

Always connected

US-based Hispanic consumers dominate mobile, entertainment, and beyond

Consumer Intelligence Series



Currently 55-million strong and expected to reach one-third of our population by 2060, US Hispanic consumers represent a highly sought-after—and growing—market of buyers and influencers.

Especially for companies within entertainment, media, communications, and technology, it has become essential to engage Hispanic consumers. But why?

US Hispanics represent a growing market of media hungry, social influencers with spending power that continues to multiply.

PwC first set out to explore Hispanic consumers in 2014—in our Consumer Intelligence Series report titled *Mi Móvil: Hispanic consumers embrace mobile technology*—and found that the US Hispanic population is extremely tech-savvy:

- They are more engaged with their mobile devices than the population at large.
- They stream and download content more than consumers overall. On multiple devices.
- They have an affinity for mobile payments.

So now what? The value of Hispanics is clear, but understanding how to target this market has caused confusion. As Hispanic purchasing power continues to build, companies have begun to recognize they don't speak with one voice. In fact, PwC analysis found that the US Hispanic population is fairly diverse based on home country, length of time and number of generations in the US, age, geographic disparity, and family-makeup differences. Meanwhile, 62% of Hispanic consumers today are born in the US; their behaviors and consumption patterns vary significantly from those born outside the US. Companies are beginning to recognize they need multiple customized strategies for different ethnicities and generations.

In our analysis, we use the following criteria to define the various generations of Hispanic consumers:

1st-generation Hispanic: Born outside the US

2nd-generation Hispanic: Born in the US with at least one parent born outside the US

3rd-generation Hispanic: Born in the US with both parents born in the US

Substantial overlap exists between first- and second-generation Hispanic consumers. However, large, significant differences are evident with third-gen Hispanic consumers who've assimilated into the mainstream. In fact, their behavior more closely resembles the population at large.

Hispanic consumers don't speak with one voice; marketing to them requires a nuanced understanding of their behaviors.

Survey overview and study objectives

Hispanic consumers represent unparalleled growth opportunities. Through the ongoing Consumer Intelligence Series, PwC sought to continue to better understand Hispanic consumer attitudes and behaviors in the rapidly changing media and technology landscape, this time extending beyond the mobile marketplace.

This report summarizes key findings from a 1,000-respondent survey¹ (n=500 Hispanic consumers, 500 non-Hispanic consumers) conducted in July 2016. The key objectives of this research were to explore:

- Overall technology adoption, usage, and consumption
- Media behavior, with a specific focus on:
 - mobile
 - television
 - cinema
 - social media
- Cultural tendencies, affiliations, and alliances
- Language preferences
- Overall motivators and influencers

Particular attention was paid to the comparison of Hispanic consumers intra-ethnically (of different generations) and to non-Hispanic consumers overall.

1 Screening Criteria

- N=1,000
 - n=500 Hispanics
 - * Maximum 65% Mexican origin
 - * 65% US born; 35% foreign born
 - n=500 non-Hispanics
- 50% female / 50% male
- A18-64
 - 33% 18-29
 - 47% 30-49
 - 20% 50-64

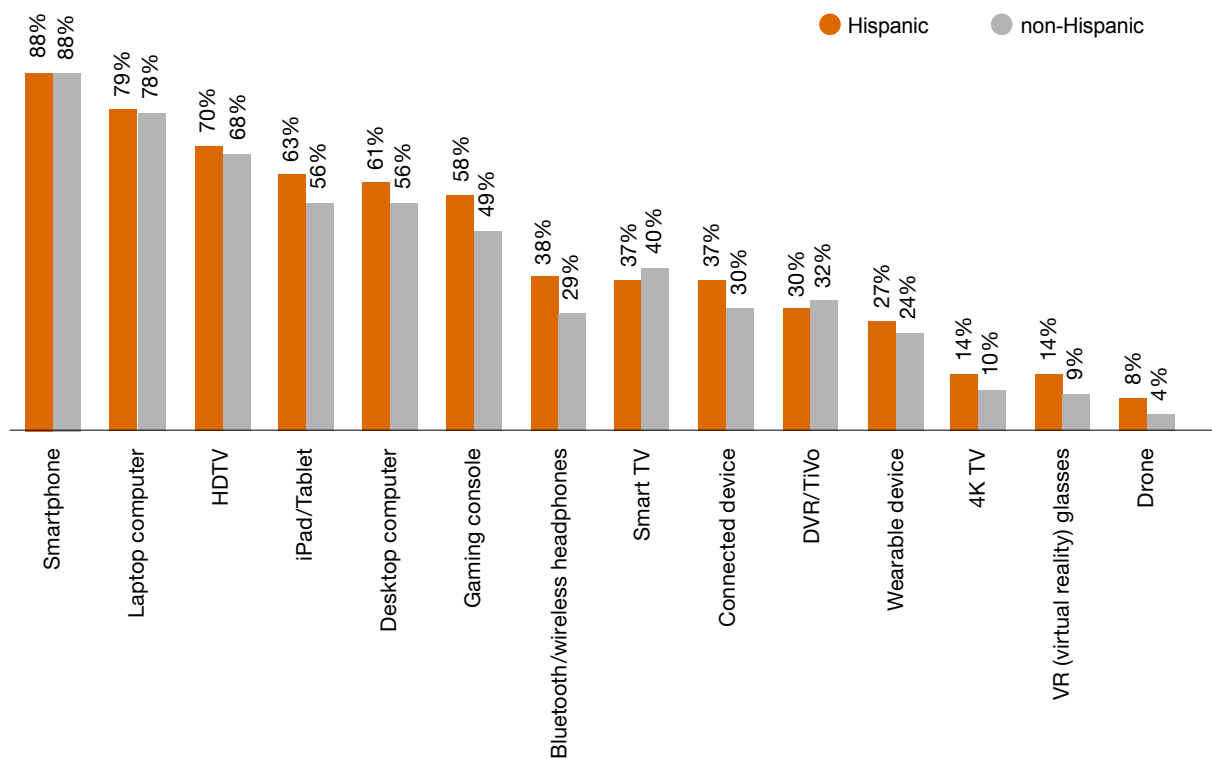
Key findings

Tech + mobile

1. Early tech adopters

Hispanic consumers represent one of the largest—if not *the* largest consumer audience nationwide; their early technology adoption rate and heavy use of technology makes them even more coveted. Our data shows that Hispanic consumers overall, especially younger millennials, are significantly more likely to use newer technology—Bluetooth and wireless headphones, connected devices, 4K television sets, virtual reality (VR) glasses, and drones—than the overall population.

Devices used last 30 days



Base: Total-Hispanic: n=500, non-Hispanic: n=500; Q10. Which, if any, of the following devices have you used in the last 30 days?

2. Mobile first

A few years ago, Hispanic consumers outpaced the national average in smartphone adoption, according to a 2013 Pew Research poll. The overall population has since caught up; however, Hispanic consumers still represent a mobile-first community with engagement levels that exceed those of the population at large. Our research shows they reach for their smartphones more often than their non-Hispanic peers—to text; e-mail; check news, weather, or sports; pay bills; play games; listen to music and more.

For US Hispanic consumers—more so than non-Hispanics—mobile technology has become an affordable communication and entertainment vehicle. With a phone, US Hispanic consumers can not only stay in touch with friends and loved ones outside the US, they can also get unlimited access to a world of information and entertainment that might otherwise be unreachable.

Activities performed on mobile device at least once per week

● Hispanic ● non-Hispanic

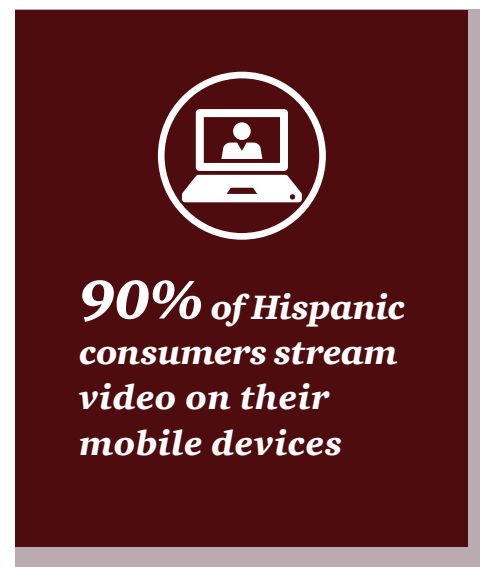


Base: Total–Hispanic: n=500, non-Hispanic: n=500; Q13. The following questions relate to how you use your mobile device (e.g. smartphone, tablet, or both). About how often would you say you use your mobile device for the following things? (top 3 box)

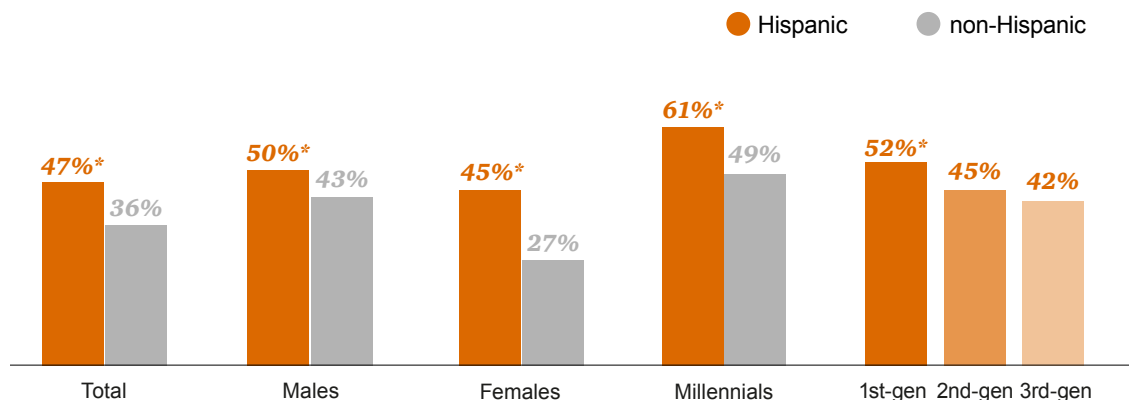
3. Dominating mobile video

The vast majority of Hispanic consumers—90%—stream video on either a smartphone or tablet, 10% more than non-Hispanic consumers. Across all segments, Hispanic consumers are also far more likely to view video on mobile device(s) more often than their non-Hispanic counterparts. Generationally-speaking, usage among Hispanic consumers aligns closer with the broader non-Hispanic population the longer a family has been in the US.

The average Hispanic consumer spends more than 26 hours per month watching video online/on their smartphone—seven hours more than the US average—likely driven by data usage 16% higher than the national average.² And they are significantly more likely to stream video on-the-go every day, including user-generated videos and TV shows.



Mobile video streaming more than once per day

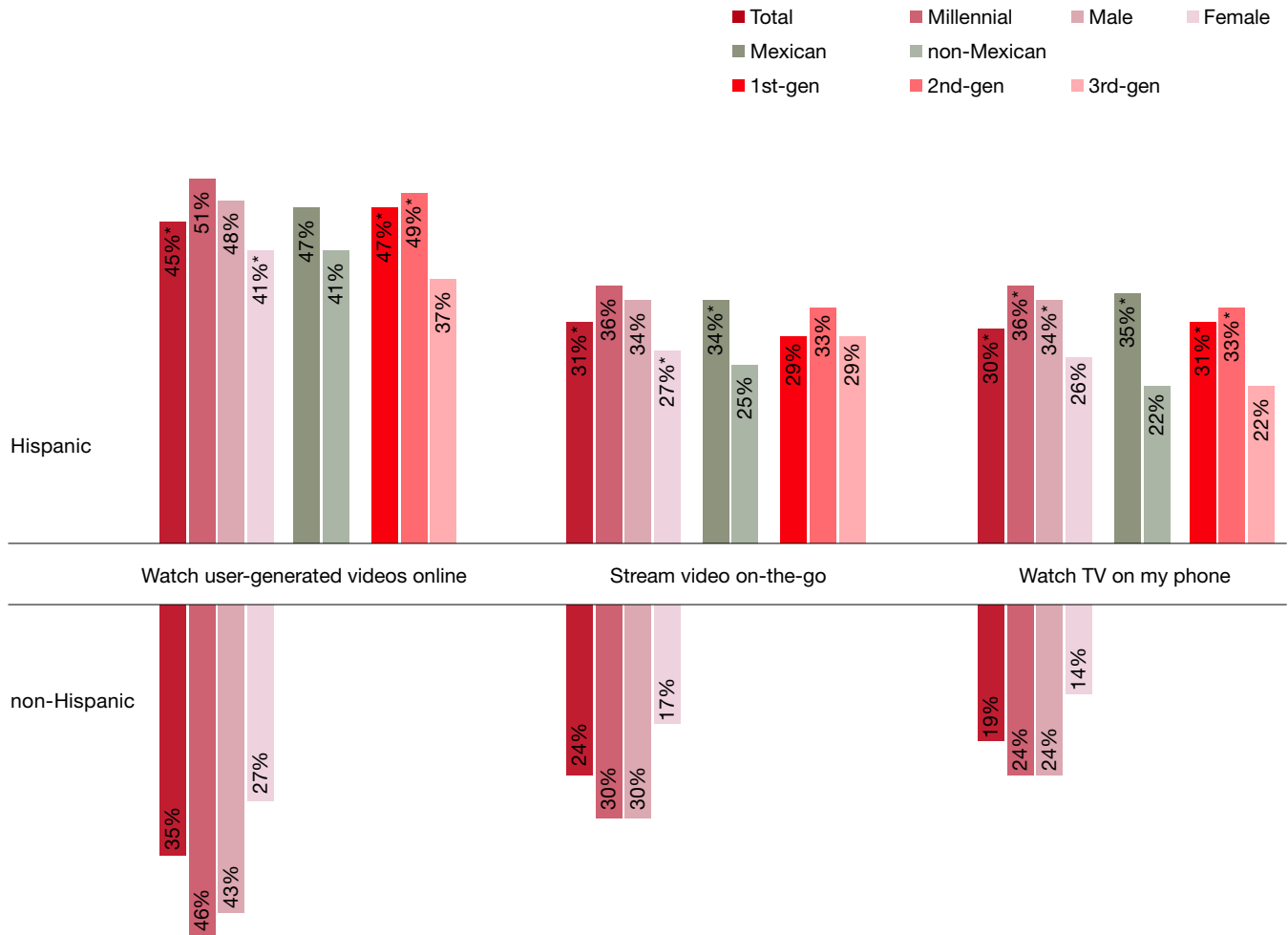


Base: Total–Hispanic: n=500, non-Hispanic: n=500; Q12d. How often do you stream video (e.g. Netflix, YouTube, etc.) on your mobile device (e.g. smartphone, tablet, etc.)? *Indicates significance at 90% confidence level

Within the Hispanic community, significant differences exist among generations. For example, third-generation Hispanic consumers stream less often than their cohorts, more closely mirroring the behavior of non-Hispanic consumers. Meanwhile, Hispanic consumers of Mexican decent are more likely to engage in these activities more often than those of non-Mexican descent.

² Nielsen “Total Audience Report,” Q1 2016.

Do the following on a mobile device at least once daily



Base: Total–Hispanic: n=500, non-Hispanic: n=500; Q11. How often do you do the following? Drag each card from the deck and drop it into your answer choice above. (top 2 box) *Indicates significance at 90% confidence level

The analysis from our previous report, *Mi Móvil: Hispanic Consumers Embrace Mobile Technology*, continues to apply today. Hispanic consumers told us they use—and share—their smartphones to watch videos because it's a more cost-effective option than a cable subscription. A data plan offers on-the-go options, precluding the need for Wi-Fi.

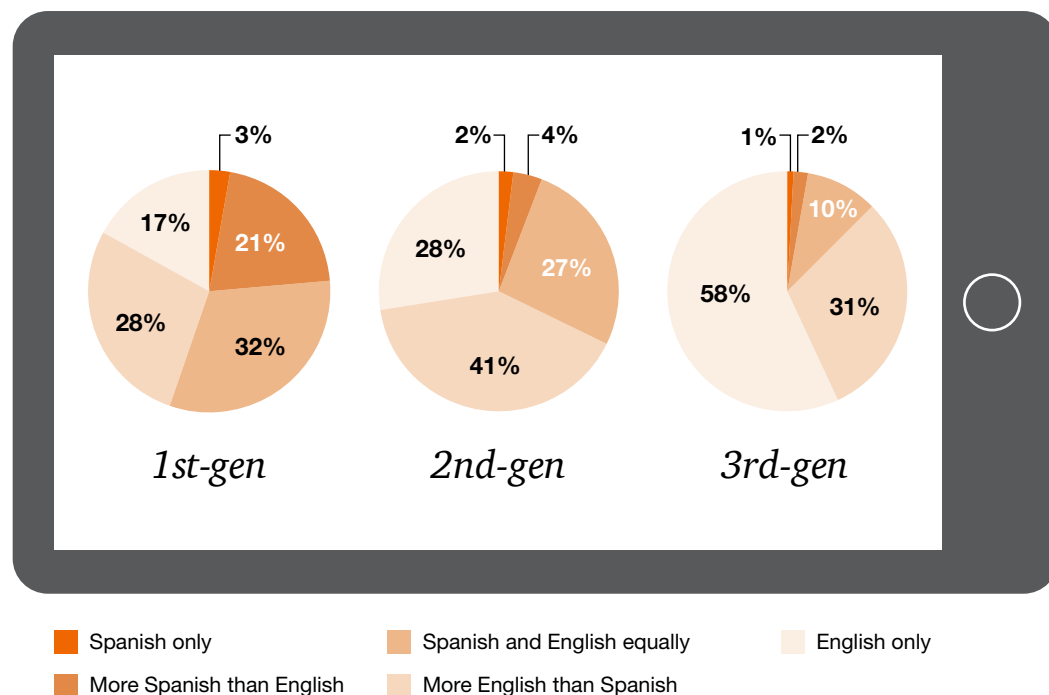
4. Bilingual video streaming

A large percentage of Hispanic consumers interact in English and Spanish interchangeably. And a recent Pew³ report found that a growing share of Hispanic consumers in the US—most of whom are born in the US—speak English exclusively at home.

Especially in the digital world, language is not an either/or situation, it's an "and." For streaming video, only a small percentage of Hispanic consumers—even those born outside the US—watch exclusively Spanish-language content.

Increasingly, reaching Hispanic consumers has become less about language and more about connection with content. Launched in 2012 and aimed squarely at the explosive Latino millennial market, mitú has created a brand driven by content that is both unapologetically Latino and universally appealing for young consumers. "Mitú's success can be traced to three strategic bets: one, in order to reach American youth, brands need to start by speaking to young Latinos; two, English is their language of preference; and three, social platforms are where the audience predominates, not TV," says Charlie Echeverry, CRO of mitú. "This approach has enabled us to carve out a unique positioning for what is the fastest growing and most influential audience in the country."

Streaming video language preference by generation



Base: Total-Hispanic: n=500, non-Hispanic: n=500; Q12e. In general, in what language do you watch streaming videos (e.g. TV shows, YouTube clips, etc.)?

3 PewResearch, "Statistical Portrait of Hispanics in the United States," April 19, 2016.

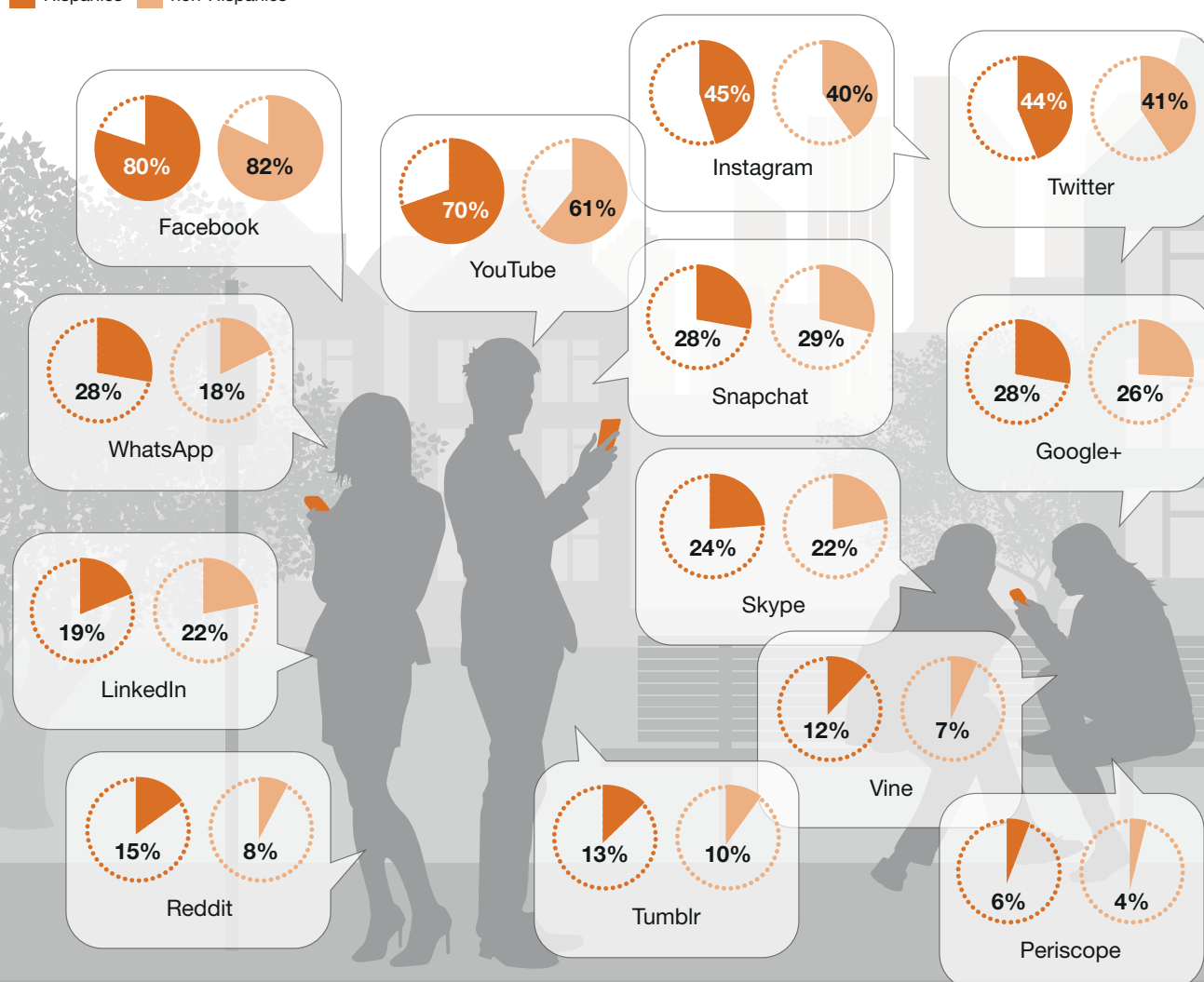
Social media

1. Heavy users of video and chat

While Facebook is popular with Hispanic and non-Hispanic consumers alike, Hispanic consumers—especially women—use YouTube more than their non-Hispanic counterparts. Hispanic women are also heavier users of Google+, WhatsApp, Reddit, Vine, Kik, and Periscope.

Social media sites regularly used

Hispanics non-Hispanics



Base: Total-Hispanic: n=500, non-Hispanic: n=500; Q35. Which of the following social media sites do you use most often?
*Indicates significance at 90% confidence level

2. Staying connected via social media

Social networks like Facebook, and apps like Skype, WhatsApp, and Snapchat, allow Hispanic consumers to stay connected with family and friends in other parts of the world relatively inexpensively. In fact, 51% of Hispanic consumers say they use Snapchat to stay connected with family, according to the Hispanic Millennial Project—20% more than any other millennial cohort.⁴

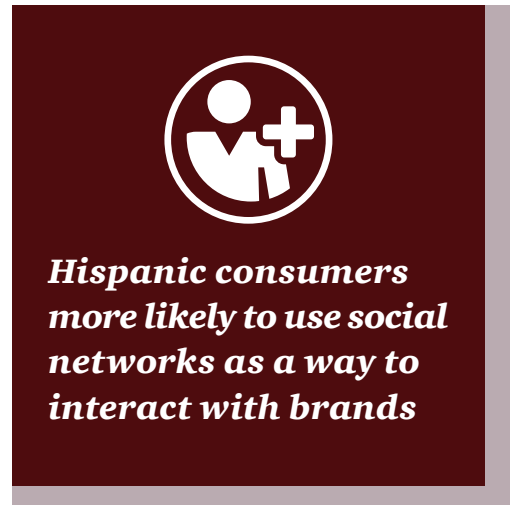
Hispanic consumers aged 18-34 are also more likely than their non-Hispanic peers to use social media as a news source: 38% of Hispanic millennials turn to YouTube for news, versus only 20% of their non-Hispanic consumers counterparts. And 30% of Hispanic millennials (versus 19% of non-Hispanic millennials) get their news from Instagram at least once a day.⁵

3. Engaging with [and liking] ads on social media

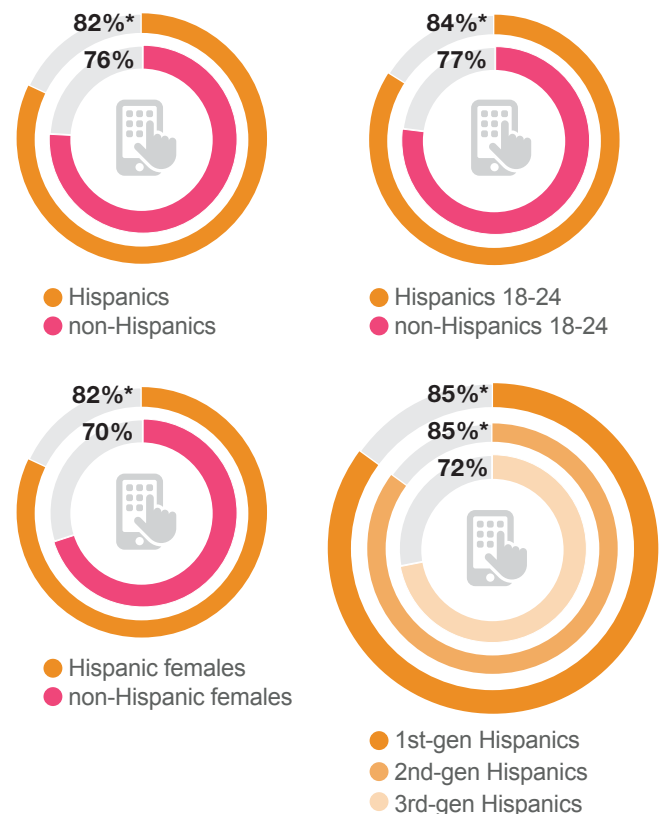
Younger Hispanic consumers aged 18-24 (33%) are significantly more likely than their non-Hispanic peers (21%) to tweet, like, share, or follow a brand on social media in return for exclusive access to insider information about a new product launch or special appearance.

Not only are Hispanics more open to engaging with brands on social media, but the vast majority enjoy seeing ads. While six percentage points may not seem like much, it represents a significant difference between Hispanics consumers (82%) and non- (76%) who like to engage with ads on social media. And Hispanic women, millennials, and consumers of first- and second-generation Hispanic descent, show even higher levels of engagement.

Snap stories are the most-favored typed of ad on social media among all, but the similarities stop there. Hispanic consumers across the board are significantly more likely to favor brand-sponsored videos. This, however, was the third choice for Hispanic consumers aged 18-24, who prefer promotions from a beloved celebrity of their choice.



Like to engage with ads on social media (%)



4 MediaPost, "The Social And Mobile World Of Hispanic Millennials," May 26, 2016.

5 American Press Institute, "How Millennials Use Technology to Get News: Differences by race and ethnicity," August 21, 2015.

Base: Total-Hispanic: n=500, non-Hispanic: n=500; Q38. Which of the following types of ads do you like engaging with most on social media sites? (at least one selected) *Indicates significance at 90% confidence level

4. A wider Facebook platform

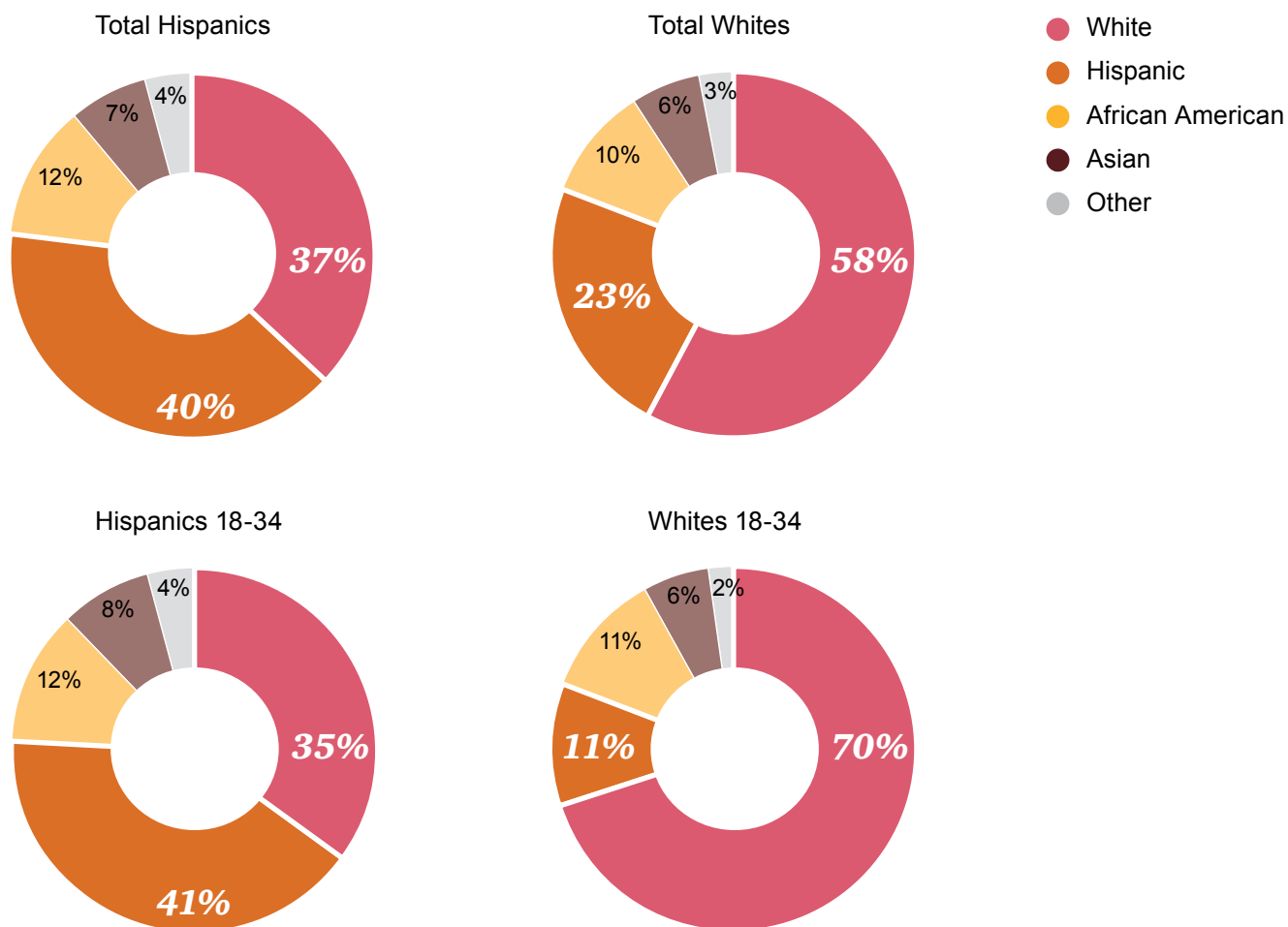
We asked respondents to quantify their Facebook friends by ethnicity and race in an attempt to assess how culturally diverse Hispanic Facebook networks are in comparison to other ethnic groups.

Hispanic Facebook users have more Hispanic friends, whites* have more white friends, and so on. However, we found that Facebook networks among Hispanic

consumers are much more diverse overall than those of whites. In fact, the Facebook network of a Hispanic consumer shows almost a 1:1 friend ratio of Hispanics and whites, a notion not shared among whites in general, and one especially not shared among white millennials.

The friend group of a Hispanic consumer provides a type of influence unattainable among other ethnic groups—their network extends both vertically and horizontally, equally reaching those among their culture and beyond.

% of Facebook friends by ethnicity/race



Base: Total-Hispanic: n=500, non-Hispanic: n=500; Q35a. What percentage of your Facebook contacts (friends) are the following?

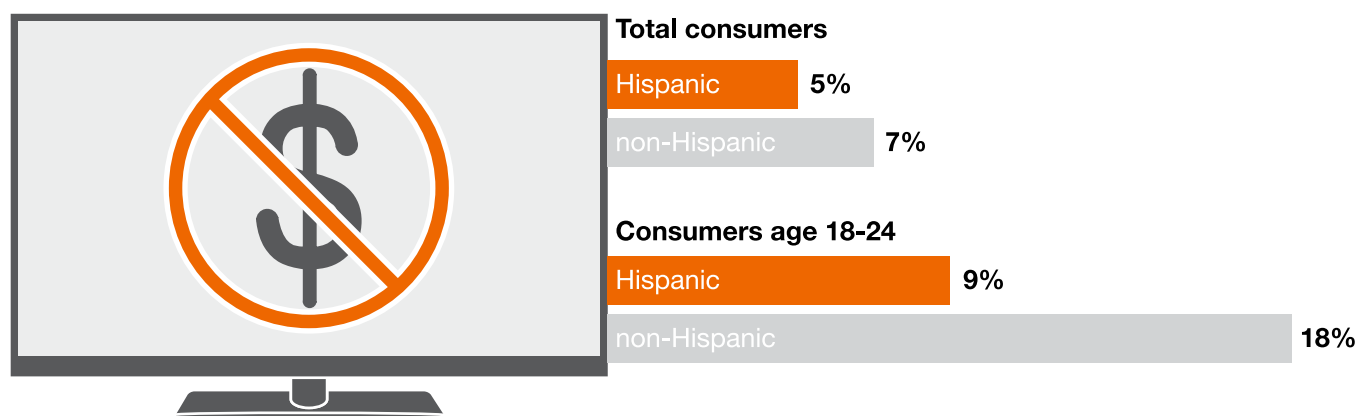
*Refers to non-Hispanic whites

Television

1. A closer look at the pay-TV consumer

While pay-TV subscription rates for Hispanic consumers generally mirror the population at large, those who have never subscribed to a pay-TV service—cord-nevers—are represented in lower numbers overall among Hispanic consumers:

Never subscribed to a pay-TV service



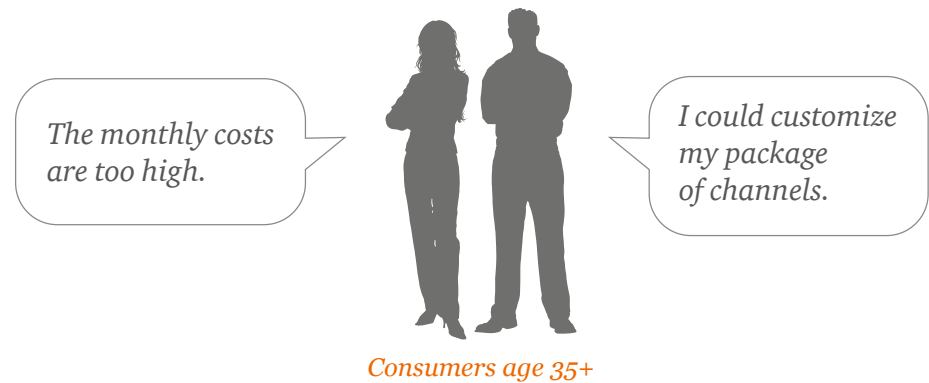
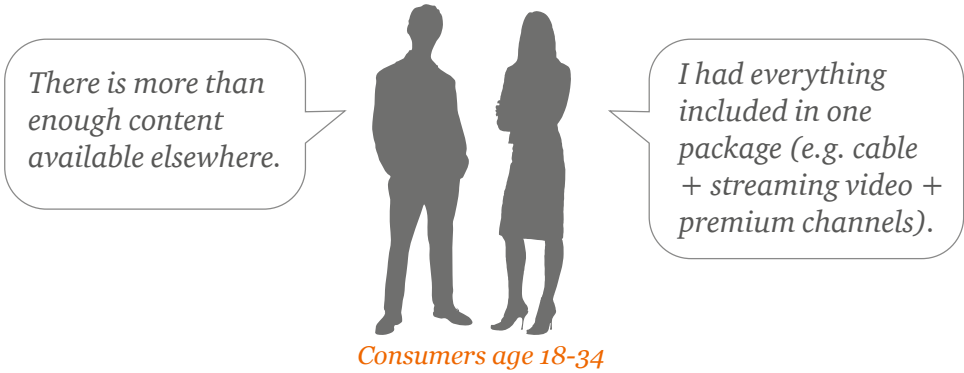
Across the board, regardless of age or ethnicity, prohibitive costs are the primary reason consumers do not subscribe to pay-TV. Younger consumers, meanwhile, are satisfied with the abundance of content available elsewhere.

For those who previously subscribed but have since cut the cord, customized packages of channels of their choice represent the most persuasive reason for consumers 35 and older (both Hispanic and non-Hispanic) to re-subscribe, while younger cord-cutters (18-34)—both Hispanic and non-Hispanic—would be motivated by an all-in-one option that includes TV subscription, streaming service, and premium TV.

Ultimately, top motivators for re-subscribing to pay-TV go hand-in-hand with why consumers don't currently subscribe:

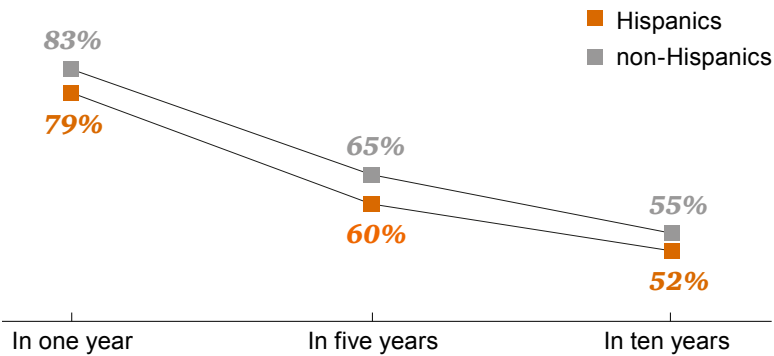
A key reason for not subscribing to pay-TV

I'd resubscribe to pay-TV if...



Today's young cord-nevers who are satisfied with the abundance of content available online offer a glimpse into the future. Regardless of age, gender, or ethnicity, the intent to subscribe to pay-TV decreases with time—yet Hispanic consumers tell us that they're even less likely than the general population to be pay-TV subscribers in the future.

"I see myself subscribing to cable..."



2. Language correlates to where you're born

Our study showed a strong correlation between location of birth and preferred language for TV viewership. For third-generation Hispanic consumers born in the US, English-language TV dominates. Conversely, for Hispanic consumers born outside the US, Spanish-language networks prevail.

Nielsen data shows a similar story. When looking at the top 10 most-watched TV networks during primetime, foreign-born Hispanics of all ages favor Spanish-language TV by great measure—seven out of the top 10 networks are in Spanish. Conversely, US-born Hispanics favor English-language TV, with eight of the top 10 networks being English.⁶

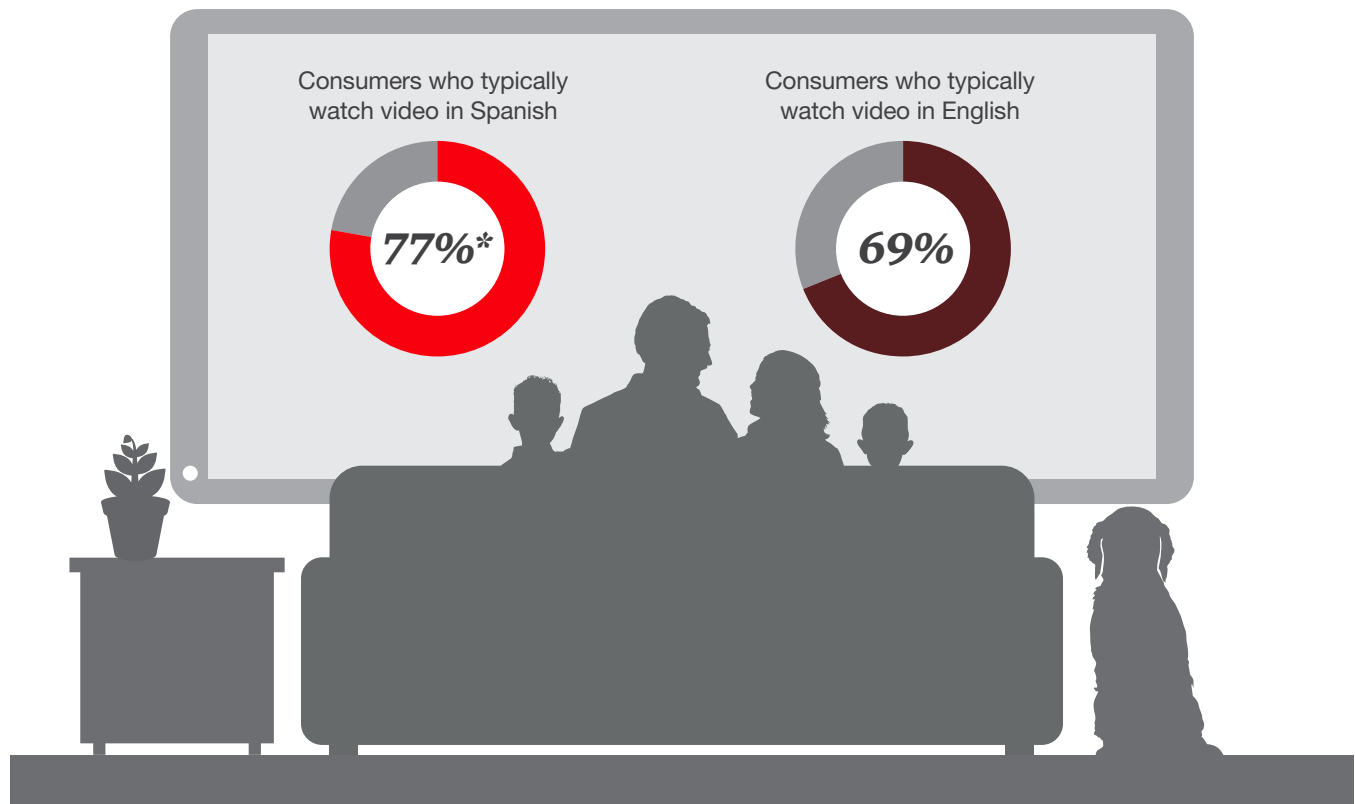
3. Spanish-language TV more likely to be watched live

TV consumers are much more likely to watch Spanish-language programming live, a behavior of particular importance to advertisers. During the 2015-16 season to date, live contribution to viewership was 94% for Univision and 93% for Telemundo, according to Nielsen data. In comparison, live viewing contribution across the big four (ABC, CBS, Fox, and NBC) averaged a 82%.⁷

US Hispanic TV consumers are also heavy viewers of sports—particularly soccer—which helps justify their increase in live viewership. And they're less likely to time-shift, with only 44% of Hispanic households owning a DVR, versus half of all Nielsen households.

Our research correlates this data:

Live TV viewership past 7 days (%)



Base: Total-Hispanic: n=500, non-Hispanic: n=500; Q12e. In general, in what language do you watch streaming videos (e.g. TV shows, YouTube clips, etc.)? Only Spanish + mostly Spanish versus only English + mostly English, against Q20. How have you watched TV over the past 7 days? *Indicates significance at 90% confidence level

⁶ Nielsen C3 Ratings, 12/19/2015-3/29/2016

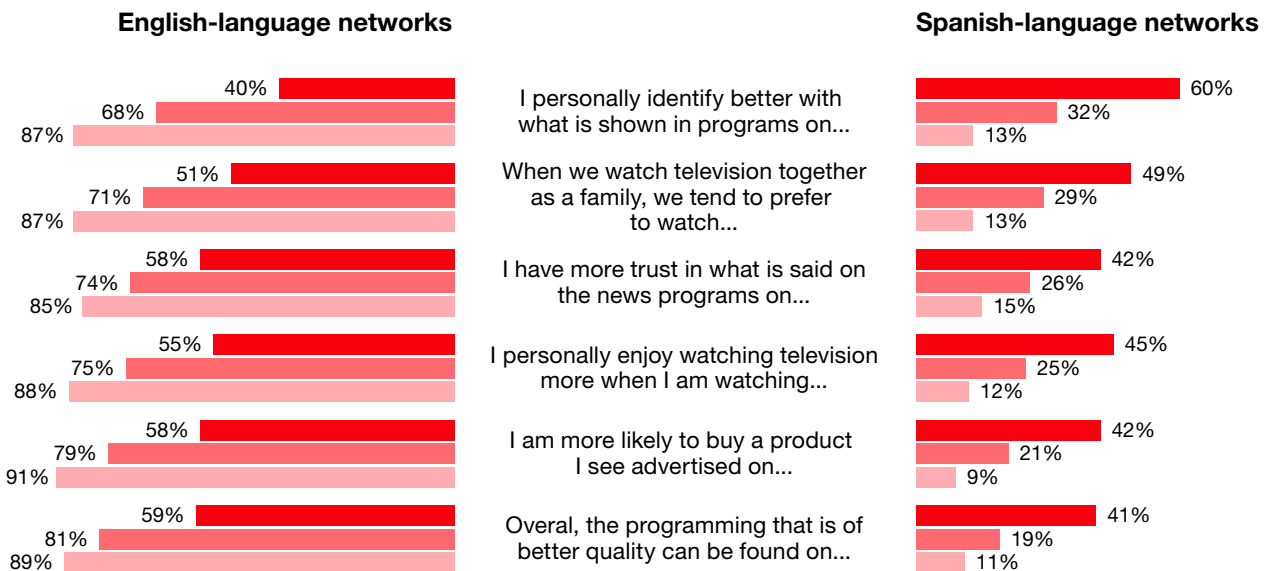
⁷ Nielsen National TV View, Live, P2+, 9/28/2015 - 9/03/2016 based on network program data

4. English-language TV more readily trusted

We asked Hispanic TV consumers to weigh their preference of English- versus Spanish-language networks in a variety of scenarios. Differences can be seen on a generational level; however, in only one instance (*"I personally identify better with the programs on..."*) did we see a stronger preference towards Spanish-language networks, and only among first-generation Hispanic consumers. Overall, all generations trust, connect with, and prefer English-language TV.

% agree

■ 1st-gen Hispanics ■ 2nd-gen Hispanics ■ 3rd-gen Hispanics



Base: Total-Hispanic: n=500; Q44. Listed below are some statements related to television. For each statement, please select the language option (Spanish language networks or English language networks) that best fits how you would complete the statement.

5. It's an over-the-top world

As subscriptions to streaming video on demand (SVOD) continue to climb, Hispanic consumers are at the forefront: 90% of our survey respondents have used at least one service—a higher percentage than recorded subscription rates would indicate, most likely because subscriptions are sometimes shared among OTT households. Regardless, Hispanic consumers do subscribe at higher rates: Market research charts subscription levels for Hispanic consumers around 80%; non-Hispanic consumers are at 70%.⁸

When looking at types of SVOD services, Hispanic consumers reflect the population at large in preference—their top five most-used list matches that of non-Hispanics. However, differences can be seen in overall consumption—Hispanic consumers outpace non-Hispanics in usage of all the top online video streaming services, most notably with Netflix. This service topped the usage list of both groups, but Hispanics significantly over-index non-Hispanics in consumption, 75% to 69%.

6. Leading online viewership of TV

A closer analysis of television consumption habits indicates that Hispanic consumers are watching a significantly larger amount of content online than their non-Hispanic counterparts—on average, 3 hours more per week.

Average # of hours spent watching TV online per week

● English-language content ● Spanish-language content

Hispanics



non-Hispanics



Base: Total-Hispanic: n=500, non-Hispanic: n=500; Q28. Now we would like you to take a moment to think through your television viewing over a typical week. On average, how many hours of Spanish/English.

⁸ Parks Associates, Nearly 80% of U.S. Spanish-language households subscribe to one or more OTT video services, July 6, 2016

Movies

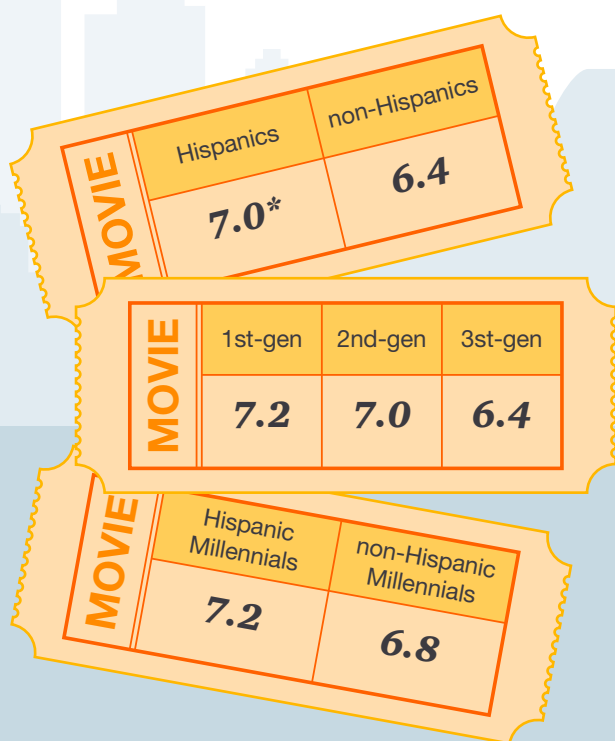
1. Fastest growing movie-goer segment

Hispanic consumers represent one of the fastest-growing audiences at movie theaters and a core audience at the box office, outpacing non-Hispanic consumers with 7 movies per year versus 6.4.

Hispanic women substantially outpace their non-Hispanic counterparts with 6.8 movies versus 5.2. And Hispanic consumers of Mexican origin are more frequent moviegoers than other Hispanic cohorts, averaging 7.3 movies per year versus 6.8, respectively.

Meanwhile, millennials across the board are outpacing average movie-going rates, in keeping with recent trends.

See a movie in a theater, average # of times this past year



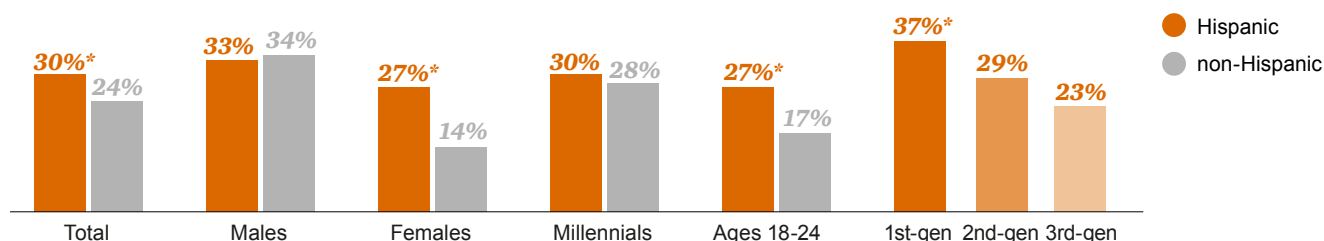
Base: Total-Hispanic: n=500, non-Hispanic: n=500; Q29. How many times have you been to the movies at a movie theater within the...?

*Indicates significance at 90% confidence level

2. Opening weekend aficionados

Hispanic consumers are far more likely to see a film the weekend it opens, making them a coveted audience for movie studios.

% who see a movie in a theater opening weekend (very often)



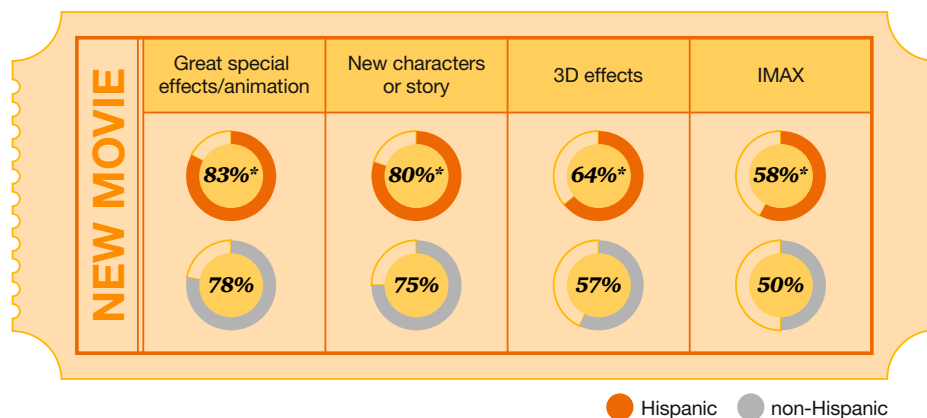
Base: Total-Hispanic: n=500, non-Hispanic: n=500; Q30. About how often do you see movies during the first weekend that they open? (top box)

*Indicates significance at 90% confidence level

3. Make it special

Special effects, animation, innovative stories and characters, 3D—that's what consumers overall look for at the movies; Hispanic viewers even more so, according to our survey. This finding confirms Nielsen research: 53% of Hispanic viewers say they go to the movies for the *big theater experience*.⁹

Factors that increase one's desire to see a new movie in a theater (%)



● Hispanic ● non-Hispanic



Base: Total-Hispanic: n=500, non-Hispanic: n=500; Q32. Using the choices below, please tell us how much each of these make you want to see a new movie in a theater. (top 2 box) *Indicates significance at 90% confidence level

9 Nielsen NRG, "2105 Moviegoing Report."

4. Price sensitive

For those consumers going to the theater less often, price is the largest deterrent. For Hispanic (48%) and non-Hispanic (49%) consumers overall, “I can’t afford it” was the top reason for fewer trips to the movie theater this past year. First-generation Hispanic consumers were the least likely of their cohorts to select this reason, as this group tends to be less price sensitive when it comes to the cost of entertainment.

Moreover, Hispanic consumers across the board were significantly *less likely* than non-Hispanics to say they “have less time available for entertainment”—27% and 36% respectively—signifying that Hispanic consumers overall more heavily prioritize entertainment in their lives.



Ads before YouTube videos play important role in movie discovery among Hispanic consumers

5. Add online ads to the mix

While television advertising dominates new-movie discovery for all consumers, Hispanic consumers also are significantly more likely than non-Hispanic consumers to find out about a new movie via an ad that airs before a YouTube video.

Top 5 ways of finding out about a new movie release in theaters

Hispanic consumers



- 1. TV commercial (54%)**
- 2. Movie trailer in the theater (47%)**
- 3. Talking to friends or family in person (35%)**
- 4. An ad before a YouTube video (33%)**
- 5. Through trailers searched for on the internet (32%)**

non-Hispanic consumers



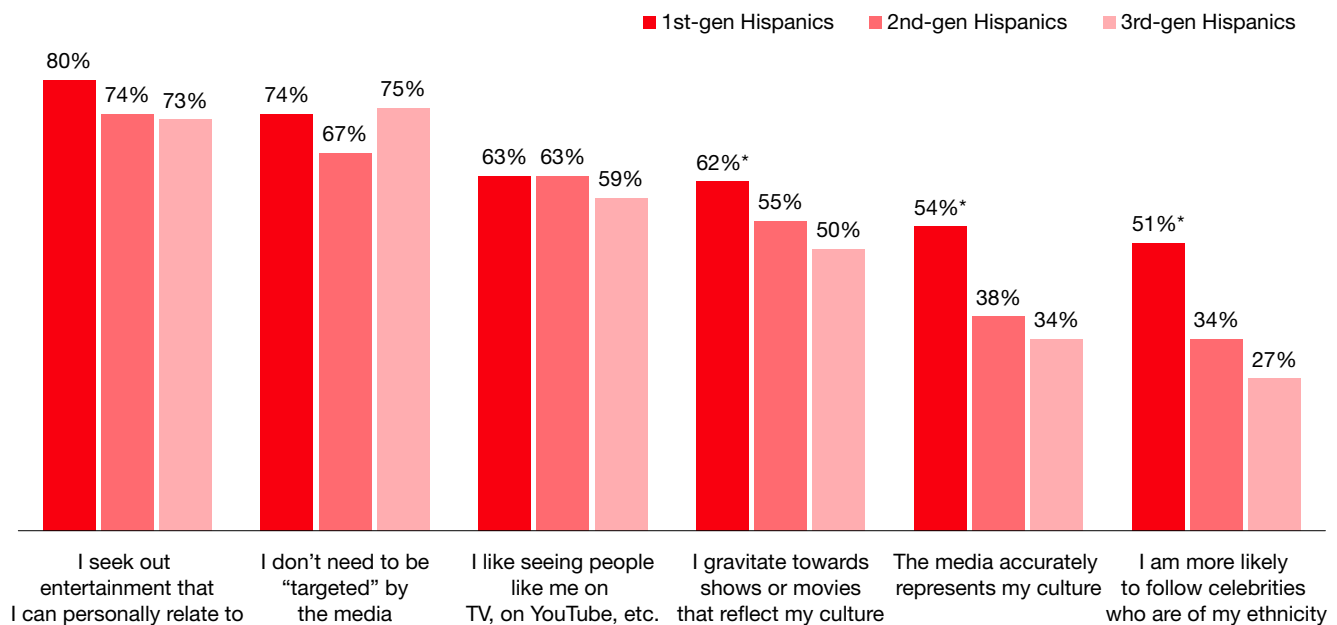
- 1. TV commercial (60%)**
- 2. Movie trailer in the theater (43%)**
- 3. Talking to friends or family in person (37%)**
- 4. Through trailers searched for on the internet (31%)**
- 5. Through posts by friends on social media (28%)**

Content + Culture

1. Cultural connection independent of age

It comes as no surprise that first-generation Hispanic consumers who are born outside the US are more likely to seek out content that reflects their Hispanic culture. Interestingly, age is irrelevant when it comes to cultural connection. What does matter is the number of years a Hispanic consumer has spent in the US, regardless of age. As generation increases, interest in viewing culturally-relevant media decreases.

Type of media content looked for and consumed (% agree)



Base: Total-Hispanic: n=500; Q39. Please tell us how much you agree or disagree with the following statements about the media content you look for and consume. (top 2 box) *Indicates significance at 90% confidence level

2. Cultural connection = more content consumption

Among our survey respondents, those who agreed with this statement—“*I gravitate towards shows or movies that reflect my culture*”—are significantly more likely to be heavy technology adopters and users of all media. They use their phones more often, for more reasons. They are more likely to subscribe to a pay-TV package, more likely to subscribe to an SVOD service, and are nearly twice as likely to see a movie on opening weekend. They are also more involved with social media and more likely to engage with (and enjoy) ads on social networks.

Brand and advertising connection

1. What's in it for me?

If sharing information about oneself results in a coupon or discount or rebate, Hispanic consumers are even more likely than consumers overall to share personal information. However, they are significantly more likely to release their information for benefits related to their favorite things (technology, smartphones, television, movies, videos):

Hispanic consumers more willing to swap personal info for a better/heightened product experience

Consumers willing to share personal information in order to...	Hispanic	non-Hispanic
Get a coupon for free food/beverages at the movie theatre	70%*	64%
Get better mobile phone service, fewer dropped calls and overall improved network performance	69%*	62%
Get movie/TV programming tailored to my specific interests and/or consumption habits	65%*	59%
Get on-demand access to movies/TV shows customized to suit my own tastes/interests by genre or type	64%*	59%
Not have to see ads before and/or during the time I get to watch the movies/TV shows I stream or download from the internet	62%*	56%
Get access to software that improves the performance of my mobile devices	59%*	52%
Not have to see ads before I get to play the video game/word puzzle I have on my computer/cell phone/tablet	58%*	52%
Pay less for games I buy for my computer/phone/tablet	56%*	48%
Get online games tailored to my specific interests and/or consumption habits	54%*	44%
Get interest-specific "how-to" videos "pushed" to me (e.g. cooking show segment of a specific recipe I've been searching)	53%*	47%

Base: Total-Hispanic: n=500, non-Hispanic: n=500; Q43. Sometimes we have to share information about ourselves in order to get something in return – for example, an app may ask you to fill out some info before being able to use it. Please indicate whether you agree or disagree with the following statements.

*Indicates significance at 90% confidence level

2. Personal recommendations greatest influence on purchase intent—except for 1st-gen Hispanic consumers

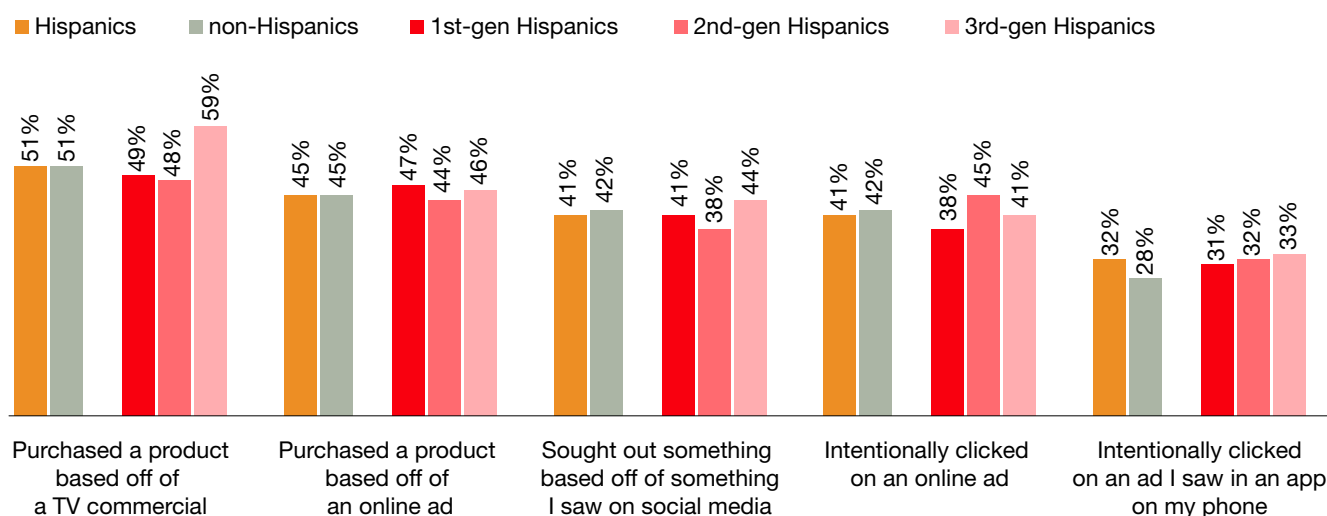
Personal recommendations from friends/family have the greatest influence on purchase intent for most consumers, both Hispanic and non-Hispanic. However, 1st-gen Hispanic consumers are significantly more influenced by what they see on television. One in every four said they would be most influenced to purchase a product after seeing it on TV—more so than if they received a personal recommendation from a friend/family member or saw something online, on social media, or in the movies.

3. Linear advertising most effective

Before, we asked consumers what they think influences them most when purchasing a product. Now, we take a look at their actions. More Hispanic and non-Hispanic consumers say they have purchased a product based off of a TV commercial than from any other media vehicle—especially 3rd-gen Hispanics. Moreover, Hispanic consumers overall are more likely to have intentionally clicked on an ad they saw in an app on their phone—not surprising, given their love of this device.



Ever done the following (%)



Base: Total-Hispanic: n=500, non-Hispanic: n=500; Q42. Which of the following have you ever done?

A look ahead—at Gen Z

Most diverse generation in our nation's history

Generation Z, aged 2 to 19, represents 26% of the US population, more than millennials (25%) and baby boomers (24%), according to the 2015 Census. And almost half the population that represents Gen Z belongs to a minority group, making it the most ethnically diverse generation in our nation's history. The vast majority of Hispanic Gen Z consumers meanwhile, were born in the US, unlike most of their parents.

Although we didn't poll respondents under age 18 for our survey, we would be remiss in not mentioning this diverse new demographic.

While millennials grew up with technology, Gen Z was born into it. Which means their facility with technology has far-reaching implications: If they don't like something, they can and will speak up—which can tarnish a brand's image. And their behavior skews heavily toward equality for all. Companies are well advised to keep an open line of communication with these digital natives and let them know they are being heard.

Gen Z also embodies individualism and entrepreneurialism: 42% of respondents aged 16 to 19 told pollsters at Northeastern University they expect to work for themselves at some point in the future, some four times higher than the current percentage of self-employed Americans. And this finding was even higher among Hispanic consumers, at 59%.¹⁰

¹⁰ Northeastern University, "Generation Z' is entrepreneurial, wants to chart its own future," November 18, 2014.

Implications

1. A one-size-fits-all approach won't work.

The US Hispanic population is fairly diverse—years-in-country, age, geographic disparity, and family-makeup differences can all change one's behaviors, preferences, and attitudes. Hispanic consumers are far from homogeneous, and marketers should take into account cultural nuances and sentiments when marketing to them.

2. Neither will Spanglish.

It used to be that language preference was the most commonly-used macro segmentation model for marketing to Hispanics. Not anymore. A large percentage of Hispanic consumers interact in both English and Spanish; therefore, reaching today's Hispanic consumer has become less about language and more about content. More specifically, marketing to Hispanic consumers in the US should mean more than translating an English advertisement into Spanish. Marketers and brands are better served by understanding how to use English and Spanish authentically and interchangeably, based on the situation.

3. Understand the importance of country of birth.

Within the overall Hispanic consumer market, our research shows that generational differences are more salient than age differences. Where a Hispanic consumer was born is often more germane than a person's age. A person's generation correlates with cultural connection, which affects content consumption, engagement, and receptivity. All of which will heavily impact a brand's strategy. Know your market and understand what makes each generation unique.

4. Strive for authenticity in cultural references.

Distinguish between cultural relevance and cultural stereotypes. Hispanic consumers know when you are being inauthentic, and when you are selling to them rather than trying to understand them and make a connection. To succeed, marketers and brands need to build trust with Hispanic consumers in a way that is truthful, transparent, and meaningful.

5. Cultural relevance is nuanced.

Knowing when to acknowledge nuanced cultural relevance is important. While first-generation Hispanic consumers are significantly more likely than consumers overall to follow celebrities of the same ethnicity and gravitate toward content that reflects their culture, the longer a Hispanic family has been in the US, the less likely they are to do so.

In fact, they are more likely to mirror the actions of the population at large. The majority feel they “are just like anyone else living in the US.”

6. Entertainment is a priority, so prioritize Hispanic consumers.

Across screens, Hispanic consumers prioritize media and entertainment. In response, ensure they are a top priority when developing media plans targeting today's consumer. We know Hispanic consumers are heavy digital users especially on the smartphone with mobile video. We also know Hispanic consumers are avid moviegoers and are more likely to interact with ads on social media. They are heavily influenced by what they see on television, and are more active with SVOD. In essence, they are media superfans; make sure you treat them as such.

7. Go mobile. Focus on video.

Hispanic consumers spend a disproportionate amount of their day on the phone—most notably, streaming videos. Mobile video and, in particular, YouTube, are at the heart of Hispanic consumers. In response, brands looking to win over this mobile-dominant consumer should position the phone, and video, at the epicenter of their marketing plan.

pwc.com/CIS

.....
:
:
For more information on this research, the PwC Consumer Intelligence Series, or how digital transformation is shaping the entertainment and media industries, please contact one of our specialists:

Deborah Bothun
deborah.k.bothun@pwc.com
(616) 471 9048

Matthew Lieberman
matthew.lieberman@pwc.com
(213) 217 3326

Additional information is also available on: pwc.com/cis