



HISPANIC MARKETING: A SEGMENTED APPROACH FOR GROWING BRANDS



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UMG presents a helpful primer for understanding the media consumption and demographic profiles of important U.S. Hispanic Market segments.

INTRODUCTION: U.S. HISPANICS REPRESENT A ‘MUST-WIN’ CONSUMER SEGMENT

The importance of the Hispanic Market for U.S. marketers is obvious and often repeated. The statistics alone are staggering. **In 2017, the Hispanic Market had a spending power of \$1.7 trillion in retail and Consumer Packaged Goods.** This is up from \$1.5 trillion in 2015. This market has also represented a major driving force in the U.S. population growth since 2000, now accounting for 18% of the total. By the same token, with over half of U.S. Hispanics being under the age of 29, winning with these constituencies becomes a crucial step toward ensuring a brand’s success today and into the future. With this need comes an opportunity to understand the nuances between different segments in the Hispanic Market, particularly their media consumption and language preferences. Understanding these sometimes subtle differences will allow a marketer to maximize the impact of their creative and media investments when properly targeted, while increasing relevance with a must-win consumer base.

This report will reveal a helpful way to approach Hispanic Market segmentation, and provides specific insight by media channel that can inform a creative and media strategy designed to bring the right message to the right person at the right time. **Gone are the days where Spanish translation as a Hispanic Market strategy will meet the expectations of this consumer.**

Data-based and specific marketing activations are critical if a brand is to build meaningful and successful connections with this fast-growing demographic.



THREE PRIORITY HISPANIC SEGMENTS FOR MARKETERS

To make market segmentation digestible and actionable, UniComm Media Group looks at the Hispanic Market through the lens of three major groups:

1. Older “Made-it” Hispanics
2. Traditional Families
3. Ambitious Young Hispanics

These segments represent about 81% of all U.S. Hispanics. The insights derived from each segment can form a baseline for understanding the market and can be applied to broader Hispanic marketing efforts.

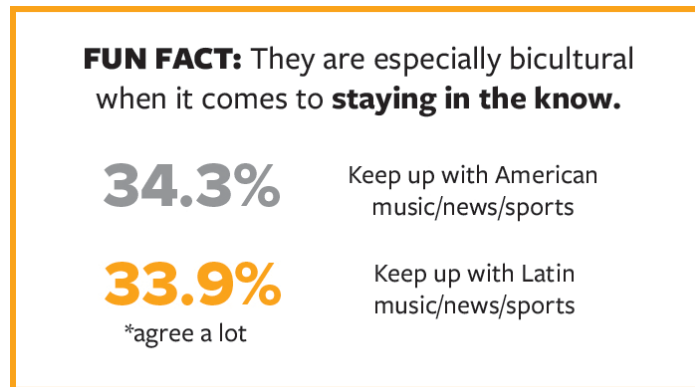
1 Older “Made-it” Hispanics are empty-nesters or about to be. Many are grandparents. They have fewer responsibilities and more time for fun now. They want to stay in close touch with family. They like to eat out, listen to music (classic rock and Latin), watch movies (action and comedy). They also believe in respecting tradition but are not old-fashioned. They are tech optimists but not digital natives, so there’s a learning curve to consider. For this segment, life is about reaping the rewards of success from their years of hard work. In their products and services, they are looking to discover and create fulfilling experiences for themselves and their families. They want to find the information they need easily, whether it’s for pleasure (where to go out to eat) or for learning (news). They would like to feel recognized or celebrated for what they have achieved in life. With an average household income of \$85,000 / year, these home-owners live in large metro areas like New York (17%) and Los Angeles (9%). While usually fluent in both English and Spanish, there is a preference for Spanish. 33% of people in this segment expressed respect for businesses that advertise and communicate in Spanish. Their dedication to their language and culture doesn’t leave them any less receptive to American culture. In fact, 72% enjoy eating traditional American cuisine, and 78% celebrate U.S. national holidays.

BRANDS OWNED AND USED





2 Traditional Hispanic Families are optimistic, hard-working family people, defined by tradition and rooted in faith. They want their children to do better and have more than they have. It's important for them to stay in close touch with family and friends, wherever they are. While duty comes first, they like having family fun, going out to eat, visiting theme parks, watching movies (and soccer), and entertaining at home. "I prefer to watch matches with the kids," said one interviewee. In their products and services, they want to find and share family moments that lead to both achievement and fun. They need a variety of simple, easy ways to coordinate with family and friends and stay in touch with them, in the U.S. and overseas. They also want quality and affordability. These families, with an average household size of 4.2 and an average income of \$60,000 / year, are more likely to be homeowners that reside in major Hispanic population centers. 55% of this segment are first-generation and 29% are second-generation Hispanics. They tend to be fluent in both English and Spanish and expect their businesses and government to be the same, with 50% of this segment expressing this view.



3 Ambitious Young Hispanics are full of ambition and drive. While many are single, family is still central to their lives and so is the dream of starting their own business. Predisposed to take a job for security, they aspire to a life that is interesting and challenging. Nothing will hold them back. Their future plans are about self-realization; going for big dreams; fulfilling large ambitions, while also taking care of business today. In their products and services, they want choices and flexibility to meet changing needs and budgets. They must also have the latest and greatest at an affordable price. While 53% of Hispanics in this segment are single, 47% are married. The average income for this younger group is at \$52,000 / year. They are more likely to live and rent in New York (27%), but also call cities like Los Angeles (9%) and Dallas (3%) home. Unlike the other two segments, this bilingual customer has a preference for communication in English. Their mantra, as articulated by a focus group participant, is "I am entrepreneurial and a techy. I don't waste money or time."



Ambitious Young Hispanics are 21% more likely than overall Hispanic population to go online to look for a better deal after seeing something they want in a store.

MEDIA CONSUMPTION BY SEGMENT

As part of UMG’s segmentation efforts, we looked into the media consumption habits and preferences for each of our three Hispanic Market segments. Below you will find easy-to-reference scorecards with important insights per media channel.

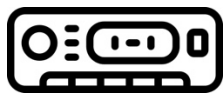
1 Older “Made-it” Hispanics are not digital natives, but are quick to embrace tech that allows them to achieve their goals of connectivity and comfort. This segment relies heavily on TV and the Internet as primary sources of entertainment.

Media	Time Spent	Consumer Insights
Television	25 hrs/week	Above average consumption for TV. 50% enjoy entertaining TV and 43% are multi-tasking while watching TV. Soccer, NFL, Boxing are most viewed sports.
Internet: Desktop	8 hrs/week	Secondary source for entertainment for themselves as well as their family. 42% indicate the Internet has changed how they obtain information on products/services.
Mobile	—	66% are smartphone users. 50% of audience use mobile apps daily.
Social	62% users	21% of audience engages in social sharing daily
Radio	1.15 hrs/week	Average consumption. Music is a strong passion point. 50% listen to Radio every day and 61% listen to music while commuting in car. Classic rock & pop, regional Mexican, Latin ballads, easy listening are most popular music genres. 25% listen to music only in Spanish.
Magazine	1 issue/week	Below average. Lean toward other media channels. Minimal to no consumption of titles in English or Spanish.
Outdoor	275 miles driven/week	Active consumers who strive to keep calendars busy. Digital video OOH placements noticed in Restaurants/Bars 29%, Large Retail Stores 28%, and Shopping Centers 27%.
Newspaper	1 issue/week	Audience tends to look to other sources for news. 39% value local newspaper coverage of local news.



2 Traditional Hispanic Families are not big TV viewers; radio is more their speed (14%), thanks to a love of music. This segment tends to look for media that will work across the entire family.

Media	Time Spent	Consumer Insights
Television	8 hrs/week	Below average TV consumption, however 39% agree that TV is their main source of entertainment and 37% agree that they rely on TV to keep them informed. Sports, both American and Latin, are a primary source of entertainment.
Internet: Desktop	1 hrs/week	Light Internet users, although 47% agree the Internet has changed the way they shop for products.
Mobile	—	55% are smartphone users
Social	69% users	20% are visiting their social networking sites 3+ times/day
Radio	10.5 hrs/week	10% more likely to listen to radio every day, and 51% always listen to radio when in the car. This is a primary source of information and news for this segment.
Magazine	1 issue/week	Although consumption is minimal, readership is more likely to be for entertainment. 17% more likely to read in Spanish language
Outdoor	150 miles driven/week	Average consumers who are more likely to notice OOH at gas stations (130) and in office buildings (140)
Newspaper	0 issue/week	Below average consumption. Audience tends to look to other sources for news.



This segment uses the Internet only 1 hour per week, and sees radio as a primary source of information and news.

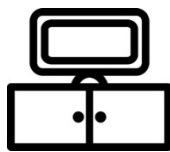


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Ambitious Young Hispanics are looking to media to work on their time and their speed.

Streaming and on-demand options are very popular, while prizing shared experiences both online and offline.

Media	Time Spent	Consumer Insights
Television	8 hrs/week	Below average consumption for TV, with many cutting the cord for services like Netflix and Hulu. However, 51% enjoy TV commercials that make them laugh. Soccer (65%), Football (20%), and NASCAR (21%) are most-viewed sports.
Internet: Desktop	4 hrs/week	Over 41% agree that the Internet is the prime source of entertainment for them and their families
Mobile	—	97% own cell phones, 35% own tablets. 35% more likely to carry multiple devices with them, and 22% stay connected from the moment they wake up until they fall asleep at night. Top 5 Apps: Weather, Maps/Navigation, Games, Banking, Music/Radio
Social	77% users	Highest % of social media users among the 3 segments
Radio	0 hrs/week	Lowest consumption of traditional radio among the 3 segments. More likely to attend live shows/concerts (110) and go online to download & listen to music. Pandora is a preferred streaming option. Hip Hop/Rap, Pop, R&B, Salsa/Merengue, Latin Ballads are most listened-to.
Magazine	4 issue/week	Above average consumption and 7% more likely to enjoy reading ads in magazines
Outdoor	6 miles driven/week	Over 35% have noticed digital ads at gas stations and in shopping malls in the past 30 days
Newspaper	13 issues/week	Above average consumption and consuming across languages. 70% have read a Spanish language newspaper in the past 30 days, 64% have read in English language



51% enjoy TV commercials that make them laugh.



70% have read a Spanish-language newspaper in past 30 days.



HOW TO USE THIS DATA

It's one thing to have the data, it's another to know what do with it. As you expand your Hispanic Marketing efforts, an experienced agency can help turn insight into action. UMG has been helping growing brands connect with U.S. Hispanics in effective and efficient ways for many years. Below is a chart illustrating how we would approach leveraging the insight in this report for a hypothetical telecommunications client.



CUSTOMER MINDSET	Wants to reap the rewards of success from their years of hard work. They deserve the good things in life	Wants to unleash their potential for success, especially for their kids, and sharing the joy as a family.	Self-realization-- going for big dreams; fulfilling large ambitions—and taking care of business today
BRAND'S ROLE	Help them discover and create fulfilling experiences for themselves and for their families	Help them find and share amazing family moments that lead to both success and fun	Help them get where they want to go
DRIVER	Perks and extra benefits	Maximized value, price and data offers	Access to the latest technology, good prices and entertainment
KEY BENEFITS	Enhance connections with family, friends. / Celebrate their success and provide access to things they enjoy (they've earned it)	Make connections with family and friends simpler and more rewarding. / Help the family get more for less / Empower the family as a unit where everyone's needs are met / Provide the best value on devices	Empower with choice -- put them in control / Offer instant gratification— easy access to new experiences and/or to what they cherish / Provide the latest and greatest devices

This matrix breaks down the important considerations any brand must have when deciding if and how to reach out to the Hispanic Market:

1. What is your target customer trying to achieve in life?
2. How does your brand help them get there?
3. What key benefits or services can you highlight as proof points to your target customer?



It also demonstrates the value of smart segmentation by showing how one product can be positioned in different ways to meet the most pressing needs and wants of your potential Hispanic consumer.

● ● CONCLUSION

Many brands have been making attempts to connect with the Hispanic consumer. The importance of this market is growing, as is the need to speak to them with sophistication and relevance. Brands that adopt a one-size-fits-all strategy for the Hispanic Market will ultimately not see the full benefit of their investment. We provided a simple, yet powerful way to look at the Hispanic market, both in terms of demographics and their media consumption behaviors. But understanding the basics of the market is only a first step. If you would like to learn more about the U.S. Hispanic Market, along with impactful ways to connect with and convert them for your growing business, connect with the authors of this paper by visiting UMG at <http://umg.agency>.

ABOUT UNICOMM MEDIA GROUP, LLC

UMG is an ad agency exclusively focused on helping brands reach the Hispanic Market. Founded and led by two Hispanic brothers, UMG combines deep cultural understanding with data-based market insights to help companies connect with the Hispanic Market through effective communications and compelling creative. For more information about UMG, visit umg.agency.



APENDIX: METHODOLOGY

UMG based this segmentation exercise on a model called Mosaic, part of an Experian set of studies, that also includes several Simmons studies. Mosaic takes data on all U.S. households and maps every household to one of 71 different lifestyle clusters, from which we identified overarching trends and then grouped those clusters with Hispanic over-indices to create the segments this paper outlines. (It is worth mentioning that Mosaic does not break out any lifestyle elements by ethnicity or race. Thus Hispanics are present in every single cluster, but if they are not the majority within a given cluster, it won't necessarily reflect a Hispanic lifestyle). Looking through the lens of Mosaic, we narrowed the initial 71 clusters down to 7 groups made up of 39 total lifestyle clusters, which we then distilled into three main segments, touching over 81% of the Hispanic population (insights derived can be leveraged across the market more broadly). We did this for two reasons: 1. It's important to reach a critical mass within a segment in order to have confidence in the conclusions and insights derived from studying a segment; 2. For segmentation to be actionable, it must also be accessible. We feel confident that a trifold approach to the market will allow for meaningful differences to be understood between segments while also not missing out on any critical insights. While we are not claiming that this is the most sophisticated or granular way to segment this Hispanic Market, we do view this as a helpful and impactful way to approach Hispanic communications at scale for large and growing brands that are seeking relevance with the consumers of today and tomorrow.

