

Academic Review: Hispanic Mobile Telephony Trends

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Hispanics account for approximately 15% of the US population, are the fastest growing ethnic minority, and in some border states (e.g., Texas) will represent a majority of the population by 2010. The Latino demographic, with over 42 million constituents, represents the third largest US consumer purchase block after White and African Americans. As a result, advertisers will spend a projected \$6B in 2007 trying to reach this fast-growing segment (French, 2007).

On the whole, this same purchasing power extends to Hispanic Internet users. There were approximately 16.7 million Hispanic Internet users in 2006: that number should reach nearly 21 million by 2010 (eMarketer, 2006). Equally important, the number of Hispanic Internet users under the age of 35 is projected to grow to 12.1 million by 2010. As a comparison, the median age of the US population is expected to be 36 in 2010, while the Hispanic median age will be just over 27 with over one-third under the age of 18. As most online marketers know, it's this 18-34 year old age bracket that spends the most on mobile content.

However, similar studies indicate that Hispanics, especially first generation immigrants and those who are Spanish dependent, access the Internet far less frequently than White, African Americans, or English-speaking Hispanics. In fact, findings from the Pew Group (Fox and Livingston, March 2007) indicate only 29% of Hispanic adults have home broadband connections, compared with 43% of White adults. This difference is driven primarily by the fact that Latino internet users are less likely than non-Hispanic white internet users to have any kind of Internet connection at home (79%, compared to 92%). Pew likewise found that 78% of Latinos who are English-dominant and 76% of bilingual Latinos use the Internet (compared with 32% of Spanish-dominant Hispanic adults), while 76% of U.S.-born Latinos go online, compared with 43% of those born outside the U.S. These statistics paint a compelling picture where mobile versus traditional Web access for the Hispanic population is concerned, and should serve as incentive for providers of both Spanish-language mobile content, as well as mobile advertisers looking to target the Latino population.

In fact, recent studies from Forrester Research and the Mobile Marketing Association show that the Hispanic market segment use the mobile phone more than other demographic groups (Young 2005; MMA 2006) These insights were further supported by a January 2007 study commissioned by *edioma*, a provider of mobile language assistance solutions, and conducted by Galloway Research of San Antonio, Texas (<http://www.gallowayresearch.com>). The purpose of the research was to determine Spanish-dependent mobile phone user preferences and trends related to wireless carrier choice, data usage patterns, proclivity toward 3rd party mobile application purchase, and interest in e-learning products.

During a six-week period commencing December 15, 2006 Galloway placed over 9,000 calls to mobile phone users throughout Dallas, Houston, El Paso, and the Rio Grande Valley. Galloway then narrowed down potential candidates and conducted over 225 interviews of 12-15 minutes each, posing 40 questions to each respondent. The research methodology employed resulted in a statistical sample accuracy of approximately 90%.

The findings for this study should be of particular interest to both mobile content and mobile advertising providers:

- 32% of respondents use T-Mobile as their wireless carrier, followed by Cricket/Pocket/Metro PCS (21%), Sprint-Nextel at (27%), and Cingular (11%).
- Over 75% subscribed to their wireless service on an annual basis, while 23% indicated they purchased minutes/data on a pre-paid basis.
- 34% of those questioned access the Internet over traditional means at home or work, the majority of which (48%) surfed the Web less than 3 times per week.
- Over 48% of persons interviewed were interested to receive more information on learning English over their

mobile phone.

- Average price users were willing to pay for a mobile language instruction service was approximately \$21.50 per month.
- Over 73% of respondents indicated they would be willing to watch a 2-3 second advertisement on their mobile phone in exchange for free/discounted English lessons.

Although based on research conducted in a single market (Texas) these findings are indicative of national trends. According to a recent study by Yankee Group, Hispanics average 15% higher ARPU, 21.5% more minutes of use per month than the average user, and spend 35% more per month on data services than the average user (Amoroso, 2006). Based on such research, it appears that that low-cost or advertising-subsidized mobile language instruction services may offer consumers a unique means to not only improve their quality of life and access to information, but also represent a highly attractive medium for mobile advertising.

Unlike traditional content, language instruction programs (if properly designed) can offer valuable insight into the "back-end demographics" of a mobile customer. Statistics indicate that a consumer who downloads a situation-specific phrase kit, e.g., "On the Jobsite," likely shares certain key personal demographics (e.g., 18-40 year old male) as others who download the same package. In addition, an advertiser may surmise from the language instruction path (base to secondary), what the end-user's native language might be, while the mobile number itself and inherent GPS capability contained within most handsets lends into ascertaining current location and base market. Thus a properly developed language assistance program might provide the four "golden demographics" to a potential advertiser: gender, age, language, and location.

For more information on the idioma Galloway Research Hispanic Mobile Use Trend study, please email research@mmaglobal.com or research@idioma.com.

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