

# DIVERSE AND DIGITAL

## HOW MULTICULTURAL AMERICANS ARE ALTERING THE MARKETING LANDSCAPE

PART 1/3: MARKETING TO HISPANIC AMERICANS

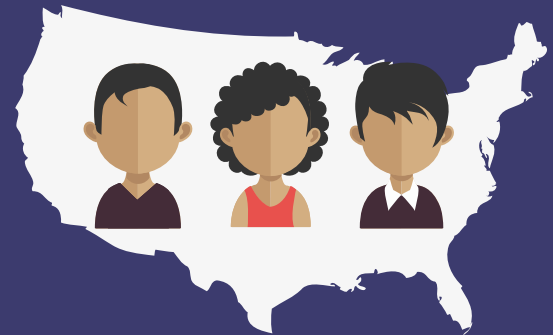
WHITE PAPER

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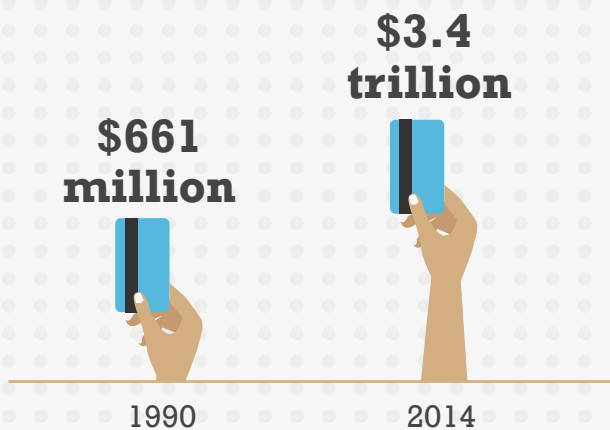
The American socio-cultural tapestry is becoming more colorful with each passing day – multicultural consumers, who account for 120 million people (about 35% of all Americans), are the fastest growing segment of the US population<sup>1</sup>. Hispanic Americans, Black Americans<sup>2</sup>, Asian Americans and other Multicultural Americans are projected to make up a majority of the population by 2044<sup>3</sup>.

# 120 million

The number of multicultural Americans in 2016



**The buying power of multicultural Americans has grown exponentially.**



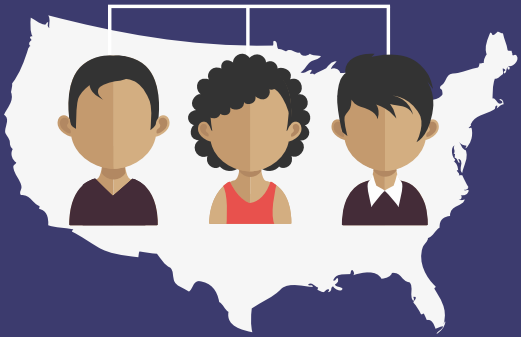
Not only is the Multicultural American population growing, but their buying power is growing at an exponential rate – from \$661 billion in 1990 to \$3.4 trillion in 2014 – more than double the growth of the total U.S. buying power within the same time span<sup>4</sup>. You may be surprised to learn that Multicultural Americans are younger than the general population and their buying power is projected to increase further<sup>5</sup>.

Not only that, but multicultural consumers comprise a high percentage of the “Super Consumers,” the top 10% of households who drive at least 30% of sales, 40% of growth and 50% of profits<sup>6</sup>. They are using digital devices and social media to celebrate their evolving cultural identities and connect with friends and family halfway around the world. And as they share their culture with their American friends, food, music and movies that were once considered ‘niche’ or ‘exotic’ become entrenched into mainstream American culture – think tacos, martial arts and dancehall music.

**Multicultural Americans use their digital devices and social media to connect with friends and family.**



## MARKETER



Americans who come from a different cultural background are reshaping how marketers and advertisers connect with shoppers. How can marketers ensure that their communication is keeping up with this diverse and dynamic market?

Our whitepaper series will examine key stats and usage behavior of the three largest group of Multicultural Americans – Hispanic Americans, Black Americans and Asian Americans.

We cannot stress enough how important it is for marketers to keep in mind that not all Multicultural Americans are created equal – although we have organized this series of white papers by ethnic groups, marketers must be sensitive to the fact that two 30-year old Indian American women might be radically different in the way they respond to brands – based on factors such as the time they have spent in the United States, their subculture and their level of integration into mainstream American culture. Marketing to Multicultural Americans offers a huge potential for increased sales and revenue, but if campaigns are not carefully created and executed, marketers run the risk of offending and alienating shoppers.

### Factors Marketers Must Keep in Mind When Communicating With Multicultural Americans



Time they have spent  
in the United States



Their Subculture

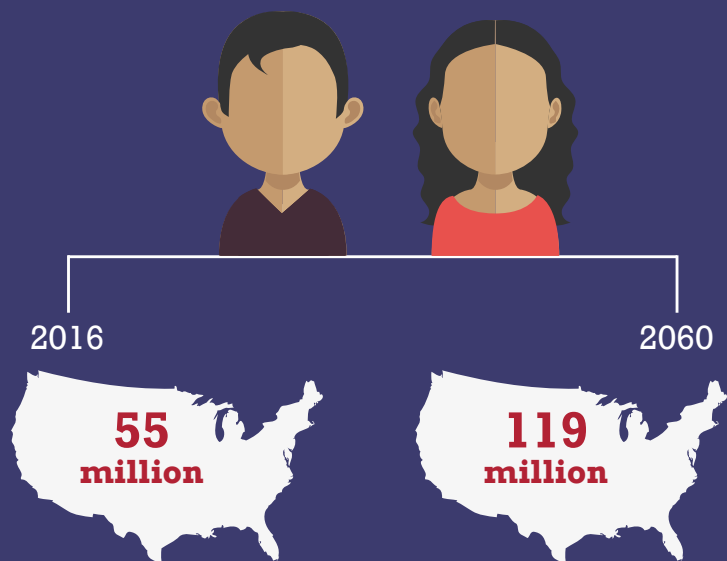


Their level of integration  
into mainstream  
American culture

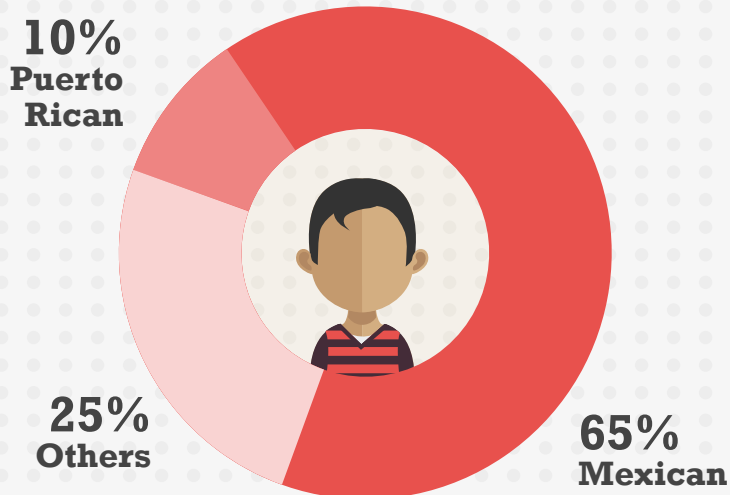
# PART 1/3: MARKETING TO HISPANIC AMERICANS

Hispanic Americans are not only the largest ethnic group in the United States, but also the fastest growing. Over 55 million strong, Hispanic Americans account for 17% of total U.S. population and 25% of Americans under the age of 15. Hispanic Americans already have an annual purchasing power of \$1.5 trillion – a figure that is going to grow tremendously as the younger generation enters the job market. With the number of Hispanic Americans projected to reach 119 million by 2060, marketers must ensure that they are successfully engaging with this audience<sup>7</sup>.

## The Number of Hispanic Americans



## Demographic Break-up of Hispanic Americans



## DIVERSITY

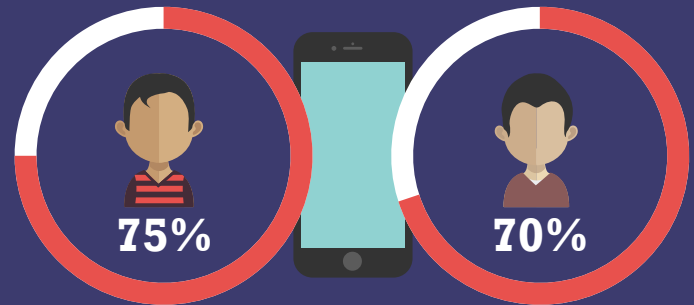
It's important for marketers to keep in mind that Hispanic Americans come from a diverse group of countries with different foods, festivals and sub-cultures. While almost 65% of Hispanic Americans self-identify as being of Mexican heritage, 10% are of Puerto Rican origin and 25% are from other countries<sup>8</sup>.

Therefore, it's particularly important for retailers to make efforts to understand the ethnic fabric of their consumers. When retailers have multiple stores with different consumer demographics, it's vital for them to understand which products will sell best depending on the demographic makeup of each store.

## DIGITAL DEVICE OWNERSHIP AND USAGE

Hispanic Americans have a higher rate of ownership of smartphones and tablets than non-Hispanics. Hispanic Americans also spend more time per month on their mobile devices - according to a recent study by Facebook Insights, Hispanic Americans spend 6 hours more per month on their mobile devices than non-Hispanics.

**More than 75% of Hispanic Americans own a smartphone, versus 70% of non-Hispanics<sup>9</sup>.**



**Hispanic Americans watch more YouTube than any cable network.**



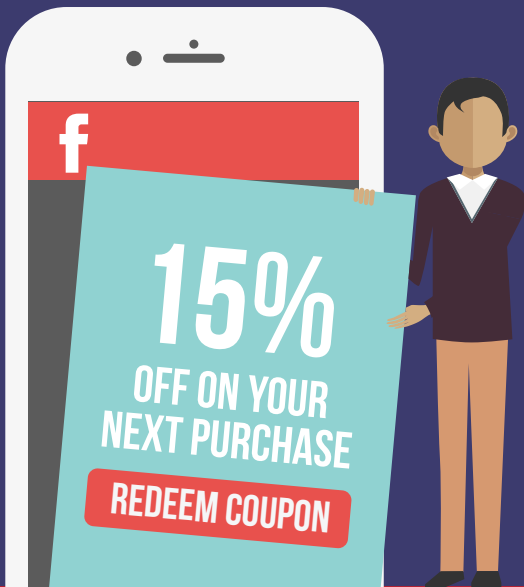
According to Facebook Insights, Hispanic Americans represent over 26.7 million monthly active Facebook users, and almost half of them access Facebook exclusively on their mobiles, which is 150% more than other US audiences. Hispanic Americans also spend more time streaming videos on their smartphones - 5 minutes more per day than the rest of the population<sup>10</sup>.

## AFFINITY FOR ONLINE PROMOTIONS AND ADS

Two thirds of Hispanic Americans pay attention to online ads—almost 20 percentage points more than the general online population. Hispanic Americans have favorable attitudes towards advertising - 42% of Hispanics found smartphone advertisements to be relevant, 36% found them to be influential and 43% found them to be informative, whereas the percentage of the non-Hispanic population responding positively to these questions were 19%, 17% and 23% respectively<sup>11</sup>. Therefore, mobile-first promotions on websites or mobile apps are a good option to consider when marketing to Hispanic Americans.



**70% of Hispanic American consumers have used a coupon found on social media<sup>12</sup>.**



Hispanic Americans also use social media and mobile coupons more than the general population; 70% of Hispanic American consumers have used a coupon found on social media<sup>12</sup>. In fact, among Hispanic Americans who recall seeing online ads, 93% of them take action—whether that's performing a search, visiting a company's website or making a purchase<sup>13</sup>. Since digital ad budgets are often dwarfed by TV ad spends, marketers must consider reallocating budgets towards online promotions and digital rewards that would be relevant based on their usage patterns, such as data top-ups and music and movie downloads – all of which are available in the Snipp Rewards Store.

## SHOPPING FREQUENCY

Hispanic Americans spend roughly 21% of their time surfing the Web shopping – which is much higher than the amount of time non-Hispanics spend shopping online. On average, Hispanic Americans spent 6.4 hours per month shopping, compared with 1.1 hours per month for non-Hispanics.

**Hispanic Americans spend 21% of their time surfing the Web shopping.**



Facebook Insights found that 27% of all Facebook activity during the 2015 Holiday Season was conducted by members of the US Hispanic affinity group. Furthermore, 43% of online purchases were made on mobile devices by members of this group<sup>14</sup>. Therefore, loyalty programs that integrate mobile wallets and digital rewards and redemption would likely be favored by Hispanic Americans.

## LEVERAGING LOYALTY TO HISPANIC AMERICANS

Research shows that Hispanic Americans show greater interest in loyalty programs; while only 27% of the general population credits loyalty programs as the reason they select a particular brand or company, among Hispanic Americans, that number jumps to 38%<sup>15</sup>. Moreover, Hispanic American loyalty card owners commonly engage with the brand on social media, and while making purchases with their loyalty cards, post about the rewards and benefits they received<sup>16</sup>.



**38% of Hispanic Americans credit loyalty programs as the reason they select a brand.**

Therefore, while leveraging loyalty to Hispanic Americans, marketers must think about ways to reward non-purchase behaviors such as posting product reviews or tagging the brand on posts.

## KEY TAKEAWAYS TO INCREASE ENGAGEMENT WITH HISPANIC AMERICANS

### TAKEAWAY #1: USE TARGETED MESSAGING THROUGH SOCIAL MEDIA & STREAMING AUDIO SITES



Marketers can target Hispanic audiences through platforms such as Facebook, which has created a Hispanic Affinity Group that comprises of users who are interested in or will respond well to Hispanic content. Facebook Insights allows marketers to target their ads to audiences that are English dominant, Spanish dominant and bilingual. This is crucial for marketers because it ensures that content reaches users in the language they are most comfortable in. Beyond social media, marketers are also turning to streaming audio sites like Pandora and iHeartRadio, with ads geared toward audiences who listen to music in Spanish<sup>17</sup>.



## TAKEAWAY # 2 — CONNECT ON CULTURALLY RELEVANT TOPICS

Marketers must be cognizant of what Hispanic Americans care about and cultural elements that are unique to the Hispanic experience. Based on this information, they must create campaigns that speak to their cultural sensibilities by incorporating special foods, traditions, holidays, and values into their communication.



For example, during the 2014 Soccer World Cup, JCPenney executed the #JCPFanaticas campaign to leverage excitement around the World Cup to widen their base of Hispanic American shoppers<sup>18</sup>. When the retailer learned that more Hispanic women in the US watch the World Cup than non-Hispanic men, they developed a social media and mobile real-time marketing campaign that used text message offers, World Cup apparel, hashtag campaigns and a bracket featuring spirited fashion looks on its Latino Facebook page.

As a result, brand awareness increased 49% among Latinas in the U.S. during the World Cup. Perhaps the most surprising element of this campaign is the spillover benefits – campaign awareness for women at large was 116%, which means it actually resonated more strongly with women at large than with the target audience.

Here are a few culturally relevant events and festivals to consider incorporating into a marketing strategy targeted at Hispanic Americans: the World Cup, the Copa America, National Soccer Tournaments, The Day of the Dead, Three Kings Day and Quincenera Celebrations. It bears repeating that marketing to a particular cultural group requires nuance, sensitivity and thorough research to ensure that the campaign is well-received.



## TAKEAWAY # 3—USE NATIVE LANGUAGES TO CONNECT WITH NICHE AUDIENCES

Language is tricky – while some consumers might appreciate bilingual messaging, others may find it offending.

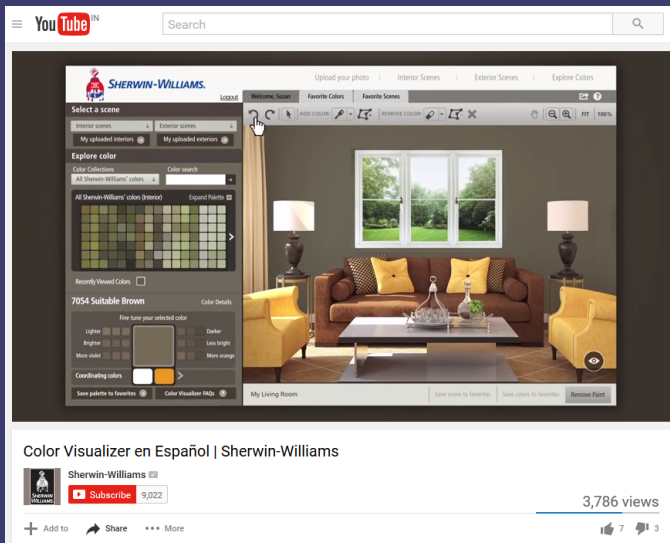
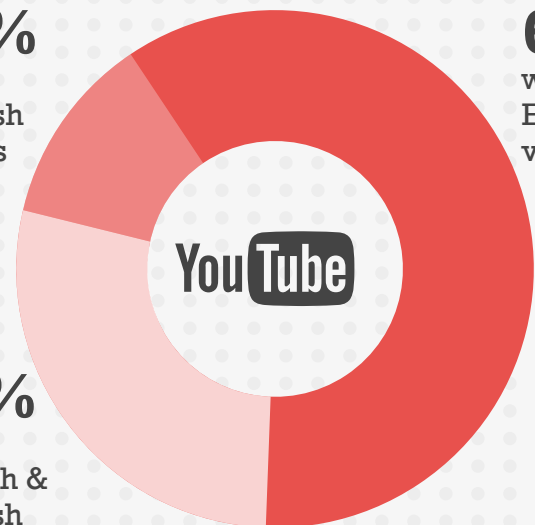
A Google study of Hispanic American YouTube viewers found that of those who visit YouTube at least once a month, 60% watched videos mostly in English, 28% watched videos in English and Spanish and 12% watched videos mostly in Spanish<sup>19</sup>. Considering the fact that 75% of Hispanic Americans turn to YouTube when they want to learn about a product or service by watching a video, it's important for marketers to consider creating video content in Spanish, too.

### Monthly YouTube consumption of Hispanic Americans by language

**12%**  
watch  
Spanish  
videos

**60%**  
watch  
English  
videos

**28%**  
watch  
English &  
Spanish  
videos



Sherwin-Williams has forayed into creating video content in Spanish on its YouTube channel on a variety of topics such as tips for professions, product videos and fun interior makeovers.



Home Depot has a separate Spanish-only YouTube channel, called HomeDepotEspanol. Some of the videos featured on this channel have been viewed over 1.8 million times.<sup>20</sup>

# CONCLUSION

As the fastest growing segment in the US population, Hispanic Americans are an important audience for marketers to take into account when creating marketing activations. Given their high affinity for smartphones, social media, and online video – meaningful engagement is key to inspiring loyalty for this group. Targeted messaging through social media, creating connections with culturally relevant topics, and the use of native languages are just a few of the takeaways for marketers seeking to effectively engage Hispanic Americans.

Authenticity and segmentation will play a large part in successfully marketing to Multicultural Americans. They're looking to build loyalty with brands that resonate with their heritage by effectively embedding their cultural characteristics into the way that the brand interacts with them. Parts 2 and 3 of this white paper series will cover this, investigating the purchasing habits and digital behaviours of Asian and Black Americans.

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Snipp is a global loyalty and promotions company with a singular focus: to develop disruptive engagement platforms that generate insights and drive sales. Our solutions include shopper marketing promotions, loyalty, rewards, rebates and data analytics, all of which are seamlessly integrated to provide a one-stop marketing technology platform. We also provide the services and expertise to design, execute and promote client programs. SnippCheck, our receipt processing engine, is the market leader for receipt-based purchase validation; SnippLoyalty is the only unified loyalty solution in the market for CPG brands. Snipp has powered hundreds of programs for Fortune 1000 brands and world-class agencies and partners.

# REFERENCES

- <sup>1</sup> The Multicultural Edge: Rising Super Consumers (2015), Nielsen
- <sup>2</sup> Please note that the term 'Black Americans' has been used instead of 'African Americans' to indicate that the research for this multicultural demographic also includes people who come from outside Africa, such as the Caribbean.
- <sup>3</sup> The Multicultural Edge: Rising Super Consumers (2015), Nielsen
- <sup>4</sup> The Multicultural Edge: Rising Super Consumers (2015), Nielsen
- <sup>5</sup> The Multicultural Edge: Rising Super Consumers (2015), Nielsen

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