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Targeting Hispanics for Leads in the Digital Big Data Era

Summary: Data-driven tools enable marketers and financial firms to specifically target any group, from students and veterans to ethnic groups. This report examines digital targeting and marketing to Hispanics, especially younger Hispanics, due to their growing economic clout and early adoption of mobile smart phones, which enables precision targeting based on behavior, geo-location and language. Unfortunately, as the report explains, the out-sized digital footprint of young Hispanics enables some of the worst elements of the digital economy – from predatory payday lenders to debt settlement companies – to target Hispanics through online lead generator schemes.

Here are the details:

Hispanic Americans are the focus of a Big Data-driven “perfect storm” designed to take advantage of their information.¹ The growing economic clout of this relatively youthful (largely under-35) population, and their enthusiastic adoption of digital media have led to the creation of an array of services to target them effectively online.² Marketers are using Big Data analytics; behavioral, geo-location, and language targeting; “native” advertising,” and specialized ad networks and agencies to influence Hispanic decision-making, including for financial services.³ The significant use of digital media has helped make Hispanics ripe for lead-generation schemes, where their data are used to sell auto financing, insurance, payday loans, private college tuition, and debt-settlement services, for example.⁴

Hispanics are the subject of a commercial research infrastructure that works to help marketers and others adapt their messages to appeal to them.⁵ As Google recently explained to advertisers, U.S. Hispanics are “your next big opportunity ... ahead of the curve when it comes to digital. They lead in adoption of new devices. They are power users of mobile ... a consumer segment that’s on the radar of every Fortune 500 CMO.”⁶ A new study of the Hispanic market conducted for Facebook offered similar advice, noting that “technology has become integral to how US Hispanics connect with immediate and extended family, friends and culture [D]igital platforms are often used as a destination to foster and sustain connections with family and friends, plus a place to celebrate and express diverse aspects in life.”⁷

Marketers are continually researching the online behavior of Hispanics, who are viewed as being in the vanguard in their adoption of mobile and social media. Hispanics are viewed as especially “brand loyal” consumers, “comfortable” using their mobile devices to research and buy products.⁸ (For many Hispanics, the mobile device is the only affordable way to connect online.)⁹

According to industry research, Hispanics:

- Are the “heaviest users” of social media, with the vast majority regularly using Facebook and Twitter. They are said to engage significantly in “practically all the metrics that Facebook tracks.”¹
- Share content more often than others online, making them a great source of influence on their family and friends.¹
- Outpace other U.S. groups in their use of tablets.¹
- Are “heavy consumers of mobile apps,” buying more apps and digital media than non-Hispanics.¹
- “Over-index in mobile video consumption at all hours of the day,” with more than three-quarters of Hispanics downloading and streaming content particularly on mobile phones.¹

“The average Hispanic spends more than eight hours watching online video each month,” according to Nielsen.¹⁰ Google reports significant growth of Hispanic viewing on YouTube.¹¹ Additionally, Young Hispanics, including children, spend more time online using personal computers than other groups. Mobile phone use is especially significant as well, with more than 40 percent of

young (18-34) Hispanics “mobile-only” Internet users.¹²

Sources of information to track, analyze, predict, and help influence Hispanic behavior are growing, with data brokers selling data designed to target them more effectively.¹³ For example, Acxiom’s Hispanic Personix, a “household level consumer segmentation and visualization system,” claims to provide “the most granular Hispanic market segmentation available [M]arketers will be able to pinpoint nuances within the Hispanic customer base and highlight the most profitable segments,” including leads and prospects. Hispanic households are classified according to 48 “cluster” groups.¹⁴

Big Data practitioners, including powerful data management platforms, are developing “predictable models that reflect the behaviors and attitudes of today’s Latino consumers,” including for financial, retail, automotive, consumer package goods, alcoholic beverages, and other services (including political campaigns).¹⁵ These data are used for predictive modeling that incorporates variables measuring “risk,” “lifetime value,” and “product affinity.” Hispanic consumers are scored and ranked as prospects, including whether they should be encouraged to “repurchase,” buy other products, or be sold more expensive items.¹⁶



Tools Zero In On Individuals:

Sophisticated data analysis tools, involving thousands of data sources, are used to identify *individual* Hispanics, including “by their purchasing behavior, by the contents of their (shopping) basket, by how they eat, by what they watch, by what they’re purchasing in subscriptions,” as well as online. Their credit card transactions, set-top box data, voter records, “cookies,” mobile, and social media data are also analyzed.¹⁷ All of these data enable more complex and thorough targeting of Hispanics, using “decision engines” that incorporate “proprietary algorithms and funnels” and similar techniques to reach them in precise neighborhoods across the country, including based on their financial status and whether they are Spanish-dominant, bilingual, or use English.¹⁸

Like those of other Americans and individuals around the world who are online, all of these data are gathered and used in “real time.”¹⁹ Data-driven and real-time advertising exchanges, where individuals are bought and sold to advertisers, and can be delivered an ad or offer regardless of device and location, now include platforms that deal exclusively with Hispanics.²⁰ These online “ad exchanges” incorporate (“match”) the offline and online identity data of individual Hispanics, which is sold to advertisers through a process that takes milliseconds.²¹ New research tools

that enable marketers to better measure how their online ads are impacting Hispanic behavior and purchasing are also being adopted.²²

The popularity of social and mobile media among Hispanics is a key reason marketers are targeting them for lead generation, including for financial services.²³ Lead generators offer products to target Hispanics effectively on their mobile devices, paying when Hispanics sign up for an offer and become a “lead.”²⁴ Call

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centers specializing in targeting Hispanics, as well as related list brokers that enable targeting based on such criteria as

whether one may have diabetes or another “ailment,” own a car, be or have been in bankruptcy, are also available.²⁵ Search engine marketing is used to create a “lead generation funnel” that targets U.S. Hispanics through Spanish-language campaigns.²⁶ For example, Consolidated Credit Counseling Services targeted Hispanics by creating “infographics, news articles, educational videos,” and other “content marketing” resources, as well as online financial calculators, to gain greater visibility (higher ranking) on search engines and through partner websites.²⁷



Hispanic media and marketing companies also help identify and then “monetize” Hispanic leads. For example, one service provided by a radio, TV, and Big Data Hispanic network “is a mobile and online leads generation program that delivers new customer phone calls and other high-quality lead forms to the national and local advertising community. It identifies key details of customer interactions, measures the outcomes and provides access to this information online and via email.”²⁸ This lead-generation program serves at least 20 leading markets. Local and national advertisers also generate campaigns to drive Hispanic leads that trigger a data-driven process to refine a lead’s potential to generate a sale, including by auto dealers, financial services and travel.²⁹ Hispanics are said to show a greater positive response to direct sales made using TV.³⁰

Lead-generator companies targeting Hispanics also focus on the college market.³¹ For-profit college University of Phoenix, for example, hired Hispanic marketing specialist Alma, which uses “a database of about 20,000 U.S. Hispanics active on social-media networks, and analyzes their conversations from lifestyles to brand preferences to mine actionable insights.” Alma, which has its own “social media lab” also represents McDonald’s, among others.³²



Watching your blog and social media posts, seeking “key influencers”:

Latin marketers also monitor social networks, blogs, and other online media to identify leads and “key influencers.”³³ Facebook claims it is the “number 1 go-to platform” for communication by Hispanics, and has recently created a special “US Hispanic Affinity Targeting Segment” for

brands. The social network launched a special advertising service targeting Hispanics in 2013. Last year it expanded its capabilities for “ethnic affinity” marketing, offering “new language-based targeting segments [that] allow

marketers to tailor messages to people in the US Hispanic affinity audience based on three language preferences: Spanish-dominant, Bilingual and English-dominant.” The site tells advertisers that they can reach nearly 27 million Hispanics, determined by how their “activity on Facebook aligns with Hispanic ethnic affinity.” According to its research, every month Hispanics “generate 8.49 billion likes, write 1.52 billion comments, upload 450 million photos.”³⁴ Hispanic marketers use Facebook to generate leads and other data, through sweepstakes and contests.³⁵

Conclusion--Threat of Discriminatory and Unfair Practices Is Real:

The FTC, in its 2014 report on data brokers, noted the risks of their use of ethnic information. “Data brokers,” it explained, “combine and analyze data about consumers to make inferences about them, including potentially sensitive inferences such as those related to ethnicity, income, religion, political leanings, age, and health conditions. Potentially sensitive categories from the study are ‘Urban Scramble’ and ‘Mobile Mixers,’ both of which include a high concentration of Latinos and African-Americans with low incomes.”³⁶ Both the Leadership Conference on Civil Rights and the White House have warned about the collection and use of data from multicultural groups that can lead to discriminatory and unfair practices.³⁷ The targeting of Hispanics and other multicultural groups require the attention of policymakers and the development of regulatory safeguards.



About the USPIRG Education Fund and Center for Digital Democracy Project on “Data and Consumer Protection: Ensuring a Fair and Equitable Financial Marketplace:”

The project has authored path-breaking research, including the Suffolk University Law Review article “[Selling Consumers, Not Lists](#)” and the report “[Big Data Means Big Opportunities and Big Challenges: Promoting Financial Inclusion and Consumer Protection in the “Big Data” Financial Era.](#)” Project principals Ed Mierzwinski (USPIRG Education Fund) and Jeff Chester (CDD) also participate in events and collaborations hosted by colleagues, civil rights organizations, think tanks and law schools. In 2015, the project is hosting a series of events, such as “Looking Inside the Black Box Society,” a conversation with Professor Frank Pasquale, author of “The Black Box Society: The Secret Algorithms That Control Money and Information.” (Harvard University Press 2015).

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Footnotes:

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