



CULTURATI'S POV ON **HISPANIC MEDIA USAGE**

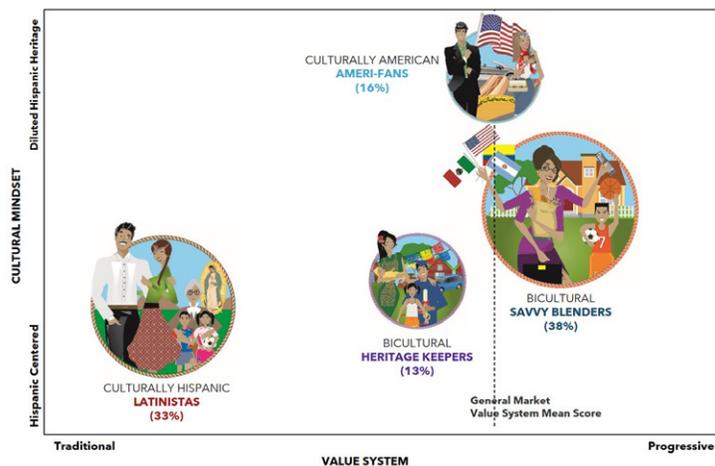
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The current media landscape is a reflection of the evolving make-up of the U.S. Hispanic audience, who are not immune to the influences of the internet, social media and the proliferation of audio and video streaming. Technology advancements have impacted the way U.S. Hispanics consume media, from what they are watching to how and where they chose to watch. Having the possibility to stream their favorite programming from multiple devices is pushing marketers to become more creative with advertising to truly connect with audiences and to consider the nuances of how media is consumed on each device. Additionally, contradictory to the assumption of Hispanic assimilation into the mainstream, in the past couple of years, socio-political movements have also motivated Hispanics to be more attuned to their culture and language. Therefore, Spanish-language media continues to be very relevant. Hispanics are consuming more Spanish-language media than before and they are increasingly interested in seeing themselves represented by brands. This is important because brands looking to reach Hispanic consumers should adapt their advertising campaigns to include messaging that culturally resonates and deliver these messages on the relevant platforms, while considering language as a tactic that can elevate emotional connection and recall. The bottom line is that we all know that the media landscape is now more complex than ever with an array of seemingly endless channel selections, digital media options, and streaming services – all fighting for the same audience engagement and time³ – so having a well calibrated media strategy is critical to win the battle for attention from Hispanics, across segments.

Furthermore, our **Cultural Mosaic 2.0: Achieving Greater Resonance in Today’s Polycultural Mainstream ©2020** syndicated report revealed that the pandemic has accelerated the appreciation of the internet as a media source that fully satisfies the need of Hispanics to stay informed, connected, entertained, and even educated. This is similar with the mainstream, as the pandemic has reshaped lifestyles impacting many behaviors including television and digital content consumption.

Consequently, now is the time to calibrate your media strategy to truly connect with Hispanics as the greater demand for cultural resonance and diversified media consumption are consumer behaviors that will remain post-pandemic. In an effort to help marketers better strategize, connect with, and understand the Hispanic media landscape, Culturati has conducted primary and secondary research to uncover behaviors relating to media consumption across the full spectrum of the Hispanic population.



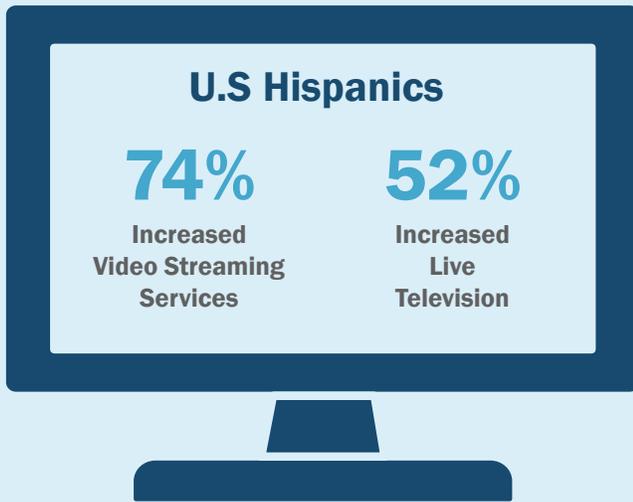
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DYNAMIC MEDIA BEHAVIOR AMONG HISPANICS

According to Culturati's syndicated report **Cultural Mosaic 2.0: Achieving Greater Resonance in Today's Polycultural Mainstream ©2020**, most U.S. Hispanics consume a mix of English and Spanish television and media¹. However, we have noticed significant changes in media consumption as well as devices used in the past three years. This may be due to the rapid change of technology as well as the human motivation to stay connected. According to Nielsen's report *Descubrimiento Digital*, The Online Lives of Latino Consumers, Hispanics 18 and older are 9% more likely to own a smartphone, 11% more likely to own a game console, and 13% more likely to own a smartwatch than non-Hispanic Whites⁴. Among ethnic consumers, coexisting in today's society has become more important than assimilation because maintaining cultural integrity delivers on the human motivation of belonging and self-esteem³. As U.S. Hispanics are embracing technology faster than any other consumer group, they are using their devices and apps, along with social media, to engage with brands that embrace and celebrate their culture, values and communities.

The Cultural Mosaic 2.0 ©2020 syndicated report notes significant changes across all four Hispanic segments when it comes to media usage. Hispanic segments have reported a downward shift in cable service subscriptions and upward shift in social media, streaming, and online shopping. TV services that do not require cable and satellite are increasing. Ameri-Fans are the segment with the most drastic change for TV services showing a decrease of 15% from 2017 to 2020 for basic or digital cable, while the use of TV service without cable or satellite doubled. Popular social media sites and apps have also shifted, while Facebook continues to be the strongest app among Hispanics, it has shown a decrease in usage. On the other hand, apps that tend to be trendier among younger generations and more easily digestible like Instagram and Twitter have shifted up. Online shopping is another category that has increased in the past 3 years across all segments¹.

According to findings from Culturati's Cultural Mosaic 2.0 ©, U.S. Hispanics in general are watching video on non-traditional TV feeds more than live TV, (with 75% reporting an increase in streaming services in the last three months vs. 52% reporting an increase for live TV). Savvy Blenders lead the way with 62% using streaming services, followed by Heritage Keepers at 47%, Ameri-Fans at 45% and Latinistas at 40%. In terms of the type of programming most streamed, the study showed that movies and series, followed by news and family programs are streamed most often across all segments, and Latinistas and Savvy Blenders are also more likely to stream sports¹.



Streaming Services Usage by Segment



The most popular video streaming services among Hispanics include Netflix, with 63% streamed time, Amazon Prime Video with 37% streamed time, and Hulu with 31% streamed time; while the most popular apps to stream audio are Spotify and Pandora¹. In recent years, some streaming services directed specifically toward Hispanics have become more popular, such as *Pantaya*, a service designed to enable U.S. residents to watch hundreds of Spanish-language movies on an accessible monthly subscription service. *Pantaya* was developed to compete with Netflix and Hulu; however, it is still gaining momentum. Although Hispanic directed apps have been gaining popularity among Hispanics, they are not as acclaimed as some of the mainstream apps. Nevertheless, we have noticed a significant increase in Spanish-language video streaming from 2017 to 2020 (42% vs. 50%)⁷.

When it comes to social media, U.S. Hispanics spend more time on social media vs. non-Hispanic Whites, with 52% of U.S. Hispanics 18+ spending one or more hours per day on social-networking sites (vs. 38% of non-Hispanic Whites) and 24% spending three or more hours per day (vs. 13% of non-Hispanic Whites)². Hispanic consumers consider friends and family one of the most important sources for getting product information; word of mouth is significantly higher for Hispanics than for non-Hispanics. In contrast to U.S. Hispanics, the most important source for the general population to get product information is researching online. The most common reason U.S. Hispanics identify for visiting or using social networking sites is to connect with family and friends vs. to check email and view photos/videos for the general population⁷. Additionally, U.S. Hispanics over-index on all other reasons that involve staying connected (e.g., with their community, events, news information, new friends, or brands.)²

SPANISH-LANGUAGE MEDIA CONTINUES TO BE RELEVANT

Among Hispanics that are bilingual, there are some differences in terms of what they prefer to watch and media language preference. When streaming video, Hispanics overall stream about two-thirds of the time in English and one-third of the time in Spanish. Latinistas and Heritage Keepers both stream about half their video in Spanish and half in English, while Savvy Blenders and Ameri-Fans stream more in English at about 80%⁷.

In addition, Culturati's syndicated data shows that although Heritage Keepers have a bicultural mindset, they over-index in Spanish media consumption and prefer Spanish-language television over English. Although the majority of the fully bicultural Savvy Blenders consume English television (16 hours of English TV per week vs. 5.2 hours of Spanish TV), it's important to point out that Spanish-language advertising and content also play a key role in this segment's media consumption habits. Bicultural Hispanics are consuming media in both English and Spanish, as language viewership is highly situational based on the content they are consuming and with whom they are consuming it. While Latinistas watch English-language television as a result of their co-viewing practices (i.e., watching TV with bilingual family members), or because they feel it helps them learn English. Among Savvy Blenders, preference for English-language media was historically due to a lack of content availability or content diversity in Spanish-language media but this has been revolutionized by highly appealing content offered by streaming services such as Netflix. Additionally, many Hispanic households tend to be multi-generational and the older generations, who tend to be Spanish dominant, are likely to influence prime time co-viewing media choices² that bring the family together. Overall, based on Culturati's syndicated studies, Latinistas and Heritage Keepers consume more Spanish-language media, Savvy Blenders' (largest Hispanic segment) consume media in both languages with their preference being highly situational and, Ameri-Fans consume more English-language media⁷.

The Cultural Mosaic 2.0 ©2020 syndicated report noted that 52% of Hispanics reported viewing live TV more often in the previous months compared to non-Hispanics at 38%. Furthermore, as it relates to Spanish-language live TV, during the 2015-16 season the **live contribution to viewership was 94% for Univision and 93% for Telemundo**, according to Nielsen data. **In comparison, English-language live viewing contribution across the big four (ABC, CBS, Fox, and NBC) averaged at 82%**. A reason for this may be that U.S. Hispanic TV consumers are also heavy viewers of sports—particularly soccer—which helps explain their high percentage of live viewership. And they're less likely to time-shift, with only 44% of Hispanic households owning a DVR, versus half of all Nielsen households³.

CULTURE-FIRST DRIVES CONNECTION

Our colleagues from Captura Group, who contributed to this article, completely agree with the fact that while the right channel and the right language are critical to reach Hispanic consumers, it is imperative for marketers to leverage cultural intelligence and insights to truly engage with this audience. And, while language is important, it should be a tactic and not the messaging strategy.

Captura is a Hispanic and digital-first full service marketing agency. For more information on Captura, please visit: <https://www.capturagroup.com>

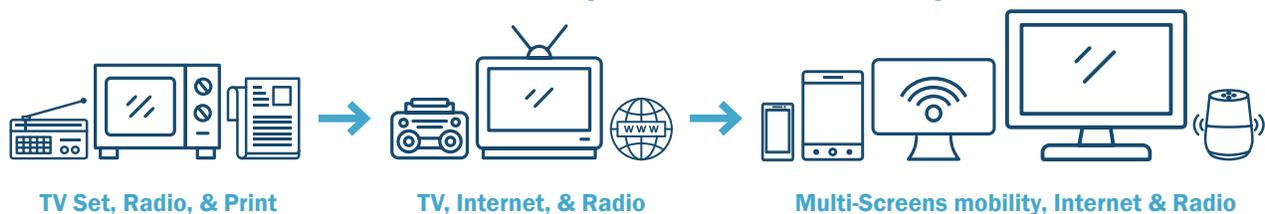


THE GROWTH OF THE INTERNET AS A MEDIA SOURCE HAS CHANGED THE WAY U.S. HISPANICS USE TECHNOLOGY

The evolution of mobile devices has significantly impacted media consumption among Hispanics. Consumers are no longer tied to cords or specific devices to stream their media. With **more than 84% of U.S. Hispanics saying they carry their cell phone everywhere**, apps and internet on a smartphone have a reach of 30.7 million Hispanics. Additionally, over one-third of Hispanics in 2019 said they were listening more to both free digital audio streaming and paid digital audio streaming compared to the two years prior. Nevertheless, The Cultural Mosaic 2.0 ©2020 syndicated report noted that over half of Hispanics are listening to live radio more often or the same amount compared to previous months, and 21% of Hispanics reported listening to radio more often compared to 17% of non-Hispanics. As for video, the top platforms Hispanics use to watch video are digital streaming, live TV, and user-created content on websites or apps, with the amount of time spent with each being very similar. To marketers and advertisers this means that they have a diverse range of viable options for reaching Hispanic consumers².

Hispanics have a mobile-first mentality and consider their cell phone devices a primary source for content consumption; 57% of U.S. Hispanics say they are interested in watching video clips on their cell phone (over-indexing against non-Hispanic Whites by 22%), and 40% are interested in watching live TV on their cell phone (over-indexing by 59%)².

The Evolution of Hispanic Media Consumption





COVID-19 HAS POSITIVELY IMPACTED MEDIA USAGE

Being affected by the coronavirus outbreak, millions of U.S. Hispanics have been forced to self-isolate, dramatically altering their everyday lives, habits, and behavior. Being offline is no longer a viable option for anyone, including this burgeoning population. U.S. Hispanics are accessing online channels and services more and more each day⁶. Having said that, COVID 19 has played a major role in media consumption changes in the past few months.

74% of U.S. Hispanic consumers reported to have increased their video streaming subscriptions and consumption due to the pandemic, while 68% reported to have increased their live television consumption for the same reason.

They also reported that social media is the digital content they are using the most, followed by news websites/apps, entertainment websites/apps, audio streaming and lastly, sports websites/apps¹. As we continue to study the U.S. Hispanic population and its evolution it becomes clear that consumers' attitudes, behaviors and media preferences are changing. These new consumer behaviors will remain post-pandemic and it is critical for marketers to stay ahead of the curve.

MARKETING IMPLICATIONS

To leverage the power of the media channels available to reach and engage U.S. Hispanic consumers, brand marketers are best served to align their channel mixes with their specific brand needs defined by their growth opportunity in the market. While there are some basic tenets for success, like leveraging the power of video and mobile, communicating in the right language and connecting through culture, there is no “one size fits all formula” that will apply to all brands, and no single channel can typically do the heavy lifting of a more integrated mix of channels. For best practices, brands should **assess their current brand performance** with their Hispanic prime prospect segment (leveraging Culturati’s Hispanic segments and Nielsen-Culturati analysis for **category/brand growth opportunities**), uncover critical **cultural nuances to elevate messaging**, devise an **optimal channel strategy** (i.e., identify key retailers to reach target Hispanic segments & develop relevant activation ideas), and **calibrate your media strategy** (i.e., identify best ways to amplify your message with the right media mix by Hispanic segment.) Things to consider: if a brand is early in its journey with Hispanic audiences and needs to close penetration gaps, it is likely the consumer lacks the same familiarity as its non-Hispanic audience counterparts, and prioritizing “brand discovery channels”⁸ such as social media, Spanish-language television or radio will be more important. These channels can also help brands infuse their messages with cultural cues that are essential to drive positive engagement. As a brand goes further down the funnel, adding the right digital channels like paid search will accelerate the path to purchase. Considering the right mix will then serve to help unlock the credibility, cultural connection, personal value/engagement and influence needed to drive consideration and conversion to your brand.

CONDUCTING A NIELSEN-CULTURATI GROWTH ANALYSIS CAN INSPIRE AND MOTIVATE TEAMS WITH TANGIBLE INSIGHTS AND DATA TO DEVELOP A CONSUMER-CENTRIC STRATEGY

Category Opportunity

- **X%** Hispanic \$ contribution
- **X** Hispanic \$ contribution index
- **\$X** Million opportunity/ advantage value
- Hispanic Segment(s) **X** represent the largest opportunity for GMI

BELIEFS (CULTURAL MINDSETS & VALUE SYSTEMS) SHAPE ATTITUDES...

...AND ATTITUDES SHAPE CATEGORY BEHAVIORS & BRAND PREFERENCES

OPPORTUNITY FOR GREATER BRAND RESONANCE



Identify the key Hispanic segment and uncover critical cultural nuances to elevate messaging.



Identify key retailers to reach target Hispanic segments & develop relevant activation ideas



Identify best ways to amplify your message through mass media, digital, WOM, and/or community involvement, as applicable

CONCLUSION

Hispanic consumers continue to be a driving force for sustainable brand growth. The best marketing strategists will leverage cultural market intelligence to dominate and lead the way in creating revenue and market share growth by strengthening their ties with the Hispanic community. Ultimately, the goal is to take their brands to the pinnacle of cultural relevance, and this can only be achieved by meeting U.S. Hispanic consumers where they are: building strategies with foundational cultural insights first, staying consumer-centric, ensuring in-language efforts. Bottom line is that marketers must reach Hispanics through both Spanish and English-language media with culturally relevant messaging regardless of the media landscape complexity, and be nimble to quickly adapt to new behaviors based on campaign data and learnings. The Hispanic audience has evolved to be as diverse and technology-driven as the world around them, and the companies that continue to learn and listen will continue to win and stay relevant with this burgeoning population.

1. The Cultural Mosaic 2.0: Achieving Greater Resonance in Today's Polycultural Mainstream, Culturati © 2020 with Hispanic Update – syndicated report; N=5,000
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8. <https://www.globalwebindex.com/reports/commercial-landscape-hispanics-usa>

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