

Three Things You Thought You Knew About U.S. Hispanic's Engagement With Media...And Why You May Have Been Wrong

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There are over 50 million Hispanics living in the United States making them the single largest ethnic group, according to the U.S. Census Bureau. If U.S. Hispanics were a country, they would rank as the 12th largest economy in the world somewhere between Mexico and Australia, commanding over \$1 trillion in purchasing power. In terms of population, U.S. Hispanics would be the 24th largest nation in the world after Italy – larger than Spain and more than twice the size of Australia. While these numbers are staggering, the fact that U.S. Hispanics represent more than half (56%) of net population growth from 2000 to 2010 and are projected to contribute 100 percent of the population growth between the ages of 18-49, it is game changing.

By 2050, Hispanics are projected to account for over 30 percent of the U.S. population – a significant growth driver that marketers can no longer overlook. But the questions for many remain:

- How do I reach and successfully engage Hispanics?
- Will general market campaigns capture enough of the Hispanic demographic?
- Is online relevant?
- Should I consider mobile in my market mix?

To answer these questions, we need to break-down the prevailing myths surrounding Hispanic interaction with today's media.

Myth #1: Bilingual Hispanics don't watch Spanish television.

There is a belief that once Hispanics learn to speak English well and become bilingual, they become "acculturated" and use English as their primary language. However, acculturation is a process -rather than an absolute classification whereby Hispanics adopt American customs while still guarding their culture, heritage and traditions.

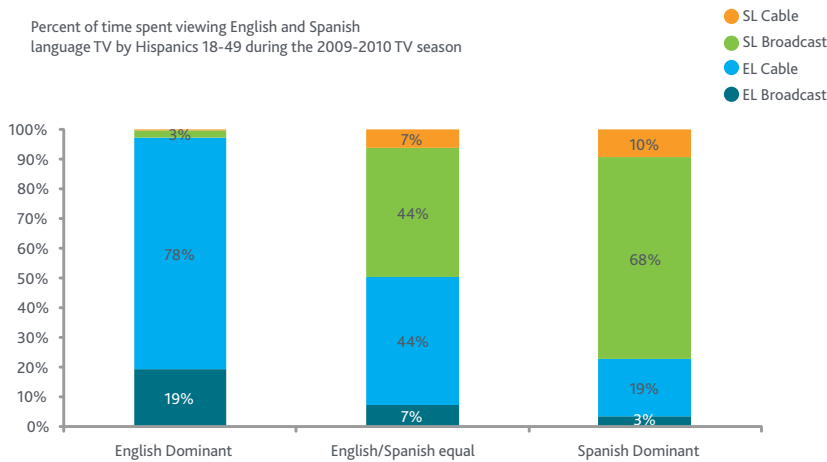
While seventy-seven percent of U.S. Hispanics speak English well according to current American Community Survey estimates, sixty-one percent of Hispanics aged 18+ tell Nielsen they prefer to speak Spanish in their homes versus only 17 percent who say they speak only English. Spanish language remains a core component of the Hispanic home long after English proficiency is gained. Language spoken at home rather than English ability tends to be a better indicator of TV viewing behavior.

While there is general consensus that Spanish-language-dominant homes (speak mostly or only Spanish) watch predominately Spanish-language TV, there is debate about viewing patterns in multi-language homes (where a mix of English and Spanish are spoken). The viewing breakdown during the 2009-2010 TV season for persons 18-49 is as follows:

- Spanish-language-dominant homes viewed 78 percent of TV in Spanish
- Multi-language homes viewed about 50 percent Spanish-language TV
- English-language-dominant homes (speak mostly or only English) spent only three percent of time viewing Spanish-language TV

Hispanics are most likely to view television in the language they prefer to speak at home

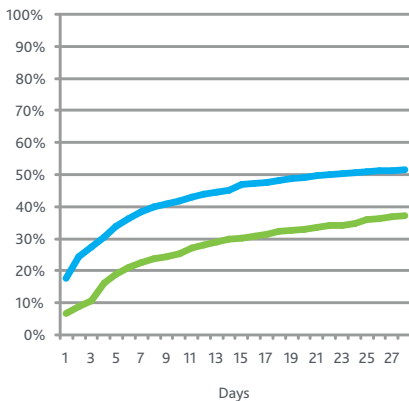
Percent of time spent viewing English and Spanish language TV by Hispanics 18-49 during the 2009-2010 TV season



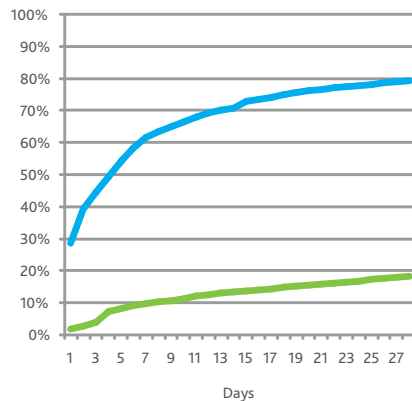
Source: The Nielsen Company

Spanish Language broadcast TV reaches 4 times more Spanish language dominant Hispanics

Percent of Hispanics 18-49 reached in a 28 day period through English and Spanish primetime broadcast



Percent of Spanish dominant Hispanics 18-49 reached in a 28 day period through English and Spanish primetime broadcast



Source: The Nielsen Company

Digging deeper into a multi-language home reveals that English- and Spanish-dominant members primarily watch TV in their preferred language, but as expected, the time spent viewing in English and Spanish language eases towards the middle. English-dominant Hispanics in multi-language homes spend 80 percent of viewing on average in English and 20 percent in Spanish versus English-dominant-homes where the

split is about 97 percent English and three percent Spanish.

The same movement toward the middle is seen with Spanish-dominant members in a multi-language home where 65 percent of viewing is in Spanish versus 78 percent for a Spanish-dominant home. Despite the variability across the different Hispanic language groups, in 2010, the

top ten broadcast shows for the Hispanic demographic were all Spanish-language programs. The fact that the majority of Hispanics aged 18+ prefer to speak Spanish at home underscores the growing need for advertisers to better connect with Hispanics in the native language.

Myth #2: I can reach Hispanics through my general market campaigns; Spanish-Language advertising is an expendable part of my budget.

In 2010, Nielsen reports that only 75 percent of the top 200 advertisers spent money on Spanish-language cable or broadcast, and those that did only spent about eight percent of the total advertising budget on Spanish-language TV.

For English-language television, Hispanic viewing time is dispersed over a large number of networks, while Spanish-language viewing is more concentrated. A brand advertised across all English-language national broadcast networks in primetime would only reach about 38 percent of all Hispanics aged 18-49, while a Spanish-language broadcast would reach 53 percent. However, when looking into Hispanics 18-49 who are Spanish-language dominant, the gap widens substantially. An English-language broadcast campaign in primetime only reaches 19 percent of Spanish-language dominant Hispanics versus a Spanish-language campaign that reaches 80 percent of Spanish-language dominant Hispanics over a month. That's a difference of 5.6 million Spanish-language-dominant Hispanics 18-49 or roughly 60 percent of the demographic. A primetime English-language-focused broadcast campaign effectively leaves out Spanish-dominant Hispanics.

Besides providing access to a unique audience, Spanish-language advertising is generally more effective than English-language advertising for Hispanics. Nielsen's advertising effectiveness studies show that advertisers who translate English ads into Spanish receive an increase in general recall among Hispanics when compared to general market English-language commercials. However, original Spanish ads (ads that do not have an English counterpart or that are based on existing ads by modifying the narrative and soundtrack) see a 15 percent general recall lift from English-dominant Hispanics and a 69 percent general recall increase from Spanish-dominant Hispanics. Two reasons for this effect are that Spanish ads create a deeper personal connection to Hispanic consumers and Hispanics are less likely to time shift Spanish-language programming.

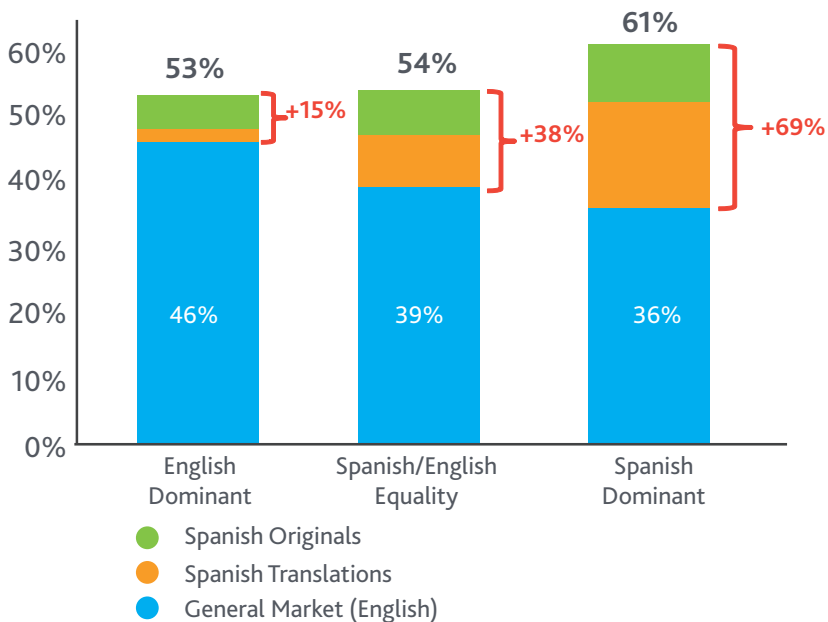
While only 30 percent of Hispanic homes have DVRs compared with 38 percent for the general market, the format in Spanish-language television programming (i.e., daily novellas) make it less likely to be time shifted than English-language TV. As an example, during 2010, English-dominant Hispanics were twice as likely to time shift programs in English as in Spanish while Spanish-dominant Hispanics were three times more likely to do so.

Myth #3: Hispanics are late adopters of technology, so using online and mobile campaigns is unnecessary.

According to Nielsen 2010 universe estimates, approximately 30 million Hispanics (62%) have access to the Internet at home. Include the number of Hispanics who have online access via work, school or in other public places and Internet penetration rises to about 88

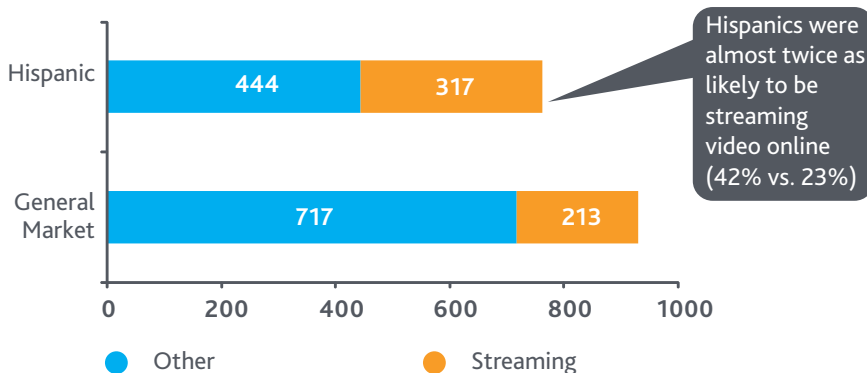
Recall improves considerably for General Market ads that were 'repurposed/translated' and aired in Spanish; Spanish original ads generate the highest levels of ad memorability among Hispanics

General ad recall among Hispanics



Hispanics spend less time online than the general market, however more time is devoted to streaming video

Average minutes online for persons 2+ in January 2011



percent. And mobile Internet access closes this gap even further, since Hispanics are more likely to have a video and Internet enabled cell phone than the general market (44 percent versus 35 percent). While Hispanics spend 20 percent less time online than non-Hispanics, they stream twice as much video online, accounting for almost 30 percent of their online activity.

New studies are finding that Hispanics are equally, if not more involved in emerging technologies than the general market. A recent look at Nielsen's national people meter panel reveals that Hispanics are just as likely as non-Hispanics to own a HDTV (69 percent versus 66 percent). And Nielsen's 2010 Q4 mobile insights survey of over 50,000 people and over 8,000 Hispanics reveals that not only are Hispanics more likely to own a smartphone, but they are among the most valuable of mobile consumer segments, carrying an average monthly bill that is 14 percent higher than the market average. Hispanics also lead all ethnic groups with an average of 40 percent more calls made per day and are the most likely ethnic group to use text messaging, mobile Internet and e-mail. They are also more likely to download pictures or music on mobile devices.

The Hispanic consumer represents the greatest potential for sustained growth in the U.S. today. At the current rate of expansion, Hispanics will drive population growth and, in turn, consumption in America for the next generation. Reaching Hispanics effectively should be at the top of every marketer's to-do list. Hispanics actively embrace new technologies and platforms, while keeping close ties to their roots, especially language. And while Hispanics do consume English-language media, Spanish-language media holds the key to connecting with the greatest number of Hispanic consumers most effectively.

About this Whitepaper

U.S. Census 2010; IMF GDP rankings 2010; Annual Multicultural Economic Study Nov 2010 UGA Selig Center For Economic Growth; Spain INE estimates Jan 1, 2011 and Australia official population clock March 17, 2011; 2009 American community survey; Nielsen 2010 Spanish dominant universe estimates P18+; Nielsen 2009-2010 TV season Household persons 18-49; Nielsen 2009-2010 TV season Household persons 18-49 with Kids; Advviews national Jan-Dec 2010; Need audience cum curves (reach and frequency) from 2009-2010 broadcast season (Trini); IAG study 8/1/07 – 8/1/2008; Nielsen November 2010 DVR estimates; Time shifting Npower 2009-2010 SL and EL; Npower 4th quarter internet penetration average by ethnic segment 2010 (Oct –Dec); AP Survey question number 45; Npower cross platform panel Nov/Dec 2010 streaming behavior online; Npower cross platform categories and time spent; 2010 Q4 Hispanic mobile insight survey.

About The Nielsen Company

The Nielsen Company (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and related assets. The company has a presence in approximately 100 countries, with headquarters in New York, USA. For more information on The Nielsen Company, visit www.nielsen.com.

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