



Maintaining Connections: Hispanics and the American Mobile Industry

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Background



Fastest growing
minority group
(16%)



Younger
customer base:
28 vs. 37



Births > migration =
more bicultural &
new identity
Hispanics



Purpose



- To examine current trends in Hispanic usage of mobile devices
- To look at where the mobile industry is in marketing to Hispanics.
- To generate insights that can be used to continue efforts to successfully target Hispanic consumers on mobile devices and platforms.



Resources

- Secondary Research:
 - *Hispanic Fact Pack 2012: Ad Age's ninth annual guide to Hispanic marketing and media*
 - *The 2011 Mobile Consumer Report* (Experian Simmons, 2011).
 - *The State of the Hispanic Consumer: The Hispanic Marketing Imperative* (The Nielsen Company, 2012).
 - Hispanic Market Weekly
 - Pew Hispanic Center
- Primary Research: Focus group with Hispanic Millennials



MAIN TRENDS



Hispanic Mobile Use



- Hispanics are the fastest adopters of new technology (Hispanic Market Weekly, 2008).
- Over 40% of Hispanics pay attention to the latest trends and are twice as likely as non-Hispanics to share trend news .
- Hispanics are not only like to try new products, but are also three times more likely to use shopping to “make a statement” (Hispanic Market Weekly, 2008).



Hispanic Mobile Use



- Hispanics are 32% more likely to own smartphones than the general population and 87% more likely to own a tablet than the general population (Acceler Inc., 2012).
- 60% of Hispanics own at least one video and internet enabled mobile phone vs. 43% of the general population (Nielsen, 2012).
- By 2017, 20% of all smartphones and tablets will be owned by Hispanics (Hispanic Market Weekly, 2012).



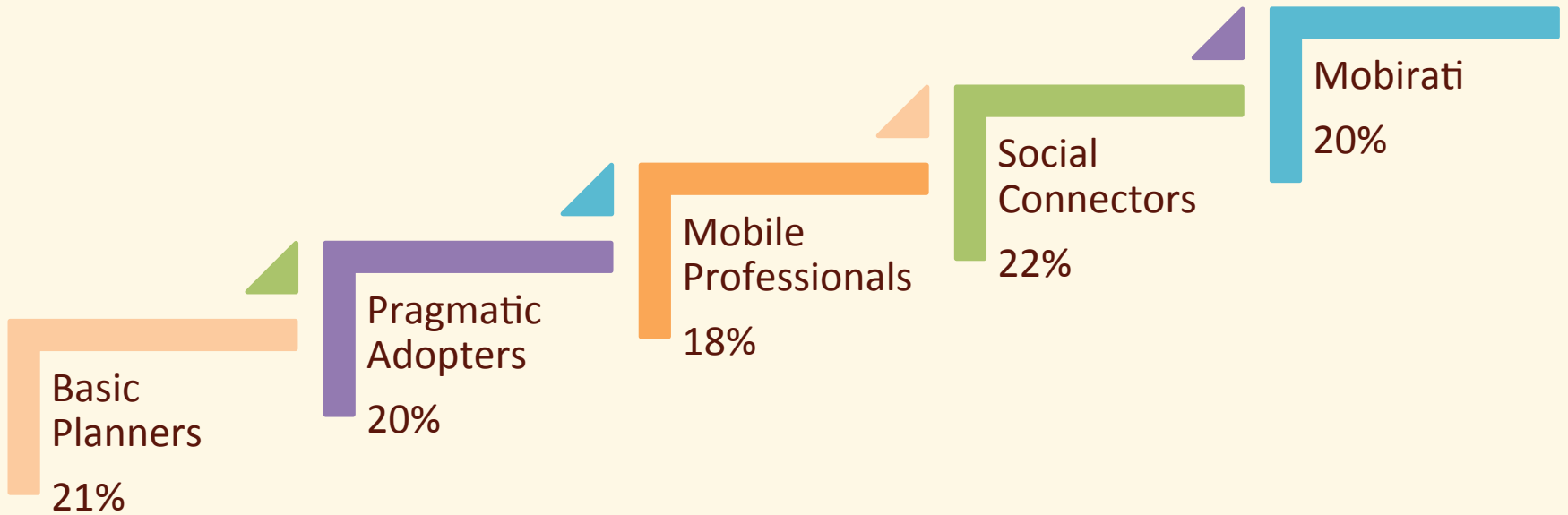
Focus Group Insights



- Mobile phones are considered to be the medium that allows them to maintain connections with their various circles, including friends and family.
- Being able to comment on and like their friends' Facebook pictures allowed them to feel connected to them, even though they do not communicate regularly.
- Twitter was also used to establish and maintain connections.
- Allowed them to have relationships with people that they wouldn't otherwise.



Mobile User Segmentation



Source: Experian Simmons (2011)



Where Do Hispanics Fall?

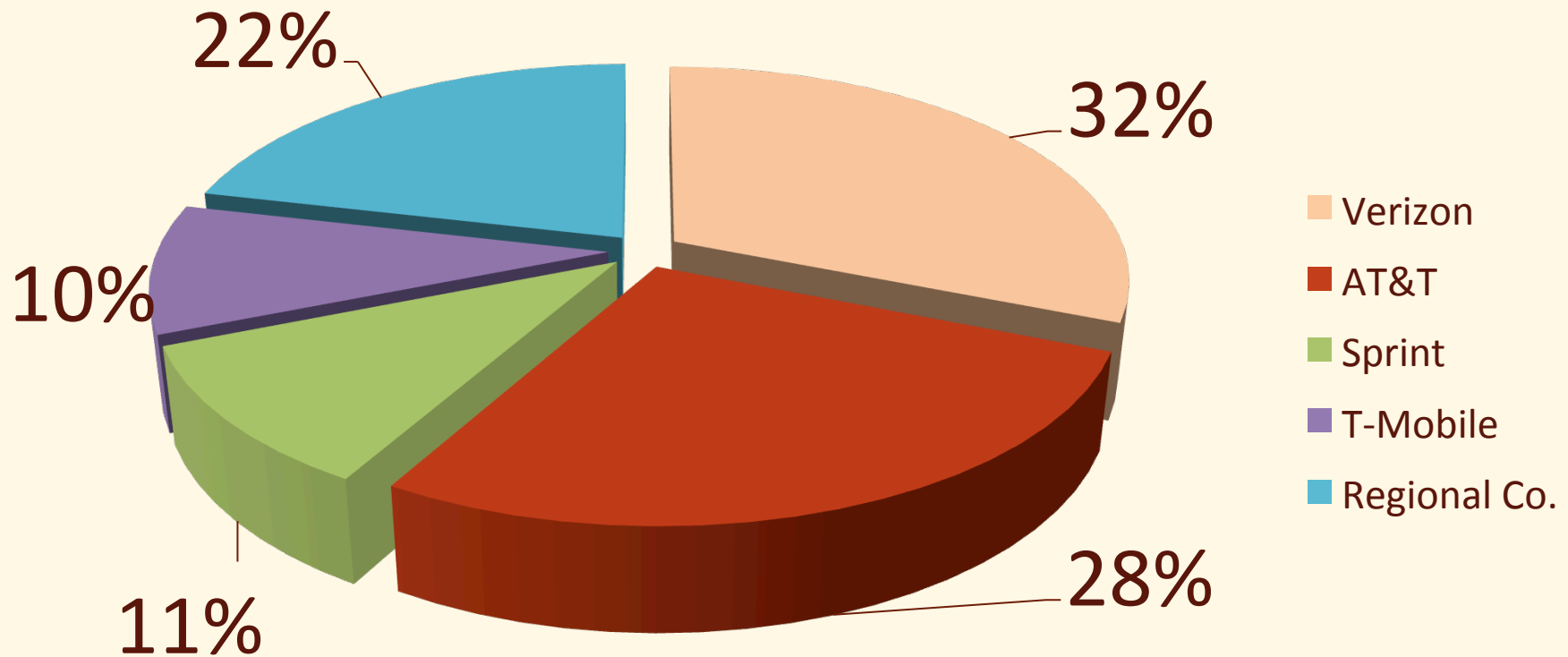


- Hispanics are:
 - twice as likely to be Mobilati.
 - 40% less likely to be basic planners (13% vs. 22%)
 - 33% less likely to be pragmatic adopters (14% vs. 23%)



Structure of the Industry

Share of the US Mobile Market





Telecom Spending

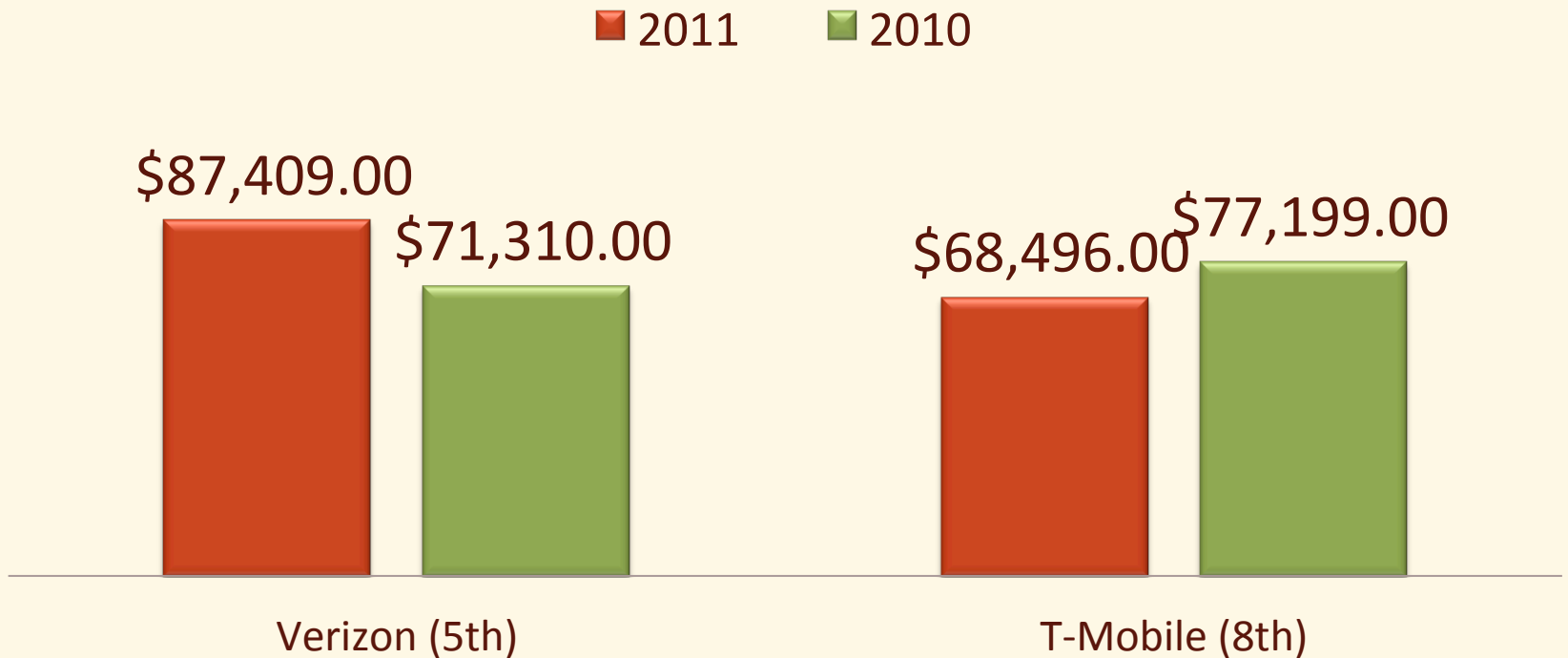
- Over \$7 billion dollars was spent in Spanish Language media in 2011, a 4.6 % increase over 2011.

| Marketer | Rank | 2011 (\$'000) | 2010(\$'000) |
|-----------------------------|------|---------------|--------------|
| Verizon Communications | 3 | 114,613 | 137,919 |
| AT&T | 5 | 110,388 | 132,086 |
| Deutsche Telekom (T-Mobile) | 12 | 77,442 | 79,369 |
| Sprint Nextel Corp | 12 | 73, 173 | 73,468 |



Network TV

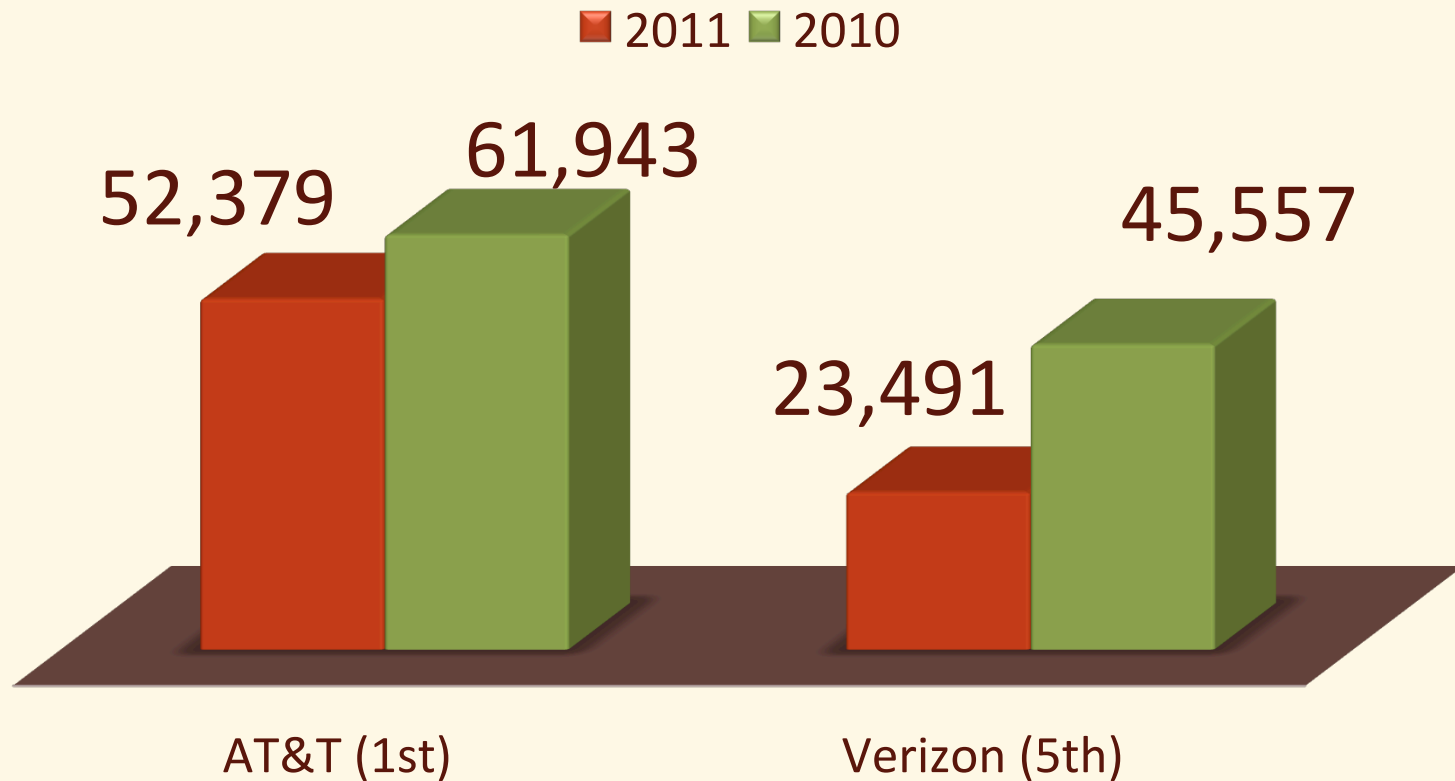
Mobile Providers' Spend in Hispanic Network TV (\$'000)





Hispanic Spot TV

Mobile Providers' Spend in Hispanic Spot TV (\$'000)





Verizon

- Well-established Hispanic marketing campaign running parallel to general market campaigns.
- Use family as reference groups in all their current Hispanic advertising
- Some combine this with celebrity appeals (e.g. J-Lo in their “Share Everything”)
- Include Hispanic music, food and sometimes code switching in their campaigns.
- Mainstream ads also include some multicultural elements (e.g. “Jingle Bell Rock”).



AT&T



- Celebrity appeals: William Levy Gutierrez is their current spokesperson.
- Use peer group referents and sexual undertones surrounding their main actor.
- Have also incorporated soccer in advertising and sponsorships
- Mainstream ads with Spanish voice overs as well.
- Bilingual customer service effort in over 800 of their retail stores into bilingual (Spanish/English) stores.



T-Mobile



- Maintains mainstream campaigns in the Hispanic market.
- *El Llamado del Fútbol (The Call of Soccer)* Web and mobile sweepstakes targeting soccer lovers in the U.S. (2010).



KEY FINDINGS



Key Findings

- Hispanics use mobile devices to maintain connections with friends and family both within and outside the United States.
- Mobile apps are just as important as basic functions.
- Social media :
 - (e.g. Facebook, Twitter) used for maintaining connections and balancing relationships from different aspects of their lives
 - Used to maintain “relationships” with their favorite star
 - Used to stay current and follow favorite brands
- Mobile devices and social media are now part of the consumer decision making and buying processes.



Classifying Hispanic Mobile Users



- Classification of Hispanic consumers may not be as clearly delineated
 - Hispanic millennial is more of a combination of both Mobirati and Social Connector.
 - Older foreign born Hispanics who came to the US as adults seem to be a cross between the Social Connector and Pragmatic Adopter.
 - Categories also do not take into account the masculine nature of Hispanic culture



OPPORTUNITIES



Mobile Apps

- Provide value added benefit for Hispanics who see them as equally important as basic functions.
- Spanish language and culturally related apps that cater to aspects of Hispanic culture that are either:
 - not canvassed in mainstream media,
 - important parts of the local cultural landscape



Other Opportunities



- Low cost local providers have recently expanded networks to service smartphones.
 - Significantly less expensive and friendly to the “creditless”.
- There is a need to go beyond touch points in order to be salient.
- The Hispanic’s emphasis on being connected is one insight that can be utilized in new ways by these companies as they seek to differentiate themselves the Hispanic consumer.



Recommendations



- Mobile devices present opportunities for targeting in both English and Spanish.
- Play up the social aspect of shopping through mobile compatible websites, mobile applications and localized offers.
- Create opportunities for Hispanics to share product information and reviews, pricing and store/ product locations



QUESTIONS?

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