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Online Marketing to the U.S. Hispanic



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1. The Lowdown

Hispanics are online. In 2008, 23 million Hispanics were online, which was about 52 percent of the U.S. Hispanic population. In 2012, more than 29 million Hispanics will be online, increasing Internet penetration to 58.6 percent.

Hispanics are connecting twice as fast as the general market (14 percent growth versus 7 percent)—adding over a million users per year.

2. Why do I need to know about it?

It is cultural imperative to connect. Living a connected, collective, and spontaneous life is a fundamental Hispanic value and desire. Technology that facilitates connecting, sharing, entertaining, and learning is rapidly becoming indispensable for the majority of the U.S. Hispanic population.

The growing Hispanic middle class is super connected. Eighty-eight percent of U.S. Hispanics with a household income of \$50,000 or more are online. For categories such as technology, consumer electronics, financial services and travel, connecting with consumers where they explore your products, research options, share experiences with communities, and ultimately buy your products is not an option, it's a necessity.

Hispanics are early adopters of mobile technology. Thirty-one million U.S. Hispanics have a mobile phone. By the age of 15, penetration of wireless services among U.S. Hispanic teens is 64 percent; by the age of 17, the penetration rate rises to 78 percent. For the most part, mobile marketing is not really on the radar as a consistent Hispanic marketing strategy. The challenge and opportunity of mobile marketing seems to lie in truly capitalizing on the relationship people have with their mobile devices. They take them everywhere, they rely on them as a means to connect, to be creative, to manage their lives, to navigate their work and personal lives, to be entertained. The mobile phone is not just another screen onto which we can send ads. It represents an opportunity for us to fundamentally change the relationship between brand and consumer—we can engage in a dialogue, create context-specific content, and situate a brand within relevant, dynamic moments in the consumer's life.

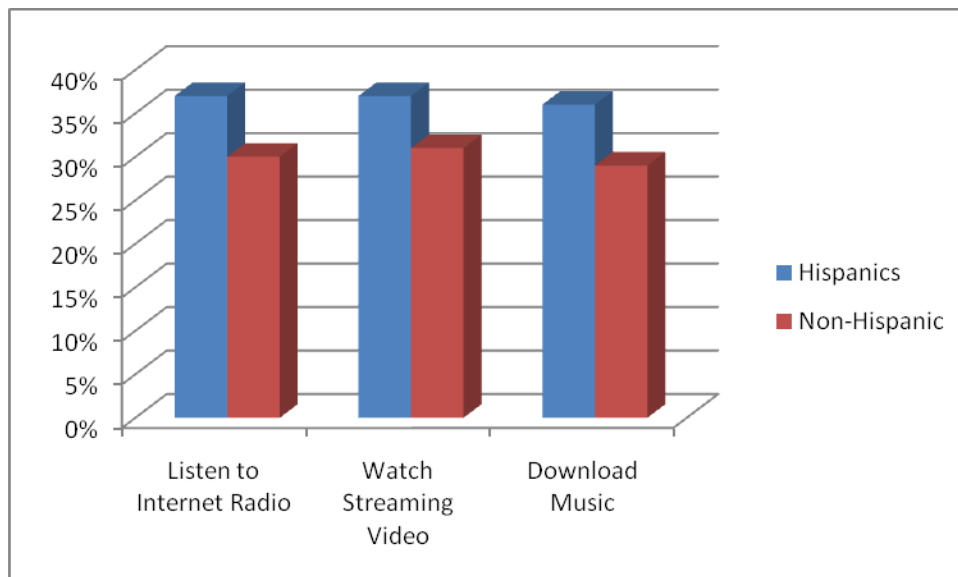
There are no precedents here; the world of mobile marketing is being invented as it is built, so one of the principal challenges in this area is to define success, to incorporate mobile marketing into integrated multi-channel marketing plans, and to understand and even build metrics.

Hispanics will spend money on what they really want. U.S. Hispanics spend 42 percent more on mobile devices and 35 percent more on data services than the average user. Convention tells us that the Hispanic market is very value-conscious and often makes purchase decisions based on price. When it comes to technology, the opposite has proven to be true. Hispanic consumers are driven by style, status, and technology that satisfy their need to connect spontaneously, share with friends and family, and have access to entertainment. This means they are buying cool, Web-enabled phones, unlimited data plans, lots of minutes, and frequent upgrades.

More than the language, it's about the content. Roughly half of the Hispanics online prefer Spanish, and for 66 percent it's important to be recognized as Hispanic—through culturally relevant content.

Hispanics are dynamic content creators and consumers. Two-thirds of online Hispanics use the Web to view other consumers' content, and 40 percent of online Hispanics create content and provide their opinions online. Initially generated due to a lack of relevant and in-language content, consumer-generated content in the Hispanic market has taken on a life of its own. Hispanics dramatically outpace the general market in creating and sharing content, and few brands have figured out how to be part of the process creatively. The challenge is to support consumers, provide resources, and even become part of the process, without imposing artificial restrictions or values.

Entertainment content is the main appeal for online engagement. We have a captive consumer that is willing to spend time, and in many cases, money for entertainment content online. Can our brands be part of this? Can they produce, distribute, or monetize content? Web sites like Hulu are already very appealing to Hispanics, but the field is open with few leaders and standouts.



Hispanics live an online collective life. Seventy-seven percent engage in some kind of online socializing; forty percent are part of a social network; an estimated 20 percent of Hispanics online are considered “Hispanic fluentials.” The right medium for the right target: If word of mouth is key to any successful Hispanic marketing initiative, the online space has taken the dynamic to another level. Online, the collective, hyper-social Hispanic cultural dynamic can be expressed, explored, and developed without limits. Social networking and content sharing tap into some of the most-elemental and valued practices within Hispanic culture: Storytelling, music sharing, creation and fusion, collaborative problem solving, and resource sharing.

Multitasking: Part of the Hispanic DNA. On average, Hispanics spend 17 hours per week online, but they spend 14 hours per day with a technology device (versus 8 hours for the general population). Because of their higher propensity to use converged technology, the Hispanic consumer is the perfect target for developing truly integrated multi-channel campaigns.

The Hispanic online landscape is less crowded. Interactive Advertising Media Investment represented 4.6 percent in 2007, while in the general market it is around 9 percent (no unique source data available). The online Hispanic opportunity is not only about a big and growing market or about consumers that are eager to engage, there is also an opportunity because there are far fewer brands competing in this space. Brands that go in first and engage the consumer first have a unique opportunity to establish themselves as first movers and true resources for Hispanic consumers.

3. The thing to remember is...

Connecting Hispanics online is not merely a matter of language anymore: It's about connecting culturally and becoming a catalyst in the community. Online Hispanics move from Spanish to English and back again in different moments of an interactive brand experience. Far from being a disadvantage, this kind of fluid activity opens up interesting opportunities that help us learn about our consumers while allowing them to customize their online experience.

There is now a critical mass of connected, engaged Hispanics online. Keep in mind that we're referring to those that are connecting on their computers, which is another territory to observe, since we have to take into account mobile connectivity—recent figures put 57 percent of Hispanics going online through their mobile phones. The size of the online Hispanic market (23 million), coupled with the inherent power of the medium (targeted, flexible, shareable), point to very significant opportunities for interactive programs to move the needle in brand, response, and sales initiatives.

Note: The following information has been collected from diverse sources and studies developed between 2007 & 2009 (Forrester, eMarketer, Comscore, Terra Networks, and Dieste's own research). The data should be used as a guide since there are not consolidated studies on the Hispanic digital and mobile landscape and, in some cases, the most recent information is from 2007.

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