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The New Hispanic Diner

Hispanics are an important and growing customer base with culturally defined dining desires that operators should understand.

By Scott Hume, Editor-in-Chief

The U.S. Hispanic community is the fastest-growing population segment, increasing to 44.3 million in 2006 from 35.3 million in 2000. It follows that Hispanic Americans represent foodservice's fastest-growing customer base and one the industry would do well to know better.

Hispanic Americans purchase an average of 4.14 meals away from home each week, according to R&I's 2008 New American Diner Study, while the average for all respondents is 3.72 meals. That means the Hispanic market's importance comes not just from the potential its growing size promises; it is a vital, if sometimes undervalued, market now.

Meals and Snacks Away from Home

	Meals	Snacks
Hispanic	4.14	3.84
Asian	4.47	3.47
African American	3.69	3.63
Caucasian	3.58	2.42

Source: R&I New American Diner Study.

The New American Diner Study identifies several dining attitudes and behaviors that significant numbers of Hispanic consumers share that operators can factor into menu, marketing, service and unit-expansion strategies. Chief among these cultural markers is a high emphasis on time spent with family.

Destination Decisions

When choosing restaurants, Hispanic consumers weigh self-image, price and reputation more strongly than non-Hispanics, according to R&I's 2008 New American Diner Study.

	Hispanic	Non-Hispanic
In choosing a restaurant, price is my first consideration	42.4%	30.3%
I believe that independent restaurants have higher food quality than chains	37.7	30.4
Eating out is as much about the experience as about the food	58.3	41.8
I take into account comfort aspects such as décor, music, furniture, etc. when I determine if a restaurant is a good value	42.6	35.6

Hispanics' away-from-home dining is much more likely to include family and friends rather than be a small-group affair. That has an impact on destination (family-friendly restaurants are preferred) and menu decisions (Hispanic diners appreciate family-style platters and a variety of choices that will suit all members of the group).

"The relationship between Hispanics and food is different than for other populations," says Edward Rincón, president of Rincón & Associates, a Dallas-based multicultural-research agency. "Food is not just another basic activity. We socialize a lot around food, and because of that we tend to gather with family and make food more than just a necessity."

The average American is 36.4 years old; the average Hispanic American is 27.4. Hispanic households average 1.1 children age 18 or younger, nearly double the 0.6 children for non-Hispanic households. The presence of more children means more cooking is done at home and more meals are purchased away from home.

"People don't appreciate how significant food is in our

I feel most restaurant meals are worth the expense	38.8	31.0
Restaurants I choose reflect my social status	24.3	14.3
Restaurants I choose reflect my personality	33.2	27.8
I won't wait longer than 30 minutes to be seated if there is a waiting list	53.2	46.7
I have seen a commercial or ad for a chain restaurant and decided to eat there	35.9	28.0
I often try a restaurant if I see or read a positive review of it	37.1	26.4

culture—we value food," says Rincón, a third-generation Mexican American. "And we spend a lot on it; more than \$100 a month more than non-Hispanics, according to our research." The Bureau of Labor Statistics' data show that 8.6% of the average U.S. Hispanic household's total annual expenditures go for food at home, compared with 7.1% for all consumers.

Hispanic households'

Restaurant Segment Usage

Asked which restaurant segment they visit most often, Hispanic consumers are evenly split between quick-service and casual-dining restaurants. Non-Hispanic consumers name casual dining as their primary choice by a significant margin over QSRs.

	Hispanic	Non-Hispanic
Quick service	37.3%	33.0%
Casual dining	37.2	41.7
Family dining	13.7	12.0
Fine dining	4.2	6.9
Buffet/cafeteria	3.2	5.2
C-store	2.8	0.8

Source: R&I 2008 New American Diner Study

food-away-from-home spending (5.7% of total expenditures) essentially matches the 5.6% for the general population, but Hispanics may purchase more meals away from home because they are more-frequent users of lower-price quick-service restaurants than the general population.

An Exploratory Culture

Rincón warns against an assumption that he says too many observers of the Hispanic community make: that Hispanics' dining habits are confined to restaurants that serve Hispanic-culture foods.

"We're not eating just Mexican food," Rincón says. "Many [Hispanics] eat it all the time at home already, and we know how to cook it better than most restaurants. Food is part of our culture, but our culture also is exploratory. We want to hang on to our culture, but we also are inquisitive and want to know about foods that are not part of our culture."

Menu Decisions

When choosing restaurants, Hispanic consumers weigh self-image, price and reputation more strongly than non-Hispanics, according to R&I's 2008 New American Diner Study.

	Hispanic	Non-Hispanic
I like a menu to have a mixture of foods I know and foods I have never tried	48.5%	42.5%
At many restaurants, I have a favorite dish that I usually order	60.7	52.7
I like menus that provide nutrition information	42.1	31.3
I like dishes served in large family-style portions that everyone can share	36.0	20.1

R&I's New American Diner Study finds just such interest in new foods among Hispanics, 51.2% of whom say that when eating dinner out they always or often order food different from what they would prepare at home. That compares with 46.4% of non-Hispanics who say they always or often seek out new foods.

Nearly half (48.5%) of Hispanics strongly agree with the statement, "I like a menu to have a mixture of foods I know and foods I have never tried," compared with 42.5% of non-Hispanic consumers.

A Sense of Community

The Hispanic community has seen a rapidly growing middle class. The U.S. Census Bureau's Current Population Survey 2006 finds that 28.7% of Hispanic households are in the middle-income (\$40,000 to \$74,999) category, slightly more than the 28.2% of Caucasian households with annual incomes in that range. That shift likely will result in more

I sometimes choose an entrée based on the side dish that comes with it	33.5	22.2
I am likely to order a dish based on a sauce served with it	30.9	21.3
I often order an entrée if it is an interesting new variation on a dish I have had before	41.5	35.0
I like menus that tell what farm or producer a particular food or ingredient is from	23.4	14.6
I am more likely to choose a dish if the menu indicates what farm or producer a food or ingredient comes from	24.3	12.0

dual-income households and greater restaurant patronage and greater usage of casual-dining concepts over the next several years.

But for now, Hispanic households show higher price sensitivity than non-Hispanics. Four in 10 Hispanic consumers strongly agree that price is their first consideration when choosing a restaurant destination, compared with 30.3% of non-Hispanics, according to the New American Diner Study. And 64.5% of Hispanics say lower prices would be the change that would make them more likely to eat dinner away from home.

Hispanics also evidence a stronger preference for independently run restaurants over chains. Rincón says this likely is a result of Hispanics strong community and family ties: Chains still are underrepresented in predominantly Hispanic neighborhoods and independents

are more likely to be owned and operated by Hispanics.

Hospitality has strong cultural resonance with Hispanics, who are more sensitive to restaurant service elements than to pricing. Bilingual servers are valued and not often found at chain locations. And Hispanic diners who experience substandard service or who are not made to feel welcome do not return.

"Hispanics are less likely to confront management when service is bad. There still is a passivity about that," says Rincón. "And we aren't going to fill out a customer-comment card and explain the problem. We just won't come back.

"I'd advise restaurant managers to train staff and monitor staff about hospitality if they want to serve more Hispanic guests."

Online Consumers

The 28% of Hispanic diners who strongly agree that they often use the Internet to evaluate a restaurant before visiting is higher than the 21.3% of Caucasian and 19.8% of African-American consumers who do so. Only Asian Americans (32.1%) are more likely to go online to view a menu before deciding on a dining destination.

A study of Internet use conducted in 2006 by New York City-based Synovate finds that 55% of U.S. Hispanics have Internet access, 77% of which is broadband access. Most (81%) of Hispanic Internet users are defined in the study as mostly acculturated (largely U.S. born and online for three or more years) or partially acculturated (U.S. residents for several years, online for an average of 2.8 years and 50% of whom are Spanish-dominant). Online Hispanic consumers described as unacculturated (foreign born, online an average of 2.3 years and 90% Spanish-dominant) account for only 19% of Hispanic Internet users. Among other findings:

- Acculturated online Hispanics prefer

content in English, although 40% of this group say they find Spanish-language content appealing. Only 15% of the total Hispanic online population prefers Spanish-only content.

- Acculturated Hispanics are more likely to visit Web sites that focus on entertainment (including restaurants), finance and nutrition. Unacculturated Internet users gravitate to sites that provide news about Latin America and soccer.

- Online Hispanic Internet users are frequent users of instant messaging (68%), blog posting or reading (52%) and social-networking sites (43%).

- A majority (68%) of online Hispanic consumers say the Internet is their best source for making final brand-purchase decisions (up from 51% in 2004). The Internet is used for price-comparison shopping by 72% of online Hispanics.

- Online Hispanics average 12.4 hours a week watching English-language television programming and 7.7 hours watching Spanish-language programming.