

Marketing to US Hispanics Online

Tapping into a Young, High-Speed Audience

With the US Hispanic online population expected to increase to 9.1 million in 2010 from 6.7 million in 2005, marketers have a unique opportunity to build lasting relationships with famously brand-loyal customers.

Key Questions

- What are the most popular online activities and types of Web sites among US Hispanics?
- Which unique characteristics can marketers leverage in marketing to Hispanics online?

Key Finding

The online Hispanic consumer in the US tends to be similar to the average online consumer except in age: 47 percent of Hispanics online are less than age 35, while just 34 percent of non-Hispanics online are less than that age. Companies looking to target the young Hispanic consumer should include the Internet as a critical piece of their overall marketing strategies.



Research Topics

- Audience Segmentation
- Targeting

August 3, 2005

Lead Analyst

Zia Daniell Wigder

Contributing Analyst

David Card

Research Director

Zia Daniell Wigder

Intended for the sole use of JupiterResearch clients. All opinions and projections are based on JupiterResearch's judgment at the time of publication and are subject to change. For more information on JupiterResearch's services, including syndicated research and custom research tailored to the specific needs of your business, visit www.jupiterresearch.com, e-mail researchsales@jupiterresearch.com or call 800 481 1212 (North America), +44 (0) 20 7903 5020 (Europe) or +1 212 389 2032 (rest of world).

Hispanic Online Users Younger than Non-Hispanic Online Users

Fig. 1 Demographics of Hispanics and Non-Hispanics Online

Segment	Hispanics	Non-Hispanics
Age	Less than 35: 47%	Less than 35: 34%
Gender	Male: 51%	Male: 50%
Annual income	Less than \$60K: 54%	Less than \$60K: 52%
Online tenure	More than five years: 56%	More than five years: 60%
Connection speed	Broadband: 54%	Broadband: 49%

Source: JupiterResearch/Ipsos-Insight Individual User Survey (6/05), n = 389 (English-speaking Hispanic online users, US only), n = 3,617 (non-Hispanic online users, US only)
© 2005 JupiterResearch, a division of Jupitermedia Corporation

The average Hispanic online user largely resembles the average online user: The gender, annual income, and online tenure of Hispanics on the Internet are all similar to those of non-Hispanics. However, differences between the two groups appear in broadband penetration and age. Hispanics are slightly more likely to have broadband connections than are non-Hispanics, and Hispanics are substantially younger than are their non-Hispanic counterparts. Indeed, the average age of online Hispanic consumers is almost five years younger than that of online non-Hispanic consumers. Companies aiming at Hispanic users online should use the higher broadband penetration and younger age of this demographic segment to their advantage, adjusting their campaigns to reflect these differences.

Internet Now Driving Some Hispanic Marketing Campaigns

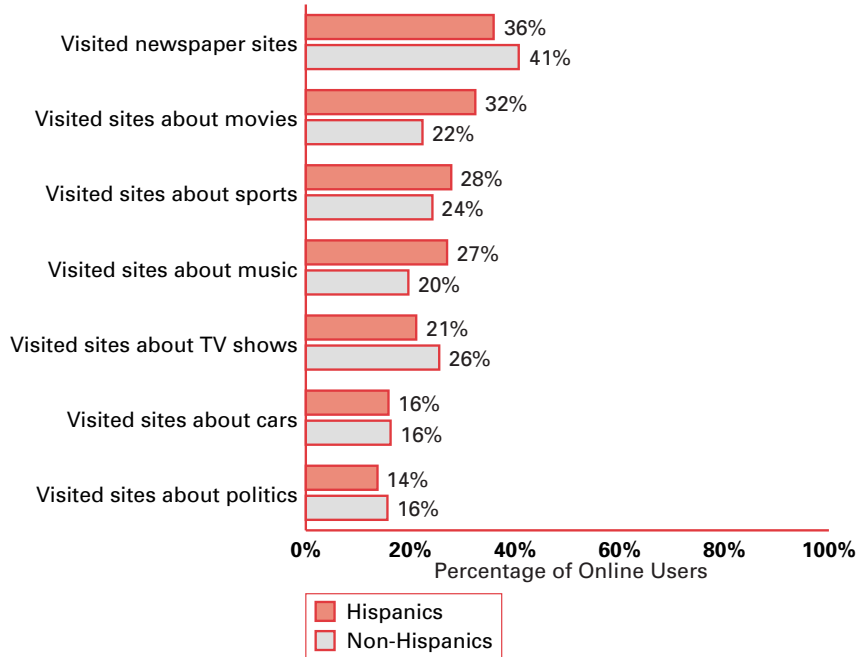
The three major portals have all launched versions targeted at the US Hispanic user: AOL Latino, MSN, and Yahoo! en Español each features content for the online Hispanic user in the US. Other Spanish-language portals such as terra.com and univision.com also offer marketers opportunities targeted at this demographic group. In addition, a handful of other sites such as match.com capture ethnicity during the user registration process. Marketers, too, have begun to leverage data provided by adware companies such as Claria to help identify Hispanic users.

Leading the pack of marketers targeting this demographic segment online are major automobile manufacturers. Ford, General Motors, Honda, and Toyota all have comprehensive campaigns aimed at the online Hispanic consumer. Tactics have ranged from simple banner ads and sponsorships to exhaustive roadblock campaigns. Other industries with substantial investments in online campaigns aimed at this group include financial services, media, and real estate. All have identified the Hispanic consumer as critical to their growth within the US—and companies within all three industries have begun to migrate an increasing percentage of their Hispanic marketing budget online. Indeed, one major financial services company called the Internet the “crown jewel” in

its strategy to target Hispanic users because the company has found the Internet provides better results at a lower cost than any other channel does. At Century 21, top management has mandated a strong push into the Hispanic marketplace, with a particular focus on online marketing.

Media Consumption High Among Hispanic Online Users

Fig. 2 Site Visitation by Hispanics and Non-Hispanics



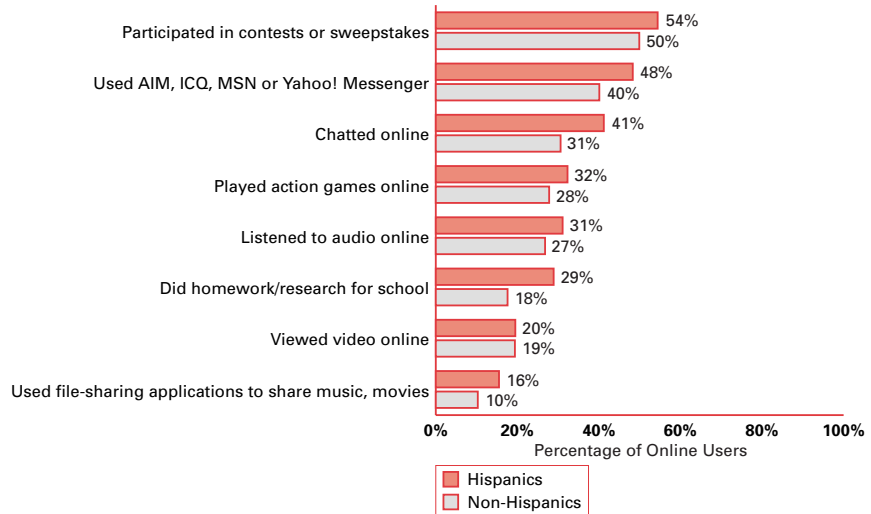
Question: Thinking about your use of the Internet during the past year, which of the following activities did you conduct monthly or more frequently?
 Source: JupiterResearch/Ipsos-Insight Individual User Survey (6/05), n = 389 (English-speaking Hispanic online users, US only), n = 3,617 (non-Hispanic online users, US only)
 © 2005 JupiterResearch, a division of Jupitermedia Corporation

Although Hispanics are in many ways similar to the overall online population, they are far more likely to have visited certain types of media sites than non-Hispanics are. According to a recent JupiterResearch survey, 32 percent of Hispanic online users said they visit sites about movies at least once a month—a number 10 percentage points higher than that of non-Hispanic online users. At the same time, more than one-quarter of Hispanics online visited music sites, compared with the one-fifth of non-Hispanics online who did. By contrast, Hispanics were less likely than non-Hispanics to visit newspaper sites or sites about TV programs or politics. Companies targeting Hispanics must look beyond just the Spanish-language portals to some of the broader sites that are attracting substantial Hispanic audiences.

Hispanics More Active than Non-Hispanics in Many Communication and Media Areas

Fig. 3 Online Activities by Hispanics and Non-Hispanics

Question: Thinking about your use of the Internet during the past year, which of the following activities did you conduct monthly or more frequently?
 Source: JupiterResearch/Ipsos-Insight Individual User Survey (6/05), n = 389 (English-speaking Hispanic online users, US only), n = 3,617 (non-Hispanic online users, US only)
 © 2005 JupiterResearch, a division of Jupitermedia Corporation



When it comes to online communication and consumption of media, Hispanics are highly active. Hispanics are far more likely than non-Hispanics to have used an instant messaging application such as AOL Instant Messenger (AIM) or ICQ. Hispanics are also far more likely than non-Hispanics to have chatted online (e.g., in chat rooms), to have done homework or conducted research for school online, and to have used file-sharing applications to share music or movies. Additionally, Hispanics participate heavily in online sweepstakes. The most successful campaigns will capitalize on Hispanics’ higher propensity to engage in these communication and media-related activities.

Successful Campaigns Leverage Differences

Marketing to the US Hispanic marketplace has itself become a burgeoning industry. Many marketers developing campaigns targeted at Hispanics in the US have turned to agencies with a particular focus on the Hispanic marketplace. A wide variety of agencies—including Media 8 Digital Marketing, The Bravo Group, and The Vidal Partnership—all specialize in the US Hispanic consumer.

As a result of this greater focus on the Hispanic consumer, online campaigns have matured substantially since the first were launched. One agency estimated less than five percent of all online campaigns today are merely translations of their English-language counterparts. Marketers are also jockeying for position as they attempt to build their brand equity early on, as the US Hispanic consumer is renowned for being highly loyal to brands. Indeed, one Hispanic marketing agency referred to Hispanics’ brand loyalty as “almost hereditary: Once a family becomes loyal to a brand, it is passed down from generation to generation.” To capitalize on the strong brand allegiances within this group, therefore, it is important for online brands to establish themselves with Hispanics early on.