

Nativity-based view: A new audience measurement standard that drives television return on investment for US Hispanics

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Abstract Significant shifts in the US demographic landscape combined with the rise of digital media over the last 20 years have transformed the face of marketing. Yet, for more than three decades, marketing to US Hispanics has undergone little change, with Spanish-language television continuing to represent the bulk of US Hispanic media spend. This study investigates whether there is a better way to drive television return on investment (ROI) with Hispanics at a time when television viewership is declining and digital and social media usage is almost ubiquitous among Hispanics. The paper advances the 'Nativity-Based View' (NBV), a new methodology which proposes that nativity is an effective variable in targeting and measuring the changing US Hispanic television audience, and applies this model across three business categories to measure

its effectiveness in a real marketing context. The results of the first test show that US and foreign-born Hispanics are not homogeneous in what they watch on television, suggesting that Spanish-language television is not the ‘best way’ to target US Hispanics. The second test couples nativity with age, and finds that approximately 73–79 per cent of Spanish-language television does not reach Hispanic millennials, suggesting that the NBV is a valuable planning and investment tool in targeting key segments of the Hispanic population. The paper discusses the implications of the NBV, and encourages brands and advertising agencies to adopt a new tool to drive television ROI for US Hispanics.

KEYWORDS: Hispanic marketing, multicultural marketing, audience measurement, acculturation, Nativity-Based View, nativity, generational level, media ROI, media effectiveness and efficiency

BACKGROUND

The US Hispanic population represents a significant marketing opportunity for major corporations. Hispanics represent the largest ethnic group in the USA with almost 60 million in population¹ and a purchasing power of US\$1.4tn.² By 2050, Hispanics are projected to reach 100 million and account for an estimated 85 per cent of the total US population growth.³ As such, it is no surprise that marketers in virtually every business category consider Hispanic consumers an important growth segment.⁴

Spanish-language television has played a fundamental role in marketing to Hispanics since the 1980s. In 2015, leading corporations spent an estimated US\$6.2bn targeting Hispanics on Spanish-language television,⁵ ranging between 60–80 per cent of total Hispanic media spend for more than a decade.^{6,7}

To measure the growing Hispanic television audience, Nielsen introduced language quintiles in the early 1990s. These quintiles segment the US Hispanic television viewing audience across five language levels:

- Quintile 1 measures Hispanics who speak ‘English only’ at home;
- Quintile 2 measures Hispanics who speak ‘more English than Spanish’ at home;
- Quintile 3 measures Hispanics who speak an ‘equal amount of English and Spanish’ at home;

- Quintile 4 measures Hispanics who speak ‘more Spanish than English’ at home; and
- Quintile 5 measures Hispanics who speak ‘Spanish only’ at home.

Nielsen’s quintiles are considered one of the most important measures in Hispanic television viewing, and have helped leading media and syndicated research companies make ‘language’ the core variable in Hispanic marketing for more than three decades.

The demographic landscape, however, has evolved significantly since the 1980s — with generations Y and Z adding almost 150 million new consumers in the USA over the last 20 years.⁸ During this time, the media industry experienced a revolution of its own — with digital surpassing television investment for the first time in 2016.⁹ Nevertheless, companies continue to invest (or perhaps, over-invest) in Spanish-language television as a way to reach US Hispanics. This is despite the fact that the US Hispanic population is hardly homogeneous: (a) 74 per cent of Hispanics (ages 35 and under) are US-born, while 68 per cent of Hispanics (35 and over) are foreign-born;¹⁰ (b) Hispanics are heavy users of digital and social media — as high as 85 per cent are using their smartphones several times a day, and more Hispanics (across all ages) use social media throughout the day;¹¹ and (c) Spanish-language proficiency varies significantly

across all US Hispanics, thus making marketing to these consumers more nuanced and less straight-forward, linguistically speaking.¹²

Historically, one of the ways marketers have conceptualised the Hispanic population has been to report on the aggregate of this group and compare it with the non-Hispanic population. This is considered a between-group design.¹³ The present paper proposes a different approach — one that compares the differences *within-group* (ie within the Hispanic population) using nativity — one's place of birth (also referred to as generational levels) — to measure the differences within the Hispanic population. The paper contends that a within-group design based on nativity can generate significant insights to drive television return on investment (ROI) for those major corporations that spend billions of dollars in Spanish-language television every year.

The purpose of this study is to investigate whether nativity offers a *better* way to target and measure the changing US Hispanic television audience — instead of using a 'language-based' metric. The end goal of the study is to identify a new methodology to help brands optimise their million-dollar television investments in a changing demographic and media landscape. The structure of the paper is as follows. The paper begins by outlining the theoretical framework of acculturation on which the Nativity-Based View is based. Following this, the literature review discusses the effects of nativity on the US Hispanic demography, language use at home, and the television viewership of US Hispanics. The paper then presents the hypotheses, methodology, key findings, conclusions and implications pertaining to the current study.

THEORETICAL FRAMEWORK

Acculturation: A key construct in Hispanic marketing

Acculturation is a complex process defined by 'the changes that groups or individuals

undergo when they come into contact with a dominant culture'.¹⁴ Although there is general agreement that acculturation is an important topic of research, there is little agreement on how to conceptualise and measure it.^{15,16} Current theory suggests that acculturation is a multidimensional construct. As such, researchers have proposed separate scales to measure the degree to which an individual maintains their ethnic culture and the degree to which they participate in the host culture.¹⁷ At least 20 acculturation scales have been used with the Hispanic population.^{18,19} These scales range in length from four to 69 items.²⁰ The more widely used scales tend to be more comprehensive and therefore longer; for example, the Acculturation Rating Scale for Mexican Americans (ARSMA) consists of 20 items, and the revised, bidimensional version, the ARSMA-II, contains 48 items in two separate scales, while the N-7, National Alcohol Survey (NAS) acculturation scale is a unidimensional scale based on 12 items.²¹

Researchers who use large, routinely-collected data sets frequently rely on a single proxy variable to represent acculturation. Typical examples of single proxy acculturation measures include: place of birth, generational status, years (or proportion) of life lived in the USA, language spoken at home and interview language.²²⁻²⁵ The most frequently used and strongest single indicator of acculturation is language use at home or language preference.²⁶⁻³¹ Generational status or nativity, and length of time residing in the USA are also standard markers of acculturation.^{32,33} The advantage of using these variables is that they are easy to assess and they are regularly collected in large surveys. However, it is important to note that single-item proxies of acculturation have been found to have low validity and reliability,³⁴⁻³⁸ and are therefore not recommended.

As shown in Figure 1, the theoretical framework for the current study is based on the deconstruction of a popular linear acculturation scale comprised of four

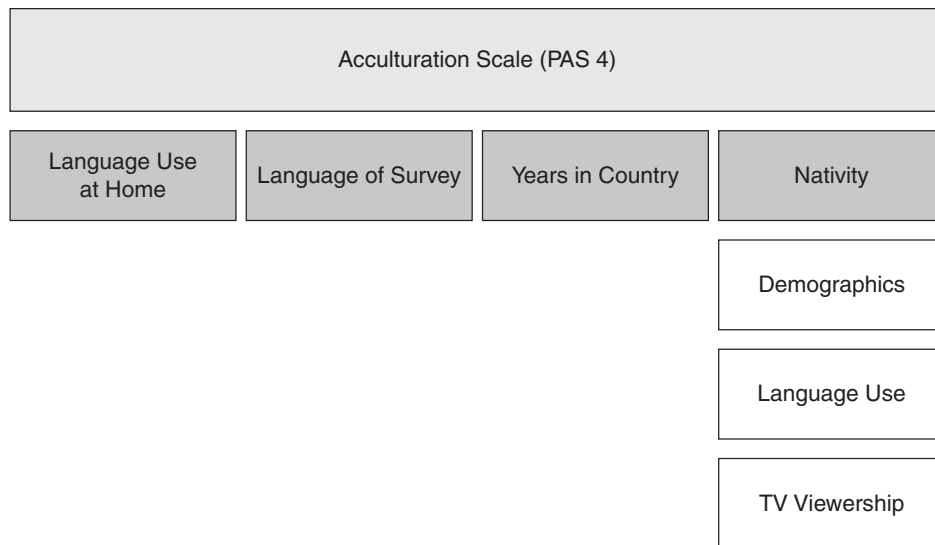


Figure 1: Conceptual framework used in this paper

variables. The four-item Proxy Acculturation Scale (PAS-4) incorporates two language items — language spoken at home and the language of the survey, and two markers of exposure to the USA — generational status (nativity) and proportion of life lived in the USA. The PAS-4 has high internal consistency, has a high correlation to the NAS, provides a more sensitive measure of acculturation than the proxy variables taken individually, and has similar correlations among subpopulations by country of ancestry.³⁹

This paper deconstructs the popular PAS-4 and examines the effect that nativity has on three dependent variables — demographics, language use at home and television viewership. This paper has significant implications. First, Hispanic marketing has been defined by Spanish language, a marker which has not changed since the industry’s inception over 30 years ago. Secondly, this paper proposes that innovation in media measurement has lagged the demographic shifts in the USA, and new metrics for Hispanic television are needed. Thirdly, this paper proposes that the NBV is a viable media tool, which can help drive targeting effectiveness and television ROI with US Hispanics.

The following section of this paper features the literature review, which examines the effect that nativity has on demographics, language use at home, and television viewership of the Hispanic population. Using nativity as an independent variable in Hispanic marketing will ‘disaggregate the aggregate’ and help uncover significant insights within this diverse population. This paper argues that any discussion and study of the Hispanic market — in aggregate — is an over-simplified conceptualisation. As corporations seek to maximise sales and drive ROI, this paper contends that the use of nativity provides marketers with a nuanced approach in understanding this diverse population and has the potential to drive significant television ROI for brands.

LITERATURE REVIEW
The impact of nativity on demographics

Not only are Hispanics changing the overall demographic composition of the total US population, but the Hispanic population itself is undergoing unprecedented change. Between 1980 and 2000, immigration was the main driver of Hispanic population

growth, as the Hispanic immigrant population boomed from 4.2 million to 14.1 million. Since 2000, however, the primary source of Hispanic population growth has swung from immigration to native births. Between 2000 and 2010, there were 9.6 million Hispanic births in the USA, while the number of newly arrived immigrants was 6.5 million. Overall, US births alone accounted for 60 per cent of Hispanic population growth, and will continue to drive growth for this ethnic demographic well into the 21st century.⁴⁰

The rise of US-born and the slowdown of Hispanic foreign-born population growth have begun to reshape the adult Hispanic population. With the slowdown of immigration, the number of US-born Hispanics entering adulthood is beginning to accelerate. Today, some 800,000 young US-born Hispanics enter adulthood each year; however, in the coming decades that number will rise to more than a million annually.⁴¹ Even as the share of Hispanic immigrants decreases, rapid growth in the number of Hispanic births means that the Hispanic population will continue to grow at a steady rate. Hispanics are the nation's largest 'minority', and one of the fastest growing. Since 1970, the Hispanic population has increased six-fold, from 9.1 million to 53 million in 2012. According to the latest projections from the US Census Bureau, it is projected to grow to 129 million by 2060.⁴² Its share of the US population, currently at 17 per cent, is expected to reach 31 per cent by 2060.⁴³

In addition, based on a recent Pew Hispanic Center report,⁴⁴ 74 per cent of US-born Hispanics are millennial and younger (ages 35 and under), 14 per cent are Generation X (ages 35–49), 9 per cent are boomers (ages 50–68), and 3 per cent are from the silent generation (ages 69 and older). On the other hand, 32 per cent of foreign-born Hispanics are millennial and younger (ages 35 and under), 37 per cent are Generation X (ages 35–49), 24 per cent are boomers (ages 50–68), and 7 per cent are from the silent generation (ages 69 and older). This data suggests that

US-born Hispanics are defined by younger generational cohorts, while foreign-born Hispanics are defined by older ones (63 per cent are Generation X and boomers). These age differences across two nativity levels (US-born and foreign-born) are significant in how companies market to Hispanic consumers. We propose these demographic differences will play a significant role when examining the relationship between what Hispanics watch on television and nativity.

The impact of nativity on language

The previous section showed the impact of nativity on the US Hispanic demography. But what effect does nativity have on 'language use at home' for Hispanics? This question is central to understanding the key differences within the Hispanic population. This section of the literature review will show that nativity has a significant effect on language use among US Hispanics, and that Spanish language does not define this heterogeneous population.

Applying Nielsen's Hispanic language quintiles, recent research has found that in aggregate (see total column in Table 1), language use at home was distributed more evenly across the five levels than expected — with a difference of 9 percentage points between Spanish-only and English-only speaking Hispanics.⁴⁵ When examining the effect of nativity on 'language use at home', however, significant findings were found: among first-generation Hispanics, 60.2 per cent spoke 'Spanish only' and 'more Spanish than English'. Among second-generation Hispanics, 61.2 per cent spoke 'English only' and 'more English than Spanish' — just the opposite. For third-generation Hispanics, 90.4 per cent spoke 'English only' and 'more English than Spanish'. The significant difference in 'language use at home' across three Hispanic generational levels can be explained by factors such as acculturation, language proficiency, and years in country, to name just a few.

Table 1: Language quintile for US Hispanics across three generational levels

Language use at home	First gen (%)	Second gen (%)	Third+ gen (%)	Total (%)
Spanish only	26.5	3.9	0.3	14.3
Spanish > English	34.7	9.7	0.3	19.9
Spanish = English	23.8	25.5	8.9	20.6
English > Spanish	10.3	37.4	29.1	21.9
English only	4.7	23.5	61.3	23.2
	100.0	100.0	100.0	100.0

Source: Beniflah, J., Hughes, B. and Garcia, C. (2015) 'Paradigm shift: the effect of nativity and years-in-country on television program viewing across three Hispanic generational levels', *Journal of Cultural Marketing Strategy*, Vol. 1, No. 1, pp. 19–31.

The Pew Hispanic Center uses a measure known as 'primary language' which combines survey respondent self-assessments of English and Spanish speaking and reading ability into a single measure of language ability. It is meant to summarise speaking and reading ability in both English and Spanish. Using the self-reported measures of English and Spanish proficiency in speaking and reading, survey respondents are classified in three ways: Spanish-dominant, English-dominant and bilingual. Respondents are classified as Spanish-dominant if they say they speak and read Spanish 'very well' or 'pretty well', but their ratings of English ability in the same two categories are lower. Respondents are considered English-dominant if they say they are more proficient in English than in Spanish. Finally, bilingual respondents are those who say they are proficient in both English and Spanish. Using this measure, the survey found that 38 per cent of Hispanic adults are Spanish-dominant, another 38 per cent are bilingual and the remainder (24 per cent) are English-dominant.⁴⁶

Understanding which language is more dominant is a function of a number of factors, including generational level or nativity, years in country, and others. Among foreign-born Hispanics (first-generation), the majority (61 per cent) are Spanish-dominant, one-third (33 per cent) are bilingual, and just 6 per cent are English-dominant. On the other hand, among second-generation Hispanics, Spanish dominance falls to 8 per cent, but the share

of bilingual Hispanics rises to 53 per cent and the English-dominant share increases to 40 per cent. By the third generation, almost all Hispanics are either bilingual (29 per cent) or English dominant (69 per cent).⁴⁷

Additionally, according to Simmons Research,⁴⁸ the language spoken at home by US-born Hispanics skew towards English or two languages (eg bilingual), whereas foreign-born Hispanics skew towards Spanish or two languages. These findings refute the commonly held belief that Spanish is the best way to reach US Hispanics. According to Simmons, 36 per cent of US-born Hispanics speak 'mostly English but some Spanish' at home, 25 per cent speak 'English only', and 23 per cent speak 'both English and Spanish equally'. For foreign-born Hispanics, 28 per cent speak 'Spanish only' at home, 39 per cent speak 'mostly Spanish but some English', and 18 per cent speak 'both English and Spanish equally'.

The impact of nativity on television viewing

This section provides research showing the effect that nativity has on television viewing among US Hispanics. A recent study using survey data examined the relationship between nativity and television viewing among US Hispanics with interesting and significant implications for leading brands.⁴⁹ As shown in Table 2, the study found that Univision was reported to be the most

Table 2: Television networks watched by US Hispanics across three generational levels

TV network	First gen (%)	Second gen (%)	Third+ gen (%)
ABC	28.9	52.6	60.0
Azteca America	25.2	5.2	1.4
CBS	25.1	41.6	62.4
CW	9.1	19.0	21.0
Estrella television	16.1	4.2	1.0
FOX	31.6	54.8	53.8
MundoFox	20.9	4.2	1.4
NBC	24.6	46.8	52.4
Telemundo	58.0	18.1	5.5
UniMas	31.4	8.4	1.7
Univision	63.8	25.8	6.2
Other	8.3	7.4	8.3
None of the above	3.3	8.4	6.6
Don't watch broadcast television	4.5	9.0	14.1

Source: Beniflah, J., Hughes, B. and Garcia, C. (2015) 'Paradigm shift: the effect of nativity and years-in-country on television program viewing across three Hispanic generational levels', *Journal of Cultural Marketing Strategy*, Vol. 1, No. 1, pp. 19–31.

watched (#1) television network among first-generation Hispanics, and the fifth most watched television network among second-generation Hispanics. Among third-generation television, and most surprisingly, Univision was the seventh most watched network (for full results, see Table 2). The study identified two interesting patterns: (1) as generational levels *increased*, Spanish-language television network viewing among US Hispanics *decreased*; and (2) as generational levels increased, English-language television network viewing increased. These findings challenge the popular notion that Spanish-language television reaches all Hispanics, and suggest that marketers should consider additional media vehicles to reach the different segments of the Hispanic population.

According to the Pew Hispanic Center,⁵⁰ among all Hispanics, more watch English-language television than Spanish language programmes — 45 per cent versus 28 per cent. Meanwhile, 26 per cent report using both languages equally. Across three generational levels, conversely, consumption of English-language television increases,

while Spanish-language television decreases. Among foreign-born Hispanics, nearly twice as many watch Spanish-language television compared with English — 40 per cent versus 25 per cent. One-third (34 per cent) report watching English and Spanish television equally. By the second generation, 69 per cent of Hispanics report watching television in English, 17 per cent report watching television in English and Spanish equally, and 12 per cent report watching television mostly or only in Spanish. Among third-generation Hispanics, 83 per cent report watching television in English, 11 per cent report watching television in both languages, and just 5 per cent of third-generation Hispanics report watching television mainly in Spanish.⁵¹

The 2015 'Simmons Connect Winter Adult Full Year Study'⁵² reports that US-born Hispanics watch television that skews toward English, finding that 52 per cent prefer to watch television in 'only English'; 35 per cent prefer to watch television 'mostly in English but some Spanish'; only 8 per cent prefer to watch television 'mostly in Spanish but some English'; and just 1 per cent prefer to watch television in 'only Spanish'. Meanwhile, only

14 per cent of foreign-born Hispanics report a preference for watching television in 'only English'; 26 per cent prefer to watch television 'mostly in English but some Spanish'; 27 per cent prefer to watch television 'mostly in Spanish but some English'; and only 22 per cent prefer to watch television in 'only Spanish'. These data suggest that nativity has a significant impact on television viewing among US Hispanics, and that US Hispanics are not watching just Spanish-language television.

HYPOTHESES

The purpose of this study is to examine the relationship between nativity and television viewing among US Hispanics. Through a number of different sources, this paper has shown that there are demographic, linguistic, and media behavioural differences across the Hispanic population when nativity is considered. Based on survey data, prior research has identified significant television viewing differences across three Hispanic nativity levels⁵³ — with first-generation Hispanics reporting a preference for Spanish-language television (compared with their second and third-generation Hispanic counterparts), while second and third-generation Hispanics reported watching more English-language television than first-generation Hispanics. The purpose of the first study is to measure the impact of nativity on the actual television viewership of US Hispanics using C3 data from Nielsen. Specifically, the first two hypotheses propose that nativity (US-born and foreign-born) will have a significant effect on Spanish-language television viewership among US Hispanics:

H1: Foreign-born Hispanics prefer Spanish-language television programming compared to US-born Hispanics.

H2: Conversely, US-born Hispanics prefer English-language television programming compared to foreign-born Hispanics.

The US-born Hispanic population is defined by younger generational cohorts (74 per cent

are millennial and younger), while foreign-born Hispanics are older (63 per cent are gen X and boomers). Examining age across nativity levels should generate significant differences in what US-born and foreign-born Hispanics watch on Spanish-language television. This is a key proposition because nativity is not currently a standard measure in the US Hispanic television industry. For the last 30 years, Spanish language media companies have measured the Hispanic television audience based on a 'demographic', specifically, age (18–49, 18–34, etc) and gender. To the present authors' knowledge, no study has yet been published on the effectiveness/efficiency of nativity on actual Spanish-language television consumption among US Hispanics. Applying age to the NBV will help brands measure (1) the audience reach of a given network by nativity and age, and (2) how much of a brand's Spanish-language television budget is allocated by age (Generation Z, millennials, Generation X, boomers, silent generation) and nativity. This is significant because applying age to the NBV model provides a level of granularity that can drive television ROI, which has not been done before. As such, the third hypothesis of this study proposes:

H3: When nativity is coupled with age, a nuanced measure is created that quantifies the audience reach of Spanish-language television programming, and how much is allocated — by age and nativity. This nuanced measure helps drive television ROI.

METHODOLOGY

The data presented in the first test were based on Nielsen Q1 2015 C3 data, across three age cohorts (18–49, 18–34 and 35–49), and two dayparts (daytime and primetime). The first quarter of 2015 was selected as a way to minimise the effects of summer re-runs (Q3), and the debut of new programming in mainstream television (Q3/Q4). In addition, 2017 Nielsen C3 (daytime and primetime) data were analysed by nativity. This was done

to examine whether Hypothesis 1 is validated based on differences by quarter and year. It is contended that the effects of nativity on television viewership among Hispanics will be significant regardless of time frame — and no changes will be found when comparing data across dayparts, quarters or years.

Two key age cohorts were selected to compare the differences between younger and older Hispanic television viewers. According to 2015 Nielsen estimates, the 35–49 Hispanic demographic represents 30 per cent of all adult Hispanics, while the 18–34 Hispanic demographic represents 42 per cent of adult Hispanics. Lastly, two different dayparts (daytime and primetime) were selected to measure the effects of nativity on television viewing by time of day. Such data can help brands and advertising agencies allocate their billion-dollar Spanish-language television investments with greater precision, and help drive effectiveness and efficiency in their media buying and planning efforts.

The second test in this study couples nativity with age across three different business categories (automotive, quick-service restaurants (QSR) and wireless). These categories were selected because they represent significant advertising spend.⁵⁴ The advertising spend was based on brands ranked in the top three of their respective categories. The objective of the second test is to examine the NBV in a real marketing context, and measure its effectiveness

and efficiency in reaching specific target segments within the Hispanic population. The second test uses Kantar’s competitive television spend data and Nielsen’s C3 data, aligned by nativity and age for the US Hispanic population. The reported Kantar data were adjusted by MAGNA based on publicly available company financials and internal tracking of market dynamics. The NBV methodology is proprietary to MAGNA and the Center for Multicultural Science.

RESULTS

Hypotheses 1, 2, and 3 were supported. Hypothesis 1 confirmed that foreign-born Hispanics have a greater preference for Spanish-language television programming than do US-born Hispanics. Conversely, Hypothesis 2 confirmed that US-born Hispanics have a greater preference for English-language television programming than do foreign-born Hispanics. Hypothesis 3 showed that when nativity is coupled with age, a nuanced measure is created that quantifies the audience reach of Spanish-language television programming, and how much is allocated — by age and nativity. As proposed, the NBV can help brands drive media effectiveness and efficiency in a real marketing situation.

Hypotheses 1 and 2

As shown in Table 3, this study found that among foreign-born Hispanics (18–49),

Table 3: Ratings-based ranking of television networks across all dayparts for foreign and US-born Hispanics aged 18–49

Network	Foreign-born, age 18–49 ranking	Network	US-born, age 18–49 ranking
Galavision	1	Adult Swim	1
Nickelodeon	2	Nick at Night	2
Discovery en español	3	Nickelodeon	3
Cartoon Network	4	TBS Network	4
Univision Deportes	5	Cartoon Network	5

Note: Ratings are proprietary to Nielsen and are therefore not included in the report. Source: Nielsen C3 Ratings, 29th December, 2014–29th March, 2015.

three of the top five most watched television networks are in Spanish; however, among US-born Hispanics (18–49), the top five television networks are all in English. The current study also examined television viewership for US Hispanics across two dayparts for two age demographics, namely, 18–34 and 35–49. As Table 4a shows, during primetime, seven of the top ten television networks for foreign-born Hispanics (18–34) were in Spanish, while seven of the top ten television networks for foreign-born Hispanics (35–49) were in Spanish. The preference for Spanish-language television programming for

foreign-born Hispanics, regardless of age, is rather clear.

Meanwhile, for US-born Hispanics, eight of the top ten television networks during primetime were in English (see Table 4b). The two Spanish language networks to rank in the top ten television networks watched by US-born Hispanics were Univision and Telemundo. Among US-born Hispanics (18–34), Univision and Telemundo ranked first and fourth, respectively, while among the older age demographic (35–49), Univision ranked fifth and Telemundo ranked sixth. Not surprisingly, US-born Hispanics show a

Table 4a: Ratings-based ranking of television networks in primetime for foreign-born Hispanics aged 18–34 and 35–49

Network	Age 18–34 ranking	Network	Age 35–49 ranking
Univision	1	Univision	1
Telemundo	2	Telemundo	2
UniMás	3	UniMás	3
Discovery en Español	4	Estrella	4
NBC	5	NBC	5
Galavision	6	MundoFox	6
Estrella	7	Discovery en Español	7
FOX	8	ABC	8
ABC	9	Galavision	9
Azteca America	10	FOX	10

Note: Ratings are proprietary to Nielsen and are therefore not included in the report.
Source: Nielsen C3 Ratings, 29th December, 2014–29th March, 2015.

Table 4b: Ratings-based ranking of television networks in primetime for US born Hispanics, 18–34 and 35–49

Network	Age 18–34 ranking	Network	Age 35–49 ranking
Univision	1	NBC	1
FOX	2	FOX	2
NBC	3	CBS	3
Telemundo	4	ABC	4
ABC	5	Univision	5
CBS	6	Telemundo	6
CW	7	AMC	7
Adult Swim	8	CW	8
TBS Network	9	ESPN	9
ABC Family	10	USA Network	10

Note: Ratings are proprietary to Nielsen and are therefore not included in the report.
Source: Nielsen C3 Ratings, 29th December, 2014–29th March, 2015.

Table 5a: Ratings-based ranking of television networks in daytime for foreign-born Hispanics

Network	Age 18–34 ranking	Network	Age 35–49 ranking
Univision	1	Univision	1
Telemundo	2	Telemundo	2
UniMás	3	UniMás	3
Nickelodeon	4	Nickelodeon	4
Galavision	5	Estrella	5
Cartoon Network	6	Discovery en Español	6
Azteca America	7	Galavision	7
Estrella	8	Cartoon Network	8
Discovery en Español	9	Azteca	9
Discovery Familia	10	ABC	10

Note: Ratings are proprietary to Nielsen and are therefore not included in the report.
Source: Nielsen C3 Ratings, 29th December, 2014–29th March, 2015.

Table 5b: Ratings-based ranking of television networks in daytime for US-born Hispanics

Network	Age 18–34 ranking	Network	Age 35–49 ranking
Univision	1	NBC	1
Nickelodeon	2	CBS	2
TBS Network	3	ABC	3
Cartoon Network	4	CW	4
Telemundo	5	USA Network	5
CBS	6	Turner Network	6
ABC	7	Investigation Discovery	7
CW	8	Univision	8
MTV	9	Hallmark Channel	9
Turner Network	10	Nickelodeon	10

Note: Ratings are proprietary to Nielsen and are therefore not included in the report.
Source: Nielsen C3 Ratings, 29th December, 2014–29th March, 2015.

preference for English-language television over Spanish-language television.

Regarding the preferences of foreign-born Hispanics, the study found that among the younger cohort (18–34), eight of the top ten television networks were in Spanish, while among the older cohort (35–49) seven of the top ten television networks were in Spanish (see Table 5a). Conversely, as shown in Table 5b, for US-born Hispanics (18–34), only two of the top ten television networks in daytime were in Spanish — with Univision and Telemundo ranking first and fifth, respectively. In addition, for the

older demographic (35–49), only one of the top ten television networks was in Spanish. These data clearly indicate that foreign-born Hispanics prefer watching Spanish-language television, whereas Hispanics born in the USA have a preference for English-language programming.

To test the generalisability of the above results, the study also analysed 2017 C3 data by nativity (US-born and foreign-born). As shown in Table 6, seven of the top ten television networks for foreign-born Hispanics (18–34) were in Spanish, while eight of the top ten television networks for US-born Hispanics (18–34) were in English.

Table 6: Ratings-based ranking of television networks in primetime and daytime for foreign and US-born Hispanics, 18–34

All dayparts	18–34 (foreign-born)		18–34 (US-born)
Network	Ranking	Network	Ranking
Univision	1	FOX	1
Telemundo	2	Univision	2
UniMás	3	NBC	3
Galavisión	4	Telemundo	4
FOX	5	ABC	5
Discovery en Español	6	CBS	6
Uni Deportes	7	ESPN	7
Estrella	8	CW	8
Nickelodeon	9	Adult Swim	9
NBC	10	Turner	10

Note: Ratings are proprietary to Nielsen and are therefore not included in the report. Source: Nielsen C3 Ratings, 30th December, 2016–31st March, 2017.

The findings from Hypotheses 1 and 2 have billion-dollar implications for US Hispanic marketing, challenging the 30-year old marketing tenet that ‘Spanish-language television is the best way to reach US Hispanics’.

Hypothesis 3

Hypothesis 3 was validated. In testing Hypothesis 3, three tests were conducted using 2016 and 2017 competitive television spend data tracked by Kantar and Nielsen C3 ratings data. Three leading brands were examined across different categories (the identities of these brands are deliberately not reported). The reported Kantar data were adjusted by MAGNA based on publicly available company financials and

internal tracking of market dynamics. As shown in Table 7, out of an estimated US\$50.9m, US\$8.2m was spent reaching Hispanics, ages 2–17 (16 per cent of total budget); US\$10.9m for Hispanics, ages 18–34 (21 per cent); US\$12.9m for Hispanics, ages 35–49 (25 per cent); and US\$18.9m for Hispanics, ages 50+ (37 per cent). Interestingly, the NBV revealed that approximately 21 per cent of this advertiser’s budget reached Hispanic millennials, with 79 per cent reaching Hispanics ages 2–17, and 35 and above. Additionally, this brand spent approximately US\$38.8m or 76 per cent of its total budget reaching foreign-born Hispanics, with 24 per cent reaching US-born Hispanics.

As shown in Table 8, the NBV analysis was conducted for a leading brand in the

Table 7: NBV analysis for leading wireless brand in 2016 (nativity and age/total)

Age cohorts	2–17	18–34	35–49	50+	Total
Est. spend (foreign-born) (US\$m)	1.4	8.4	11.7	17.3	38.8
% spend (foreign-born) (US\$m)	18	77	90	91	76
Est. spend (US-born) (US\$m)	6.8	2.5	1.2	1.6	12.1
% spend (US-born)	82	23	10	9	24
Total spend (US\$m)	8.2	10.9	12.9	18.9	50.9
% of total spend by age cohort	16	21	25	37	100

Source: NBV analysis conducted by MAGNA and Center of Multicultural Science.

Table 8: NBV analysis for leading automotive brand in 2016 (nativity and age/total)

Age cohorts	2–17	18–34	35–49	50+	Total
Est. spend (foreign-born) (US\$m)	0.4	1.9	2.2	2.3	6.8
% spend (foreign-born)	9	50	72	71	49
Est. spend (US-born) (US\$m)	3.5	1.9	1.0	1.0	7.40
% spend (US-born)	91	50	28	29	51
Total spend (US\$m)	3.9	3.8	3.2	3.3	14.2
% of total spend by age cohort	28	27	22	23	100

Source: NBV analysis conducted by MAGNA and Center of Multicultural Science.

automotive category. The make of the particular automotive brand was designed for a millennial audience. The reported Kantar data were again adjusted by MAGNA based on publicly available company financials and internal tracking of market dynamics. Out of the estimated US\$14.2m, US\$3.9m was spent reaching Hispanics, ages 2–17 (28 per cent of total budget); US\$3.8m for Hispanics, ages 18–34 (27 per cent); US\$3.2m for Hispanics, ages 35–49 (22 per cent); and US\$3.3m for Hispanics, ages 50+ (23 per cent). Interestingly, the NBV revealed that approximately 27 per cent of this advertiser’s budget reached Hispanic millennials, with 73 per cent reaching Hispanic ages 2–17, and 35 and above. Additionally, this brand spent approximately US\$6.8m or 49 per cent of its total budget reaching foreign-born Hispanics, with US\$7.4m (51 per cent) reaching US-born Hispanics. The NBV helps uncover significant differences by age and by nativity.

Lastly, Table 9 shows the NBV analysis for a leading brand in the QSR category.

The reported Kantar data were adjusted by MAGNA based on publicly available company financials and internal tracking of market dynamics. Out of the estimated US\$28.3m, US\$7.7m was spent reaching Hispanics, ages 2–17 (27 per cent of total budget); US\$7.3m for Hispanics, ages 18–34 (26 per cent); US\$6.4m for Hispanics, ages 35–49 (23 per cent); and US\$6.9m for Hispanics, ages 50+ (24 per cent). Interestingly, the NBV revealed that approximately 26 per cent of this advertiser’s budget reached Hispanic millennials, with 76 per cent reaching Hispanic ages 2–17, and 35 and above. Additionally, this brand spent approximately US\$13.9m or 48 per cent of its total budget reaching foreign-born Hispanics, with US\$14.4m (52 per cent) reaching US-born Hispanics.

DISCUSSION

This study set out to examine the effects of nativity on television viewership for the changing US Hispanic population based on

Table 9: NBV analysis for leading QSR brand in 2017 (nativity and age/total)

Age cohorts	2–17	18–34	35–49	50+	Total
Est. spend (foreign-born) (US\$m)	0.7	3.6	4.6	5.0	13.9
% spend (foreign-born) (US\$m)	9	49	72	73	48
Est. spend (US-born)	7.0	3.7	1.8	1.9	14.4
% spend (US-born) (US\$m)	91	51	28	27	52
Total spend	7.7	7.3	6.4	6.9	28.3
% of total spend by age cohort	27	26	23	24	100

Dates: January–October 2017

Source: NBV Analysis conducted by MAGNA and Center of Multicultural Science.

actual viewership data (eg Nielsen C3 data), and measure the impact that the NBV has when applied in a real marketing context. In Hypotheses 1 and 2, the results showed that (1) Spanish-language television viewing decreases as generational levels increase; and (2) English-language viewing increases as generational levels increase. That is, foreign-born Hispanics watch more Spanish-language television than US-born Hispanics, and conversely, US-born Hispanics watch more English-language television than foreign-born Hispanics. As shown in Tables 3–6, there were differences in the ranking of television networks across dayparts (daytime versus primetime) and age demographics (18–34 versus 35–49). In Tables 7–9, the application of the NBV methodology across three business categories showed that approximately 73–79 per cent of Spanish-language television did not reach Hispanic millennials. Given that brands today consider millennials and generation Z consumers to be important growth segments, the results of Hypothesis 3 are significant. For decades, brands have invested billions of dollars (more than US\$6bn in 2016) in Spanish-language television and this study shows that Spanish language may not be as effective in reaching key Hispanic targets as conventional wisdom (ie mental models) and previous research may have otherwise suggested. With that said, the NBV can help Hispanic advertising agencies expand their scope of work, taking the lead responsibility on creative assignments targeting US-born Hispanics, who consume much of their media in English. In addition, the NBV can serve as a market correction to the over-investment in Spanish-language television and provide brands with the empiricism necessary to justify reallocating their investment in Spanish-language television to more targeted media (ie digital).

This study challenges the 30-year-old narrative by leading media and measurement companies that Spanish-language television is the best way to reach US Hispanics.

This study found that Hispanics who are born outside the USA are more likely to watch Spanish-language television compared with their US-born Hispanic counterparts, while Hispanics born in the USA are more likely to watch English-language television programming than their foreign-born counterparts. This may be due to several factors: (1) foreign-born Hispanics may lack the English proficiency to understand programming in English — as newcomers to the USA; (2) they may prefer to consume television shows in the language in which they have greater proficiency (ie Spanish); (3) they may like or prefer programming that better aligns with their cultural interests; or (4) they may lack a strong understanding of the general television programming on offer in the USA. With that said, the process of acculturation can help explain the shift in linguistic abilities, media preferences, cultural orientation and the like over the course of one, two or three generations for Hispanics. Conceptually, acculturation is the process that explains cultural and psychological change (at the individual or group level) as a result of a minority cultural group coming into contact with the majority group.^{55,56}

At the industry level, the findings of this study have immediate implications for media buying and planning for the US Hispanic television audience. For more than 30 years, the US Hispanic media industry has used ‘language’ to target and measure the US Hispanic television audience. A shift from language to nativity may be considered ‘disruptive’ for media and measurement companies, but for brands interested in generating greater media ROI, this study suggests that there is significant value in applying the NBV to television buying and planning for the US Hispanic population today. Not only could the NBV be a better way to target the changing US Hispanic television audience, helping brands save millions of dollars every year, but it could also drive overall media effectiveness.

Despite these advantages, this study has a number of limitations. First, replicating the NBV model is somewhat complicated and expensive. It requires a subscription to Nielsen C3 data and Kantar competitive media data. For the model to be reliable, data from both sources must be properly aligned, requiring an expert with significant experience with these databases. Secondly, the NBV has the power to change how television planning and buying are done with regard to the Hispanic population. While this may not seem like a limitation, this new model could be perceived as a threat — so much so that media companies and Hispanic advertising agencies rooted in legacy systems would be likely to ‘push back’ and not advance the value of the NBV to brands. Of course, one hopes this is never the case.

All in all, nativity is not a new variable in US multicultural or cultural marketing. The theoretical contribution of the NBV is two-fold. The NBV helps academics and research practitioners measure the value of disaggregating acculturation. Nativity is one variable of acculturation and using it as an independent variable in applied research is not only insightful, but advantageous for brands. There is also an immediate opportunity for brands and advertising agencies to use this new proposed model and develop their ‘story’ based on their programming strengths. This study provides the industry — advertising agencies, publishers, measurement companies and brands — with initial NBV data, which make the findings of this study actionable. Language quintiles should continue to be part of future targeting discussions, but should be applied within the broader construct of nativity. This study has the potential to create a shift in the paradigm and help clients reach specific segments of Hispanics with greater media effectiveness and efficiency. The study does not challenge the need for Spanish-language television. Any attempt to position the NBV as a threat to Spanish-language television lacks a fundamental understanding of the NBV. The study provides conceptual

and applied support for the NBV as an effective media tool to drive effectiveness and efficiency in reaching the diverse US Hispanic consumer via Spanish-language television. The NBV can help media planners and buyers calculate how much should be invested in Spanish-language television and in other media. Targeting Hispanics effectively will continue to require media plans that reach the full spectrum of Hispanics — with brands conducting a NBV analysis based on a core target audience. More than ever, cultural experts are needed to effectively manage the implications of the NBV and provide strategic guidance and cultural know-how to drive their clients’ business effectively.

CONCLUSION

This study challenges a core tenet in Hispanic marketing, namely that Spanish-language television is the best way to reach US Hispanics. Hypotheses 1, 2, and 3 in this study refute this claim. Hypothesis 1 showed that foreign-born Hispanics prefer Spanish-language television programming compared to US-born Hispanics. Hypothesis 2 confirmed that US-born Hispanics prefer English-language television programming compared to foreign-born Hispanics. Hypothesis 3 found that when the nativity is coupled with age, a nuanced measure is created that quantifies the audience reach of Spanish-language television programming, and how much is allocated by age and nativity. This nuanced measure can help brands drive television effectiveness and efficiency in a real marketing context.

The NBV has the potential to provide significant benefit to television buying and planning for the changing Hispanic population. Advertising agencies can use the NBV as a media tool to help measure television audience size and reach of Hispanics by age and nativity. This level of granularity can help drive key investment decisions. In 2016, brands spent more than US\$6bn in

Spanish-language television and the NBV can help agencies target their core Hispanic segments with greater precision. For instance, if brands are interested in launching a Hispanic millennial campaign, the NBV can help brands quantify how much should be spent against this specific audience. This type of precision (which is commonplace in digital) has not been applied to television, at this point.

If culture matters in US cultural marketing, nativity matters. The results of this study suggest that the adoption of the Nativity-Based View in television buying and planning has the potential to increase Spanish television ROI significantly for brands in the USA and abroad. This new model can also be used for other ethnic consumers, including Asians in the USA, and in other media (ie digital, radio, etc). Additional analyses using the Nativity-Based View by brands across different business categories and future industry-wide discussions are welcome.

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