Hispanic Americans Foreshadow the Future of Media

A whitepaper exploring the media consumption habits of Hispanic Americans

Presented by specificmedia.com
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Executive Summary

Hispanic Americans are the fastest growing and second-largest ethnic population in the United States. They currently account for 17% of the overall U.S. population and 25% of Americans under the age of 15, according to the U.S. Census Bureau. By 2050, nearly a third (29%) of the U.S. population is projected to have Hispanic heritage.

The Hispanic population’s growing prominence in American society and multifaceted approach to language and cultural issues present an important opportunity for advertisers. In many ways, the Hispanic population is ahead of the trends that point the direction of mainstream media, and as marketers increasingly recognize the prominence of this group in American society, they are carving them out as a special segment in their marketing plans for the future.

More importantly, they have money to spend on the brands they like and want. Hispanic Americans have $1.3 trillion in purchasing power according to 2014 data from the Selig Center for Economic Growth. They are also overwhelmingly connected, with an estimated 78 percent online (up from 64 percent just three years ago) according to 2013 eMarketer research.

The statistics speak for themselves. The Hispanic American consumer marketplace is growing in numbers, regions, and influence, and brands that want to remain competitive need to start paying attention.

Specific Media and SMG Multicultural joined forces to look more closely at the habits and attitudes of Hispanic Americans concerning the internet, mobile technology, television, shopping and advertising. We commissioned Millward Brown Digital to observe their online behaviors and survey their attitudes and beliefs.
Another conclusion from this research is that Hispanics do not watch significantly more hours of television than non-Hispanic Americans. Hence, for advertisers seeking to tap into the increasing spending power and cultural impact of this growing audience segment, digital media is key.

**KEY FINDINGS INCLUDE THE FOLLOWING:**

- Hispanics spend considerably more time online than non-Hispanics: 31 hours vs. 21 hours per month, respectively.
- Hispanics own and use smartphones and tablets more than other Americans: Hispanics spend 26% of their online time on smartphones vs. 20% for non-Hispanics; 16% on tablets vs. 13%, yet only 59% on desktops vs. 67% for non-Hispanics.
- Hispanics spend almost 6 times more time per month shopping online compared to non-Hispanics: 6.4 hours monthly for Hispanics vs. 1.1 hours for non-Hispanics.
- Hispanics are much more engaged with, favorable towards and influenced by advertising than non-Hispanics: 36% percent of Hispanics felt smartphone ads often or very often influenced their purchases, compared to 17% of non-Hispanics; 33% of Hispanics found web ads useful often or very often, compared to 20% of non-Hispanics.
- Hispanics use the internet while watching TV more often than non-Hispanics: Hispanics are a third more likely to be online while watching TV compared to non-Hispanics, and they are twice as likely to engage with advertisers online after seeing related TV commercials.
- Hispanics are significantly more likely to be influenced by friends and family on purchase decisions than non-Hispanics: Hispanics are 74% more likely to be persuaded on product purchases by their children compared to Non-Hispanics, and 28% and 22% more likely influenced by other family members and their spouses respectively.

**RECOMMENDED STRATEGIC TAKEAWAYS INCLUDE:**

- Capitalize on the internet to influence Hispanics where they make many purchase decisions
- Adopt a clear mobile strategy
- Drive greater interaction by integrating online and offline campaigns
- Engage Hispanics, who are already more favorable to advertising, by appealing more directly to their cultural identity and values
- Leverage trusted influence by broadening campaigns to family members and social circles
**Methodology**

In collaboration with SMG Multicultural, Specific Media commissioned Millward Brown Digital to conduct research into the details of how Hispanic Americans use the internet, smartphones, tablets and TV in their daily lives. We accomplished this in two ways:

**Behavioral Observation:** We observed traffic patterns of members of Millward Brown Digital’s panel of 2 million U.S. internet users and divided them into three segments:

1. **Spanish-preferred Hispanics:** We identified the Spanish-preferred Hispanics by prominent usage of Spanish in search queries.
2. **English-preferred Hispanics:** English-preferred Hispanics were identified by visitation to sites from a list of roughly 100 English-language, Hispanic-themed sites (e.g., fusion.net, latino-review.com, huffingtonpost.com/latino-voices, latino.foxnews.com, remezcla.com, nydailynews.com/latino, urbanlatino.com).
3. **Non-Hispanics:** Non-Hispanics were identified by a random selection of remaining Millward Brown Digital panelists that did not meet those previous conditions.

With these segments, we then analyzed three months worth of desktop internet activity of these panelists (Q1, 2014) in order to report on web usage trends for these populations, as reported in the following pages.

**Survey:** We fielded a survey to Millward Brown Digital’s panel, recording results from 1,027 respondents in late May and early June of 2014. We invited survey respondents to take the survey in either Spanish or English, and we also asked respondents their preferred ethnic self-identity. Based on those answers, 248 were Spanish-preferred Hispanics; 263 were English-preferred Hispanics, and 516 were Non-Hispanics.

All differences highlighted in these results are statistically significant to a confidence level of at least 90% unless otherwise noted.
Results in Detail

1. Hispanics spend more time online than Non-Hispanics
Hispanics are internet power-users. In our analysis of Q1 2014 web surfing data, Hispanics spent 47% more time online than non-Hispanics.

2. Hispanics are frequent online shoppers
The time that Hispanics spent shopping online dwarfs that of non-Hispanics. Hispanics spent on average 6.4 hours per month compared with 1.1 hours per month for non-Hispanics.

Shopping was the top-ranked category of web-surfing activity for Hispanics, who spend roughly 21% of their time online on shopping-related websites such as amazon.com and gap.com. By comparison, this category ranked eighth amongst non-Hispanics, with this segment spending a little over 5% of their time shopping online.

Hispanics also appear to use the internet more to inform their offline purchase decisions. Our findings show 73% of Hispanics research purchases online before offline, compared to 63% of non-Hispanics, an increase of 16%.

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Hispanics</th>
<th>Non-Hispanics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shopping</td>
<td>Web Portals and Search</td>
</tr>
<tr>
<td>2</td>
<td>Web Portals and Search</td>
<td>News and Media</td>
</tr>
<tr>
<td>3</td>
<td>Services</td>
<td>Career and Education</td>
</tr>
<tr>
<td>4</td>
<td>News and Media</td>
<td>Services</td>
</tr>
<tr>
<td>5</td>
<td>Financial Services</td>
<td>Health</td>
</tr>
</tbody>
</table>

Figure 1: Hours/month per person spent online (Panel behavioral observation)

<table>
<thead>
<tr>
<th>Hours per person per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanics</td>
</tr>
<tr>
<td>Non-Hispanics</td>
</tr>
</tbody>
</table>

Hispanics spend 6.4 hours shopping online per month
Non-Hispanics spend 1.1 hours shopping online per month
3. Smartphone/tablet ownership and usage higher among Hispanics

Hispanics have a higher rate of ownership of smartphones and tablets vs. non-Hispanics. Meanwhile, non-Hispanics own desktops at a higher rate.

<table>
<thead>
<tr>
<th>% Owned</th>
<th>Desktop</th>
<th>Smartphone</th>
<th>Tablet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanics</td>
<td>91%</td>
<td>77%</td>
<td>54%</td>
</tr>
<tr>
<td>Non-Hispanics</td>
<td>95%</td>
<td>70%</td>
<td>49%</td>
</tr>
</tbody>
</table>

Table 2: Device ownership rates among Hispanics and Non-Hispanics (Survey). All differences statistically significant at 90% confidence.

Furthermore, Hispanics use their mobile devices at a higher rate than non-Hispanics. Figure 2 shows that Hispanics spend more time browsing the internet, shopping online and checking and sending email via smartphone and tablet than non-Hispanics, who were more apt to rely on desktops. Other results not charted here include Hispanics spend more time streaming music, movies and videos, as well as reading articles on smartphones and tablets.

Figure 2: Distribution of time spent engaged in activity across tablet/smartphone/desktop (Survey)
4. Hispanics are more favorable towards and influenced by advertising across all channels and devices

Hispanics find advertising to be useful, relevant, influential and informative — irrespective of the media device — at a much higher rate than non-Hispanics. This discrepancy is greatest on smartphones and with respect to advertising as being useful and informative (see Figure 3).

![% Very Often/Often Find Ads on Smartphone](image)

*Figure 3: % of respondents who reported finding smartphone ads to be very often/often useful, relevant, influential, and informative (Survey)*

These higher rates among Hispanics extend to all favorability metrics across all three devices. See below table for complete results.

<table>
<thead>
<tr>
<th></th>
<th>Useful</th>
<th>Relevant</th>
<th>Influential</th>
<th>Informative</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Desktop</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hispanic</td>
<td>43%</td>
<td>40%</td>
<td>31%</td>
<td>46%</td>
</tr>
<tr>
<td>Non-Hispanic</td>
<td>22%</td>
<td>24%</td>
<td>19%</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Smartphone</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hispanic</td>
<td>40%</td>
<td>42%</td>
<td>36%</td>
<td>43%</td>
</tr>
<tr>
<td>Non-Hispanic</td>
<td>17%</td>
<td>19%</td>
<td>17%</td>
<td>23%</td>
</tr>
<tr>
<td><strong>Tablet</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hispanic</td>
<td>42%</td>
<td>38%</td>
<td>36%</td>
<td>45%</td>
</tr>
<tr>
<td>Non-Hispanic</td>
<td>25%</td>
<td>25%</td>
<td>20%</td>
<td>24%</td>
</tr>
</tbody>
</table>

*Table 3: Hispanics vs. Non-Hispanics; % Very often/often find advertisements on Desktop/Smartphone/Tablet to be Useful/Relevant/Influential/Informative (Survey). All differences are statistically significant at 90% confidence.*
Beyond ad favorability, Hispanics also are highly likely to be persuaded to purchase compared with non-Hispanics. Remarkably, this difference was statistically significant across all 6 types of advertisements shown in Figure 4. And, consistent with previous findings, the biggest difference came on mobile apps and mobile sites, where Hispanics were far more likely to be persuaded to purchase, 135% and 155% greater than non-Hispanics, respectively.

**Figure 4: % respondents who reported being likely to be persuaded (yes/no response) to purchase after viewing a given type of advertisement (Survey)**

This is true across all 6 different types of ads. Hispanics are far more likely to be persuaded by mobile apps and sites to purchase than non-Hispanics.
5. Hispanics multitask more on other devices while watching TV, and are more likely to engage with brands online after seeing commercials

Hispanics spend roughly the same amount of time as non-Hispanics watching TV, as 63% of Hispanics report being moderate/heavy TV viewers (defined as at least nine hours spent per week) compared to 61% of non-Hispanics.

However while watching TV, Hispanics are significantly more likely to be engaged in various online activities than non-Hispanics. 51% of Hispanics report being likely or very likely to browse the internet while watching TV, compared to 40% of non-Hispanics.

Hispanics are more likely to multitask on other devices while watching TV, further strengthening the effectiveness of a multi-device advertising strategy.

Figure 5: % of respondents who reported constantly/very often conducting activity while watching television (Survey)

Figure 5 displays eight online activities that Hispanics are statistically significantly more likely to partake in while watching TV. These range from listening to online music to watching shows, videos or movies to using social networking sites to shopping online.

Hispanics are more likely to multitask on other devices while watching TV, further strengthening the effectiveness of a multi-device advertising strategy.
As shown in Figure 6, Hispanics are around twice as likely as non-Hispanics to interact with a brand online if the TV ad directs them to a brand’s online presence, e.g., by showing a Twitter handle, displaying a website, offering an app to download or requesting a Facebook like.

Given the overall proclivity of Hispanics to shop online, go online while watching TV, and have favorable attitudes toward advertising, especially as pertains to online brand elements, they are prime candidates for cross media targeting strategies.
6. **Hispanics are more influenced by family and friends in purchasing**

Hispanics are not only more open to advertising than non-Hispanics, they are also more receptive to feedback from friends and family when making purchases.

When the data was aggregated across all products, it showed that Hispanics lean on their spouses when making a purchase at a higher rate than non-Hispanics (see Figure 7).

Remarkably, the biggest discrepancy between the two groups was the role that children played in the purchase decision. For Hispanics, 50% reported being influenced by their children, a 74% increase over the 28% of Non-Hispanics.

**Figure 7: % of respondents reporting having been influenced by person(s) when making a purchase (Survey)**

- **Spouse**: Hispanics, 50%; Non-Hispanics, 45%
- **Children**: Hispanics, 50%; Non-Hispanics, 28%
- **Other Family**: Hispanics, 30%; Non-Hispanics, 20%

*50% of Hispanics are influenced by their children for purchases*
Across all seven product categories, Hispanics reported being influenced at a higher rate by family and friends when making a purchase than non-Hispanics (see figure 8). Additionally, the rates of influence are fairly consistent within the categories for both Hispanics and non-Hispanics, leading to similar discrepancies that are statistically significant.

Figure 8: % respondents reported to be influenced by another person when purchasing given product (Survey)

Hispanics are more likely to be influenced by family and friends when purchasing

This is true across all seven product categories
Conclusion

The overwhelming conclusion of this survey shows that marketers have an enormous opportunity in both reaching Hispanics online and their ability to influence them where they make their purchase decisions. Hispanics are more engaged across platforms and are more open to advertising that appeals directly to their cultural identity and values. Marketers can leverage this engagement to drive even greater interaction with the Hispanic community by developing broader campaigns that integrate both online and offline elements designed to appeal to family members and wider social circles. It is also essential for marketers to adopt a clear mobile strategy, as Hispanics are leading the mobile consumption trend.

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