dairy industry has an opportunity to grow incremental sales.”

Source: Innovation Center for US Dairy