



The Digital Lives of Hispanic Consumers

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Described as [digitally savvy, young and socially connected](#)¹, U.S. Hispanics are early adopters whose technology-forward mindset is less about devices and more about community. "Hispanics are driven to stay connected to [our] passions and our people, and technology has made it easier for us not only to keep that link, but to make it stronger," [observed Roberto Ruiz](#)¹, a senior vice president for Univision.

Creating strong connections in the "real world" is a known strength for most cooperatives. Throughout the movement, credit unions are engaging with local Hispanic organizations and leaders to earn trust, build relationships and contribute to the continued vitality of the community. And it's working. The nearly 50 credit unions in almost 30 states that have partnered with Coopera to execute Hispanic growth strategies are earning Hispanic member growth rates that consistently outpace those of non-Hispanic members.

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To continue this momentum, however, those local-engagement strategies will need to adapt. How can credit union marketers and other leaders translate those same excellent relationship-building capabilities for the digital Hispanic consumer? To dig into this question, we've looked into the digital behaviors and habits of three high-value segments within the U.S. demographic: Hispanic Millennials, First-Generation Hispanics and Hispanic Small Business Owners.

HISPANIC MILLENNIALS LOOK FOR BALANCE AS THEY FUSE IDENTITIES

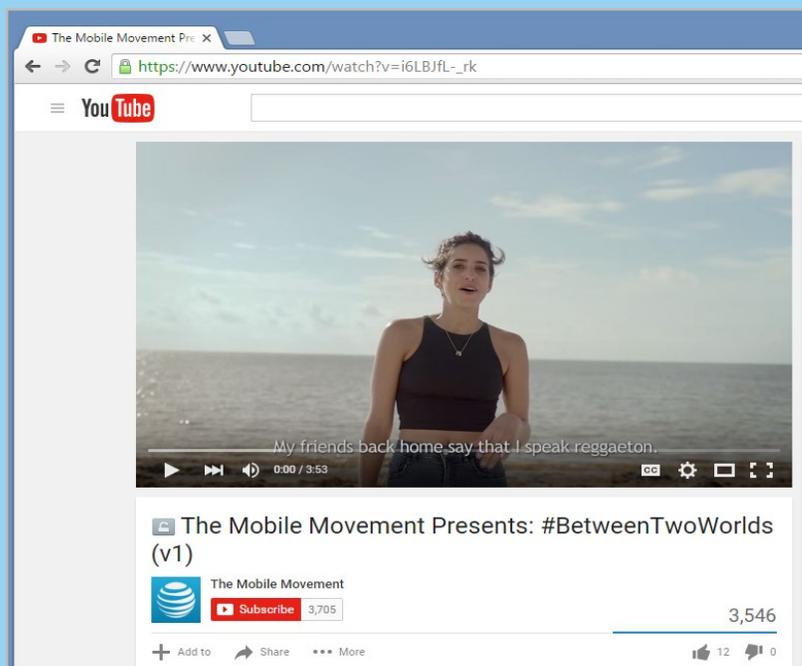
Millennial consumers of all cultures are nearly 2.5 times more likely than baby boomers to use their mobile phones for things like online shopping and in-store payments. When we look at the Hispanic culture specifically, we see an even greater desire to use mobile means to accomplish everyday tasks. In fact, [13 percent of Hispanics](#)² depend exclusively on their smartphones for Internet access because they often lack broadband connections at home.

¹ www.adweek.com/news/advertising-branding/technology-meets-culture-149178

² www.pewresearch.org/fact-tank/2015/04/30/racial-and-ethnic-differences-in-how-people-use-mobile-technology/

Kenia Calderon, a 21-year-old El Salvador native who has been in the U.S. for 10 years, says being able to bank from each of her connected devices is important. “If I’m in class, for instance, and can’t use my phone, I’ll quickly open a browser on my laptop and make my loan payment.” Calderon is among the [53 percent of Hispanics](#)³ who say they are regular users of mobile banking services. She also reports excitement for mobile payments like Android Pay and more advanced banking apps that promise to make her life that much easier.

However, Calderon insists credit unions should aim to strike a balance between real-world and digital channels. That’s because face-to-face interaction, especially with staff who understand them, is critically important to young people like her. Many young Hispanics are not only managing finances for themselves; they are also leading the way for their siblings and even parents. This can create the kind of challenges that require more hands-on guidance, financial education and in-person attention.



#BetweenTwoWorlds⁴

#BetweenTwoWorlds is AT&T’s advertising and social media marketing campaign⁵ designed to connect with bicultural Hispanic Millennials. The campaign addresses the way in which bicultural Hispanic Millennials’ adeptly fuse their two identities. One of the first mobile providers to attempt this emotional bond between its brand and consumers, AT&T relies on authenticity to stand out from its competitors. As such, it is somewhat of a groundbreaker in Hispanic consumer marketing.

³ www.federalreserve.gov/econresdata/consumers-and-mobile-financial-services-report-201503.pdf

⁴ www.youtube.com/watch?v=i6LBJfL_rk

⁵ www.latinovations.com/2014/07/24/atts-betweenwoworlds-campaign-a-new-way-to-connect-with-latino-millennials/

When designing a digital strategy targeting Hispanic Millennials, it's important to consider both language and culture. While most are likely to speak Spanish in the home, Hispanic Millennials are proficient in English and comfortable switching back and forth between the two languages – sometimes within the same conversation. In terms of culture, Hispanic Millennials – 40 percent of whom were born outside the U.S. – feel strong connections to both their Hispanic and American cultures.

FIRST-GENERATION HISPANICS STAY CONNECTED THROUGH SOCIAL NETWORKS

Hispanics in the U.S. who were born outside the country are often referred to as “first-generation” Hispanics. They make up [roughly 35 percent of the total Hispanic population living in the U.S. today](#).⁶

“What started out as a convenient way to pick out a movie or a place to eat is evolving into something much more. Hispanics want to engage in a mobile experience that empowers them and gives meaning to their authentic voice. This is especially true of young Hispanics who want to change the conversation and influence the brands that they build relationships with – and mobile technology is their medium of choice.”

– [Glenn Llopis, CEO Center for Hispanic Leadership](#)⁷

While you may be tempted to think of Facebook and other social networks as a digital playground exclusive to second- and third-generation Hispanics, that is far from the case. Recent studies have shown [no notable differences](#)⁷ in Facebook usage among the three Hispanic generations.

Thirty six percent of the average Facebook user's connections are family members. For Hispanics, about [one in every two Facebook friends are family](#).⁸ Keep in mind that for first-generation U.S. Hispanics with many family members living outside the country, Facebook – and other social networks like it – provide a highly immersive way to share the everyday moments otherwise missed. Additionally, Hispanic Facebook users across generations report turning to Facebook friends for recommendations on local products and services. In fact, these connections came in second only to “real world” friends and family when asked which they find most trustworthy.

Given the personal nature of Facebook, it's important for credit unions to consider the reputational damage that could come from overly promotional content. Ask yourself, am I adding value to my member or prospective member's life with this content? Is it so valuable my target will be compelled to share it with friends and family?

⁶ www.pewhispanic.org/2015/09/15/the-impact-of-slowng-immigration-foreign-born-share-falls-among-14-largest-us-hispanic-origin-groups/

⁷ www.ahaa.org/Portals/0/Research/Digital%20and%20Mobile/2012_Hispanic_Mobile_Consumer_Trends_Study_Zpryme_Hispanic_Insights.pdf

⁸ www.emarketer.com/Article/Hispanics-Make-Social-Crucial-Part-of-Digital-Lives/1012534

In addition, using Facebook ads to target Hispanic users has to be done with eyes wide open. Are you truly reaching the right prospects? For instance, advertisers who select the [U.S. Hispanic Affinity targeting options on Facebook](#)⁹ are advised: The U.S. Hispanic cluster is not designed to identify people who are ethnically Hispanic. It is based on actual users who are interested in or will respond well to Hispanic content, based on how they use Facebook and what they share on Facebook.

HISPANIC SMALL BUSINESS OWNERS GO DIGITAL FOR PROFESSIONAL GUIDANCE

Often Hispanic small business owners (HSBOs) are on their own, without the benefit of boards of directors, shareholders or even executive teams. Nearly 90 percent of Hispanic-owned businesses, in fact, are without paid employees. This underscores the importance of leadership support and financial guidance for this critical segment of the Hispanic population.



FOCUSING ON THE AMERICAN DREAM

A major part of the American Dream is home ownership. First-generation Hispanics may have difficulty achieving this goal unless something changes within the U.S. financial system. Wells Fargo has recognized this and has stated publicly it will provide \$125 billion in mortgage loans¹⁰ to as many as 500,000 Hispanic homebuyers over the next 10 years. To do so, the bank is committing to more than just making funds available. It's also promising to make strategic changes to its culture, processes and programs. For instance, the bank is working to hire more Hispanic mortgage consultants, open new offices in racially diverse communities and partner with organizations like the Hispanic real estate association.

⁹ www.facebook.com/business/a/us-hispanic-affinity-audience

¹⁰ www.usatoday.com/story/money/business/2015/09/15/wells-fargo-hispanic-loans/72309284/

[According to Geoscape](#),¹¹ Hispanic entrepreneurs are more youthful, connected digitally and socially engaged than non-Hispanics overall. And their businesses are growing at an incredible rate – more than 15 times that of all U.S. firms. There are HSBOs of all types. Although the largest segment (at nearly 40 percent) [was born in the U.S. and is English dominant](#),¹¹ 20 percent of HSBOs are Spanish preferring and immigrated to the U.S., retaining many of their Hispanic cultural practices.

Inside a digital strategy, talking with instead of at HSBOs is a key way to differentiate your expertise and brand from competitors. Because entrepreneurs use the Internet, including their social accounts, to supplement resources and expertise they don't yet (or never intend to) have, they crave real, fast, smart answers to their problems. According to [The Sprout Social Index](#),¹² brands in the banking/finance industry only responded to 14 percent of incoming messages in the second quarter of 2015. Avoiding conversation is a sure-fire way to tank any digital strategy aimed at this influential – and busy – group of Hispanic businessmen and women.

#JUNTOSPORMEXICO

To increase focus on Hispanic communities, including small business owners looking to invest in work-related vehicles, Toyota created the “Más Que un Auto” campaign. It was designed to address the deep connection many Hispanic drivers have with their vehicles.¹³

Toyota owners were encouraged to use Toyota's interactive website to create custom (and free) nameplates for their vehicles. As a result, the Toyota Facebook page received thousands of likes, and different social media platforms were buzzing about Toyota's unique car decals. **The result of this and other Toyota campaigns? The car maker is now the top-selling brand for Hispanics.**



¹¹ www.geoscape.com/HBR/pdf/Geoscape_HispanicBusinessOwners_FINAL.pdf

¹² sproutsocial.com/insights/sprout-social-index-2015/

¹³ sites.psu.edu/lindseywald/2015/07/29/somos-muchos-toyota-and-mas-que-un-auto/

WHAT A GOOD DIGITAL MARKETING STRATEGY LOOKS LIKE

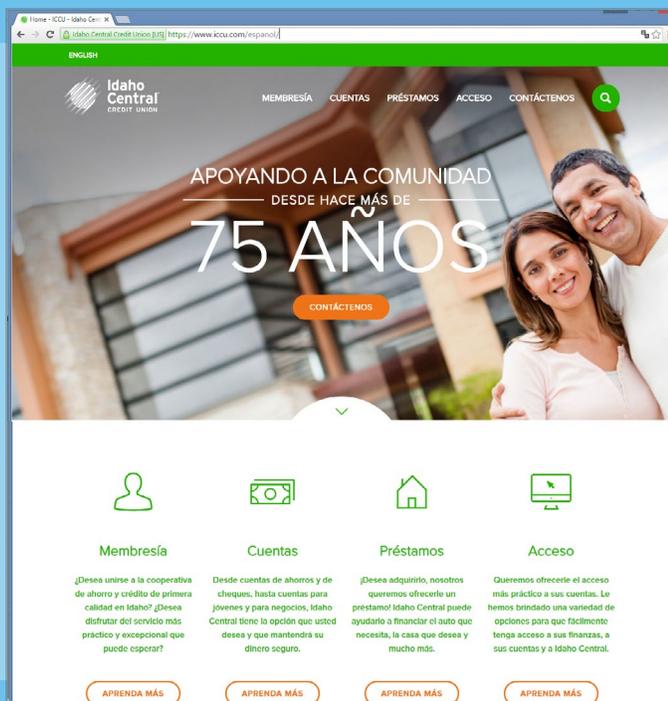
Every bit as complicated as a traditional marketing strategy, a digital one can quickly snowball. Because there are so many different places to invest – from Groupon to Pandora, Facebook to SnapChat – marketers have to focus.

After you have narrowed down your target market, your next most important step is designing content customized to them. Ninety percent of consumers find custom content useful, and [nearly 80 percent](#)¹⁴ believe organizations providing custom content are interested in building good relationships with them.

What expertise or insight does your credit union have that will make the financial lives of the Hispanic people in your community easier? Only after you have this question answered should you begin to select the digital channels that will allow you to most effectively deliver that content. Here are a few ideas for how content, customized to a target segment, might be communicated via digital channels.

HISPANIC MILLENNIALS CONTENT:	CHANNEL:
<ul style="list-style-type: none"> • Tips on managing finances for the whole family • Financial success snippets from spokesperson who switches between Spanish & English 	<ul style="list-style-type: none"> → Website optimized for mobile → Pandora
1ST GENERATION HISPANICS CONTENT:	CHANNEL:
<ul style="list-style-type: none"> • Raising bicultural children in the U.S. • Share campaign with perks for members who repost your content on their pages 	<ul style="list-style-type: none"> → Digital display ads with local media → Facebook
HSBOs CONTENT:	CHANNEL:
<ul style="list-style-type: none"> • Connections to other SBOs • Quick answers to financial questions 	<ul style="list-style-type: none"> → Meetup.org → Chat Feature

¹⁴ impress1.com/connect/blog/entry/top-3-digital-marketing-trends-for-2016-which-you-should-be-starting-in-2015.html



WEBSITE MUST OFFER MORE THAN TRANSLATION

www.iccu.com/espanol

Attracting Hispanic members online requires more than simply translating a credit union's website into Spanish. Customized, meaningful content is an essential component – one that not only communicates a welcome, but also adds value to the nuanced financial lives of Hispanic consumers.

Idaho Central Credit Union (ICCU) understands this and has designed [a custom website](#)¹⁵ to support its overall Hispanic growth strategy. That objective is to become a recognized and trusted provider of financial services for the Hispanic community.

“Hispanic consumers don’t want to be pitched to,” said Michael Watson, ICCU marketing manager. “They want to connect with brands that embrace their culture and commit to earning long-term and trustworthy relationships.”

ICCU took the time to understand the market before launching the site in August 2015. Watson, in partnership with Coopera, conducted focus groups, met with bilingual and bicultural staff to gain insight and created a strategic plan. Throughout the process, it became clear which content would be most relevant to surrounding Hispanic communities. The credit union difference, as well as services offered, would take center stage on the Hispanic website. Other content, such as account opening requirements and NCUA insurance, were emphasized to make membership consideration easy.

¹⁵ www.iccu.com/espanol/

Every aspect of the site was considered during the design phase. Taglines, images, subheads and product categories were all given a critical eye to ensure relevancy for targeted prospects. The credit union's next project – launching a Spanish version of its online banking platform – is slated for completion in 2016.

SHARING THE CREDIT UNION DIFFERENCE WITH COUNTLESS HISPANIC CONSUMERS

U.S. Hispanics are one of the most financially underserved segment on the radar of credit union marketers. This is precisely why so many have designed specific growth strategies around Hispanic membership. Those strategies are working, but they will have to evolve if credit unions are to nurture the relationships they've worked so hard to build. Digital products, services and marketing will help move that critical evolution forward.

Marketing experts concur 2016 will see those organizations already invested in the Hispanic marketplace increase their budgets, while those who have so far waited on the sidelines will finally jump in. Cutting through the clutter of messaging directed to this high-value audience will be important for credit unions both new to and experienced with Hispanic marketing. By understanding the audience, crafting custom content and selecting the right mix of digital channels, the credit union difference can reach countless Hispanic consumers. ■