



Media Influence on Telecom Purchases Among Multicultural Consumers

How do Hispanic, Asian and African Americans differ in how they shop for mobile phones and plans? How does digital media play a role?

Oct. 2017

Methodology

IAB conducted a custom analysis of syndicated Prosper Insight data to look at the consumer purchase plans and media behaviors of US consumers around Telecommunications Services and Mobile Phones. The study compared the purchase plans and influence of various media types on US Adults 18 and older and compared them to Hispanic Americans, African Americans and Asian Americans 18 and older.

The report is derived from the Prosper Insights & Analytics Monthly Consumer Study (July 2017) of 7,266 US adult respondents surveyed online with a focus on Mobile and Telco purchase plans. This is supplemented by data from the annual 2017 Media Behaviors & Influence™ (MBI) Study of 16,644 US adult respondents surveyed online with a focus on media influence and behaviors among the general adult US population (16,664 respondents), Hispanic Americans (2574 respondents), African Americans (2405 respondents) and Asian Americans (471 respondents). The studies have a margin of error of 1%, at a 99% confidence level.

Sample Sizes

- **Prosper Insights & Analytics Annual Media Behaviors & Influence™ (MBI) Study**
 - **16,644 Adults 18+** representative of the general US population
- **Prosper Insights & Analytics Monthly Consumer Survey** conducted online in July 2017
 - **7,266 Adults 18+** representative of the general US 18+ population

About Prosper Insight™

Prosper Insight delivers customized timely market intelligence from various sources through its cloud-based technology-driven Integrated Solutions Platform. Solutions are delivered on multiple devices (PC/Tablet/Smartphone) through the InsightCenter™ tool using diverse information sources relevant to clients' business needs.

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Summary

Current Mobile Plan and Future Plans?

- Nearly one-third of US adults (31%) are planning to buy a new mobile phone or switch providers in the next 12 months. 38% of African Americans and 43% of Asian and Hispanic consumers are planning a switch or upgrade in the next year.
- Specifically, African Americans are most likely to have near term plans to change phones or providers within 3 months, while Hispanic Americans are planning a switch in the next 3-6 months and Asian Americans are more likely to be planning for 6-12 months, as is the general population.
- The contract plan is the most popular current mobile plan. Many are considering a contract plan for their next phone but there is strong interest in monthly plans, with African Americans leading the way – 47% are opting for a monthly plan (vs. 41% contract plan).
- The average mobile phone bill is \$90.54 per month. Hispanic and Asian consumers pay more while African Americans pay less than average, likely due to the popularity of monthly plans among this consumer group.

What Are They Looking For in Their Next Phone or Plan?

- Pricing is the #1 reason for switching providers, followed by data and coverage. Reasons vary among multicultural consumers: Pricing is the top concern for African Americans; coverage is most important to Hispanic Americans; and the data plan is the most important to Asian Americans.
- Across consumer groups, the most important attribute of a new smartphone is that it's a trusted brand. Price is second in importance except among Asian Americans, who rank camera quality #2. More variety is seen in the third most important aspects of a new phone: Camera quality for US adults; apps for Hispanics; screen size for African Americans; and price for Asian Americans.
- OS Under Consideration: Android for US Adults and African Americans; iOS for Asian Americans; even split between iOS and Android for Hispanic Americans.
- Smartphones Under Consideration: iPhone tops the list, especially for Asian Americans (61%), followed by Samsung Galaxy.

Summary

How Does Digital Media Impact Consumers Shopping for Mobile Phones and Plans?

- Multicultural consumers research Electronics products like smartphones online, providing digital marketing and advertising opportunities. Roughly 9 in 10 consumers research online before buying with 40% of the general population, and nearly half of multicultural consumers, having researched Electronics online in the past 90 days.
- While they're researching online, consumers are likely to encounter digital ads which influence their Electronics and Telco purchases. The Internet is the #1 influence on consumers' Electronics purchases, especially for Multicultural consumers: Nearly half report being influenced by the Internet.
- Other digital media also influences Electronics purchases with Multicultural groups being more influenced by digital than the general population:
 - Email influences the Electronics purchases of roughly 1 in 5 US adults, 1 in 4 Hispanic or African Americans and nearly 1 in 3 Asian Americans.
 - Social Media ranks #5 among Hispanic and African Americans and influences the Electronics purchases of 18% of US adults and over 25% of Multicultural adults.
 - Digital/Mobile Video influences 17% of US Adults, 27% of Hispanic or African Americans and 22% of Asian Americans in their purchases of Electronics.
- Similarly, the Internet is the #1 influence on consumers' Telecommunications Services purchases with digital formats among the top 10.
 - Roughly 1 in 5 US adults and 1 in 4 multicultural consumers say the Internet influences their Telecom service purchases.
 - The Internet is more influential than TV.
 - Other digital media types like Social, Mobile and Email play a role in Telco purchases, especially among multicultural consumers.
 - Digital/Mobile Video influences 9% of African Americans in their purchases of Telecom Services.

All Roads Lead to Digital

- Both online and offline media inspires search, which is more likely to influence multicultural consumers.
- Nearly 9 in 10 multicultural consumers turn to online search after seeing an ad in any media, digital or traditional.
- Over half of multicultural consumers say that sponsored search results influence their purchases.
- Over one-third seek purchase advice from product reviews and 1 in 4 Asian Americans seeks product advice from blogs, providing opportunities for online ads and native advertising.

Summary

The Case for Social and Native Advertising to Multicultural Audiences

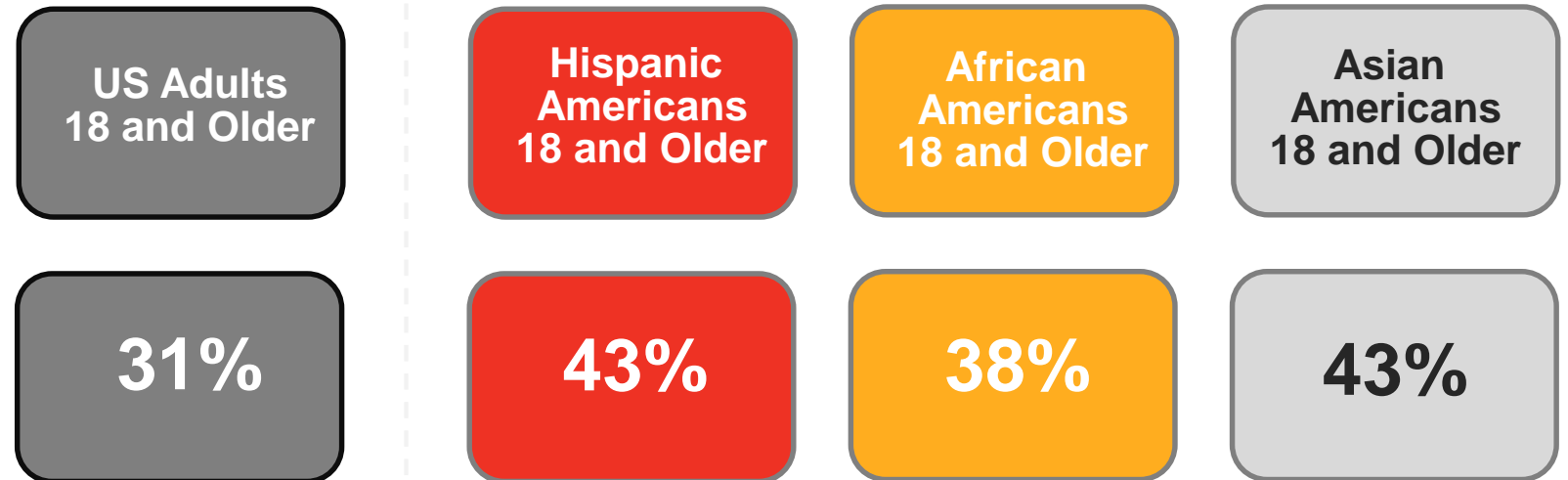
- ④ 8 in 10 consumers seek product advice from others before purchasing, especially Hispanic and Asian American consumers.
- ④ While many seek advice privately (Face to face, Text, Mobile, Email, Phone, IM), many also seek product advice in public forums (Product reviews, Facebook friends, blogs, Facebook brand pages, Twitter, Pinterest, LinkedIn), providing opportunities for social and native advertising to these consumers.
- ④ Over one-third seek purchase advice from product reviews. Almost one-quarter of consumers (especially Asian and Hispanic Americans) seek product advice from Facebook friends.
- ④ Specific differences among multicultural groups seeking product advice emerge:
 - ④ Asian Americans much more likely to seek product advice by reading reviews, asking Facebook friends and reading blogs.
 - ④ Hispanic Americans more likely to seek product advice by asking Facebook friends, reading blogs and Pinterest.
 - ④ African Americans more likely to seek product advice by reading blogs.
- ④ In turn, 8 in 10 consumers give product advice. Asian Americans are most likely to seek product advice and Hispanic consumers are most likely to give advice.
- ④ Multicultural consumers are more likely to give product advice online in public forums, emphasizing the importance of getting the brand message right to these consumers.
 - ④ Asian Americans are much more likely to give product advice by posting to Facebook friends, writing reviews and posting to Facebook brand pages.
 - ④ Hispanic Americans are more likely to give product advice by posting to Facebook friends and to Facebook brand pages.
 - ④ African Americans are more likely to give product advice by posting to Facebook friends and private means.
- ④ 8 in 10 multicultural consumers are more likely to communicate about a brand after searching. Asian and Hispanic Americans are more likely to share info about a brand on social media after searching.

Nearly One-Third of US Adults Are Planning to Buy a New Mobile Phone or Switch Providers in the Next 12 Months

- Multicultural consumers are even more likely to plan a switch or upgrade in the next year

Are you planning on getting a new mobile phone (Cell Phone or Smartphone) or switching providers...

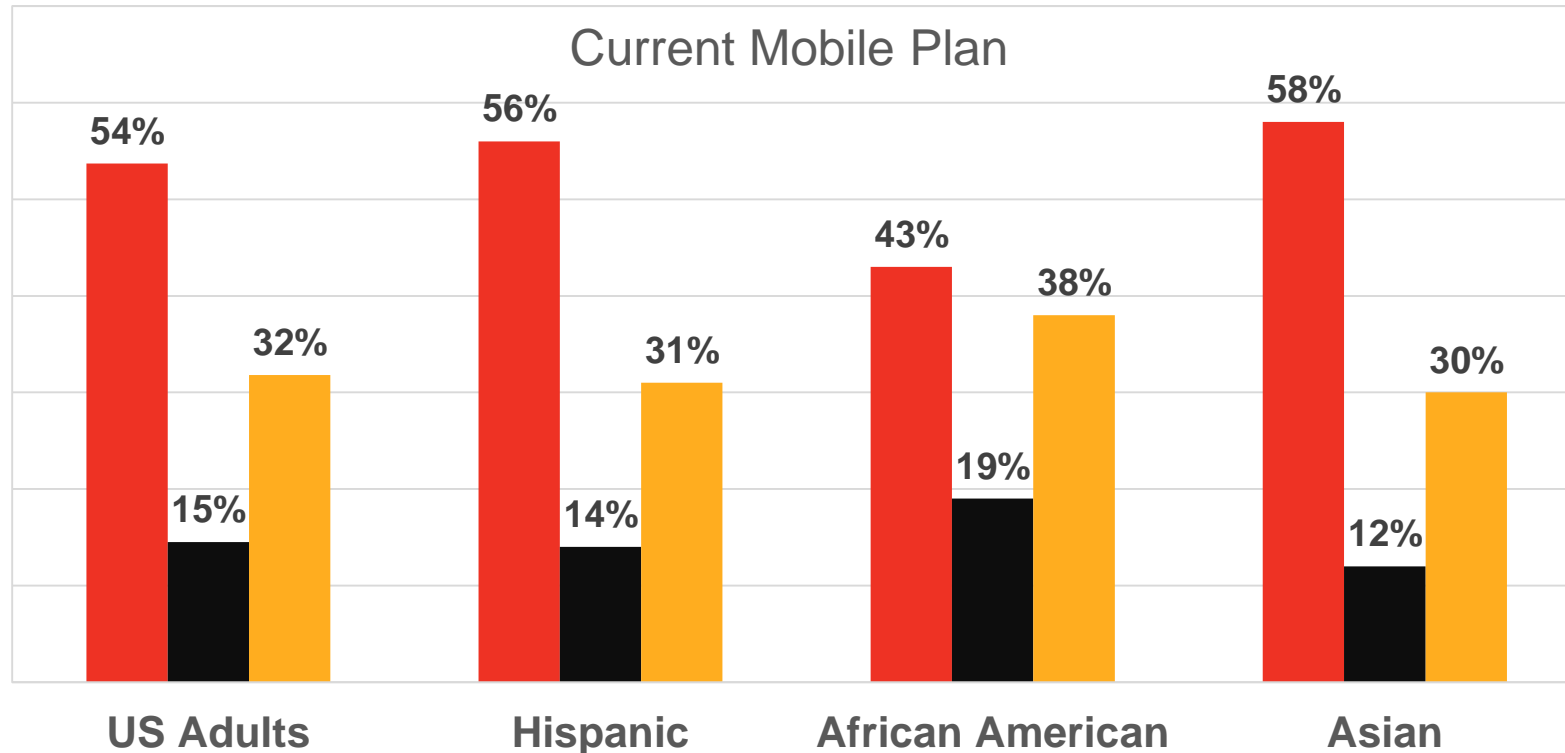
Plan to Buy a New Phone or Switch Providers in the Next 12 Months:



While a Contract Plan is the Most Popular, African Americans Are More Likely Than Other Groups to Have a Monthly or Prepaid Plan

Use Smartphone or Cell Phone: Which statement best describes your current mobile phone service?

- Contract plan with a monthly bill
- Prepaid service where you pay for the minutes you use
- Monthly plan with no contract where you pay at the beginning of each month

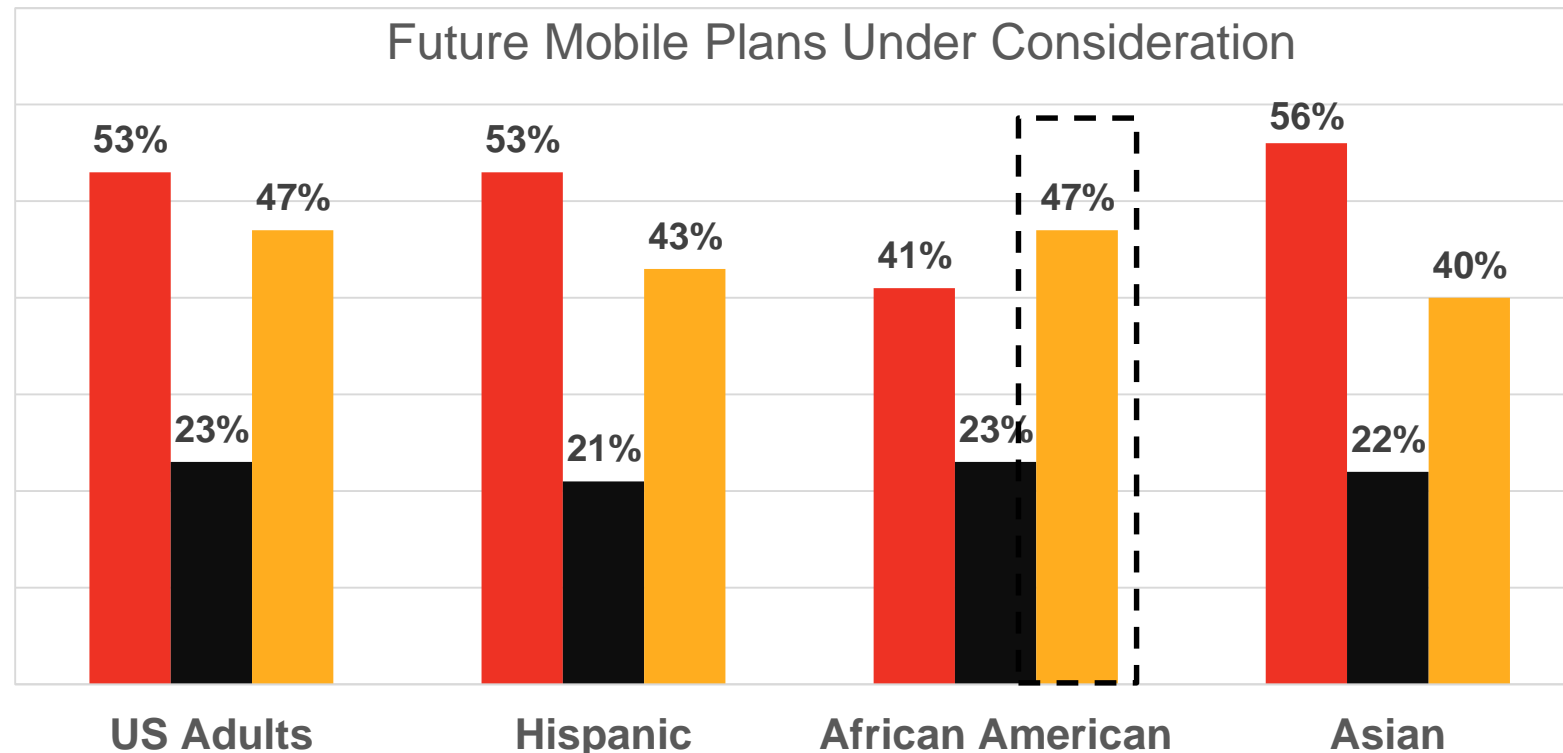


Many Are Considering a Contract Plan But There Is Strong Interest in Monthly Plans, With African Americans Leading the Way

- More African Americans are planning to switch to a contract-free monthly plan than a contract plan

Use Smartphone or Cell Phone: Which mobile phone services would you be willing to consider in the future? (Check all that apply)

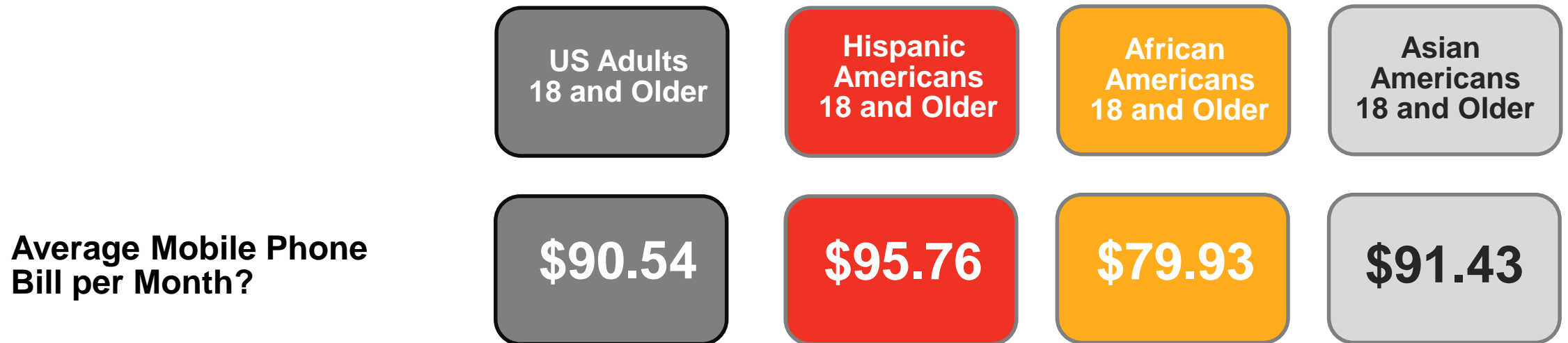
- Contract plan with a monthly bill
- Prepaid service where you pay for the minutes you use
- Monthly plan with no contract where you pay at the beginning of each month



The Average Mobile Phone Bill is \$90.54 Per Month

- Hispanic and Asian consumers pay more while African Americans pay less than average, likely due to the popularity of monthly plans among this consumer group

Use Smartphone or Cell Phone: What is your average mobile phone bill per month?



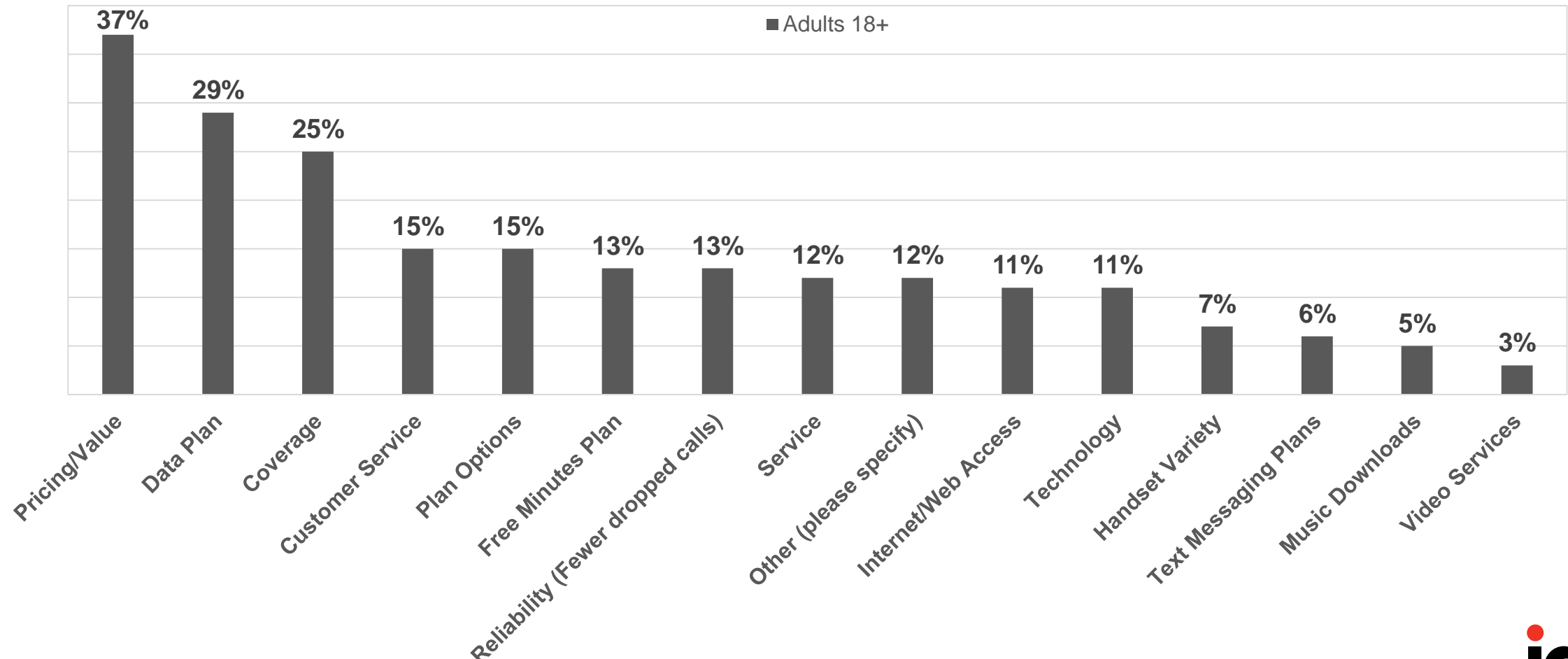
Motivations & Considerations

Mobile Plan and Phone Features Sought

Pricing is the #1 Reason for Switching Providers, Followed by Data and Coverage

Planning to Switch Service Providers: Why are you considering switching mobile phone service providers? I want better... (Check all that apply)

Reasons for Switching Providers

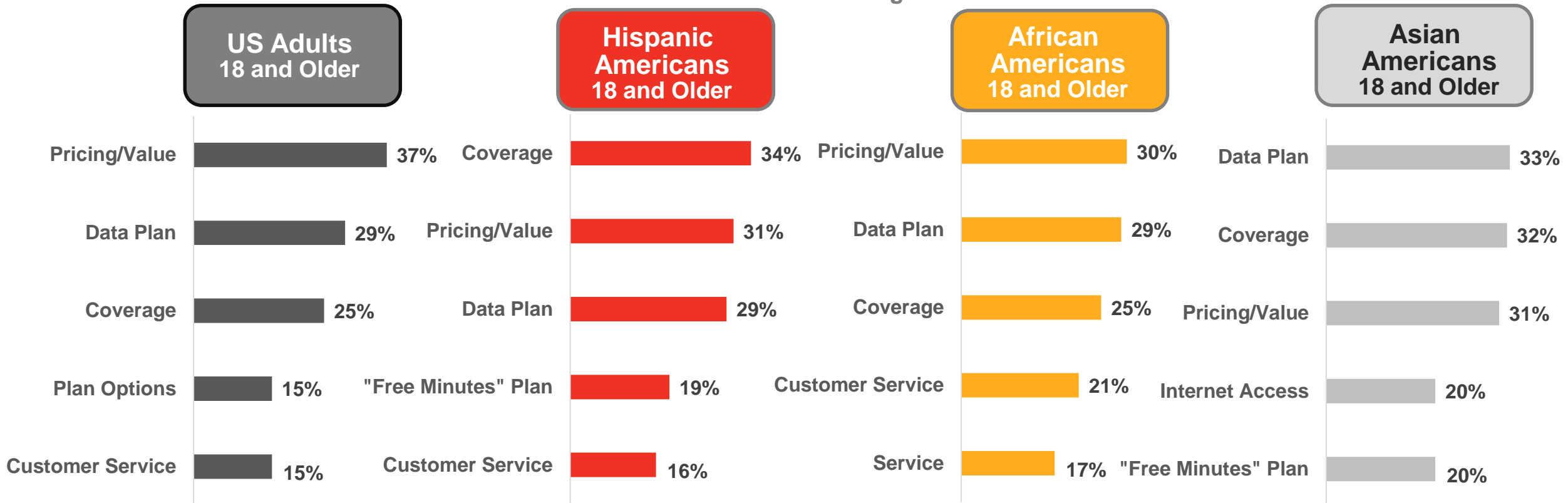


Top Reasons for Switching Mobile Plans Vary Among Multicultural Consumers

- ▶ Pricing is the top concern for the general population and African Americans
- ▶ Coverage is most important to Hispanic Americans and the Data Plan is the most important to Asian Americans

Planning to Switch Service Providers: Why are you considering switching mobile phone service providers? I want better... (Check all that apply)

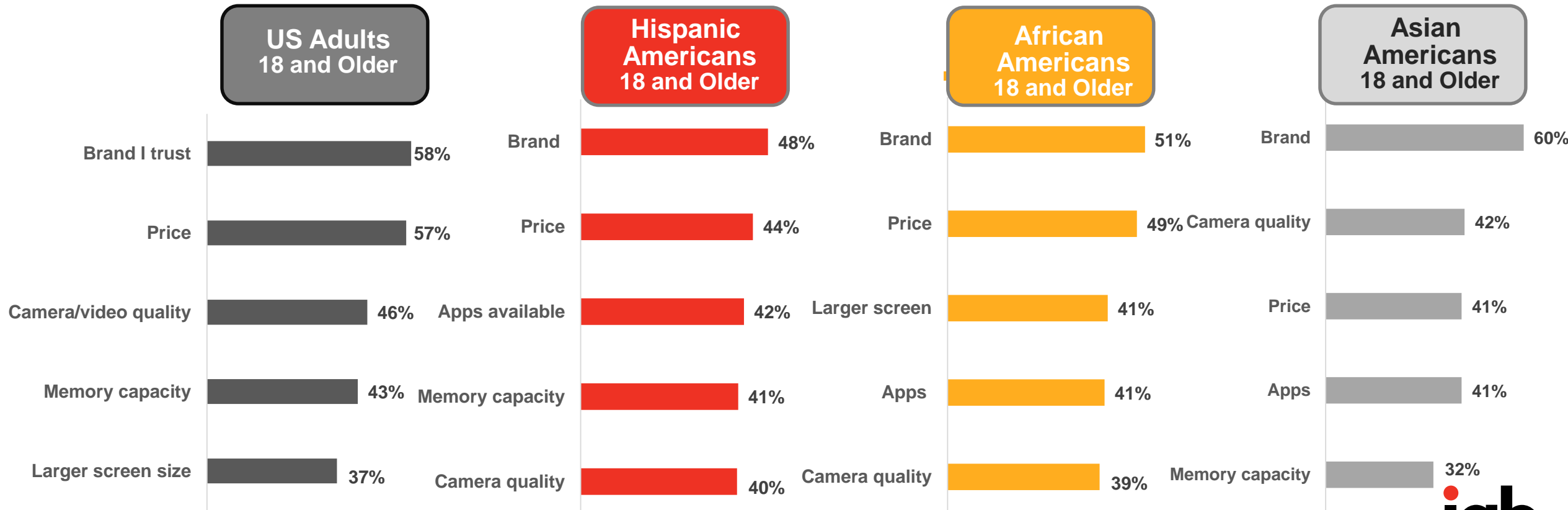
Reasons for Switching Providers



The Most Important Smartphone Attribute is That It's a Trusted Brand

- Price is second in importance except among Asian Americans, who rank camera quality second in importance
- The third most important smartphone attribute for the general population is camera quality, apps for Hispanics, screen size for African Americans and price for Asian Americans

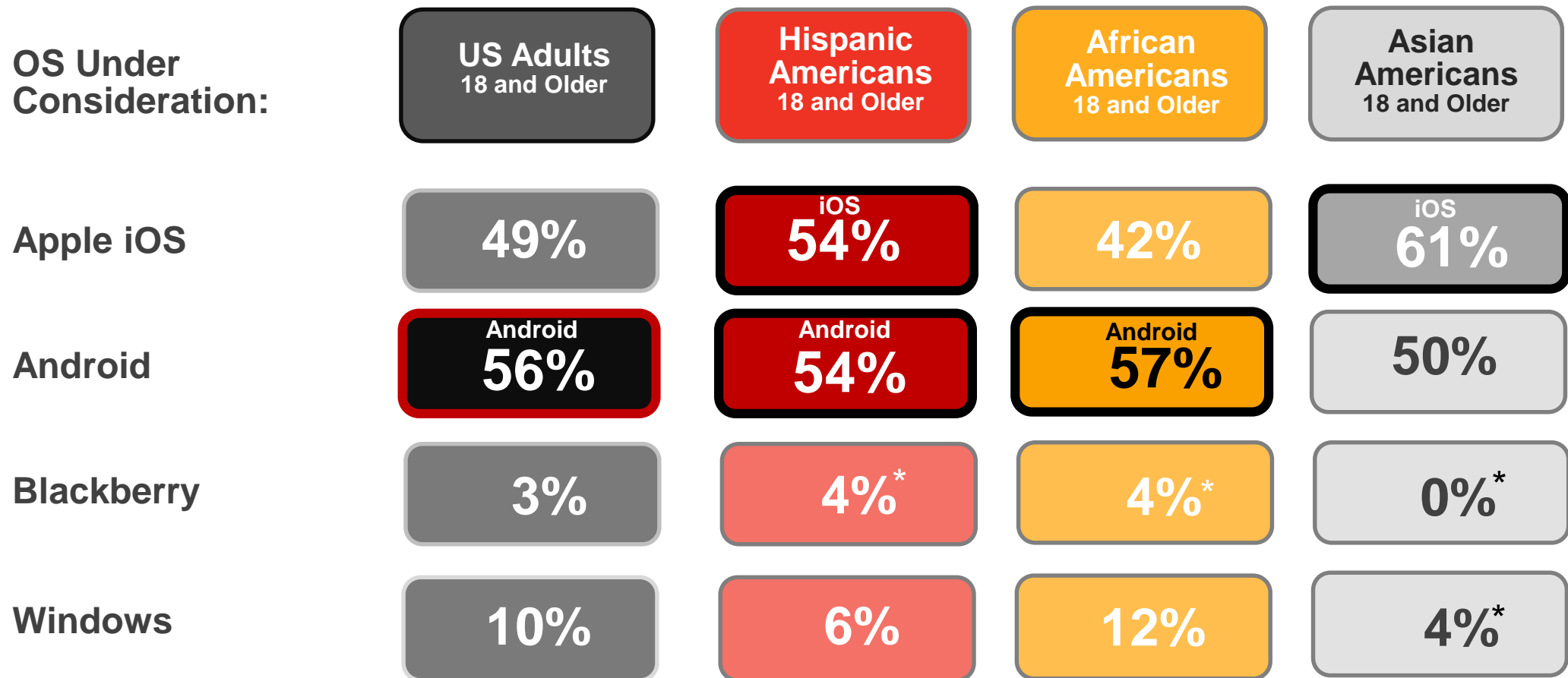
Considering Smartphone: Which of the following Smartphone features or attributes are most important to you as you consider a Smartphone purchase? (Check all that apply)



Smartphone OS Under Consideration: Android for US Adults and African Americans; iOS for Asian Americans; Even Split Between iOS and Android for Hispanic Americans

Considering Smartphone: Which of the following Operating Systems are you considering? (Check all that apply)

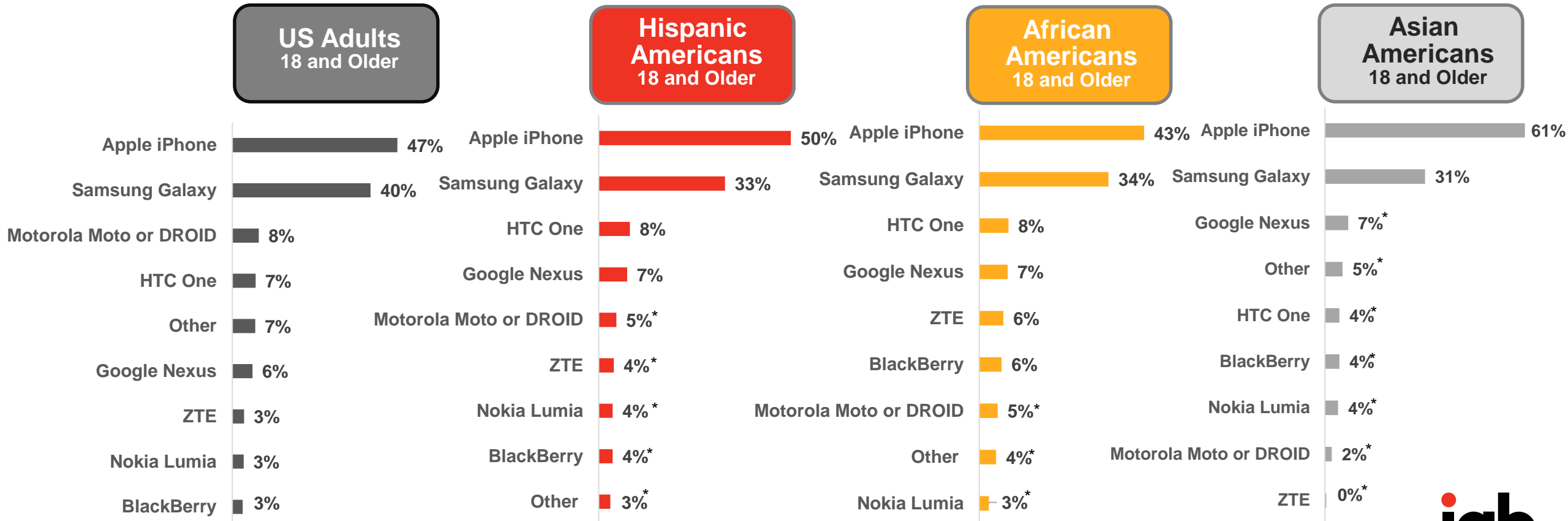
*The sum of the % totals may be greater than 100% because the respondents can select more than one answer.



Smartphones Under Consideration: iPhone Tops the List, Followed by Samsung Galaxy

- Well over half (61%) of Asian Americans are considering an iPhone
- Less than 10% are considering smartphones other than an iPhone or Galaxy

Considering Smartphone: Which of the following Smartphones are you considering purchasing? (Check all that apply)
**The sum of the % totals may be greater than 100% because the respondents can select more than one answer.*



*Low base size. Use directionally.

Media Influence

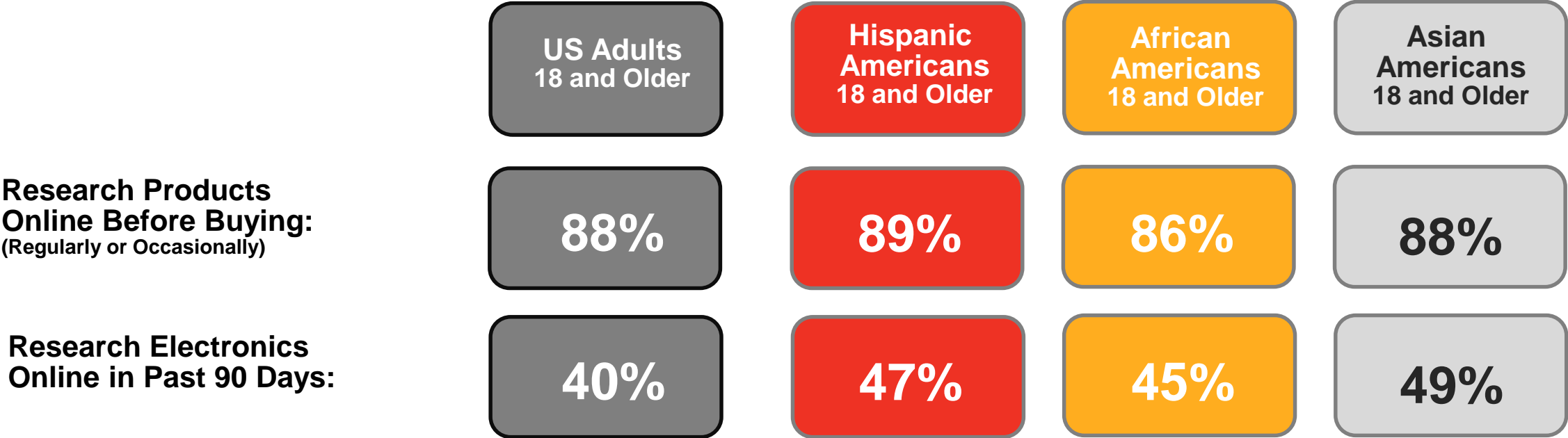
Digital Media's Influence on Consumers' Telco and Electronics Purchases

Nearly 9 in 10 Consumers Research Products Online Before Buying

- 40% of consumers researched Electronics products online over the past 90 days
- Multicultural consumers, especially Asian and Hispanic Americans, are more likely to have researched Electronics online

Multicultural Consumers Research Electronics Products Like Smartphones Online, Providing Digital Marketing and Advertising Opportunities

*How often do you research products online before purchasing them in person or in a store?
(Regularly means routinely, as a set pattern; Occasionally means no set pattern, as mood suits)
Over the last 90 days, which types of products did you research online before buying them in person? (ELECTRONICS)*



The Internet is the #1 Influence on Consumers' Electronics Purchases, Especially Among Multicultural Audiences

- Roughly half of Multicultural audiences say the Internet influences their purchases of Electronics including smartphones.
- Email ads are the #3 purchase influence on Asians. Email influences the Electronics purchases of roughly 1 in 5 US adults and 1 in 4 Hispanic or African Americans.
- Social Media influences the Electronics purchases of roughly 1 in 5 US adults and 1 in 4 multicultural consumers, ranking #5 among Hispanic and African Americans.
- Digital/Mobile Video influences 17% of US Adults, 27% of Hispanic or African Americans and 22% of Asian Americans in their purchases of Electronics.

Top 10 Media Influences on Electronics Purchases

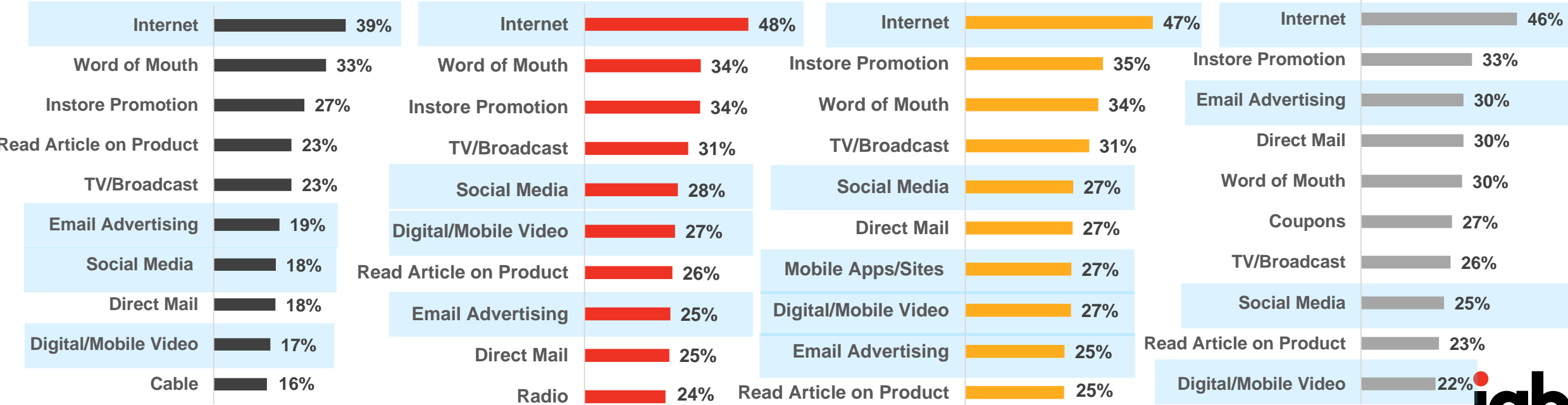
Please tell us which of the following media influences your ELECTRONICS purchases:

US Adults
18 and Older

Hispanic Americans
18 and Older

African Americans
18 and Older

Asian Americans
18 and Older

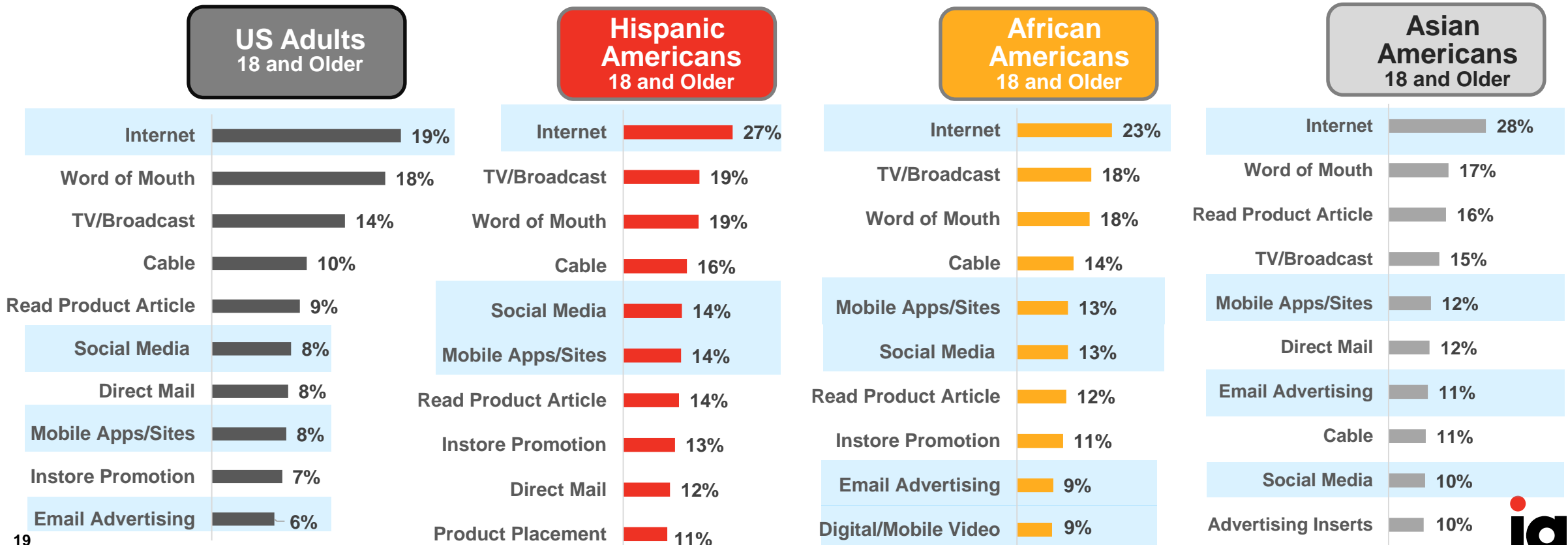


The Internet is the #1 Influence on Consumers' Telco Purchases With Digital Formats Among the Top 10

- Roughly 1 in 5 US adults and 1 in 4 multicultural consumers say the Internet influences their Telecom service purchases
- The Internet is more influential than TV in Telco purchases like mobile phone plans.
- Other digital media types like Social, Mobile and Email play a role in Telco purchases, especially among multicultural consumers
- Digital/Mobile Video influences 9% of African Americans in their purchases of Telecom Services

Top 10 Media Influences on Telco Purchases

Please tell us which of the following media influences your TELECOM SERVICES purchases:

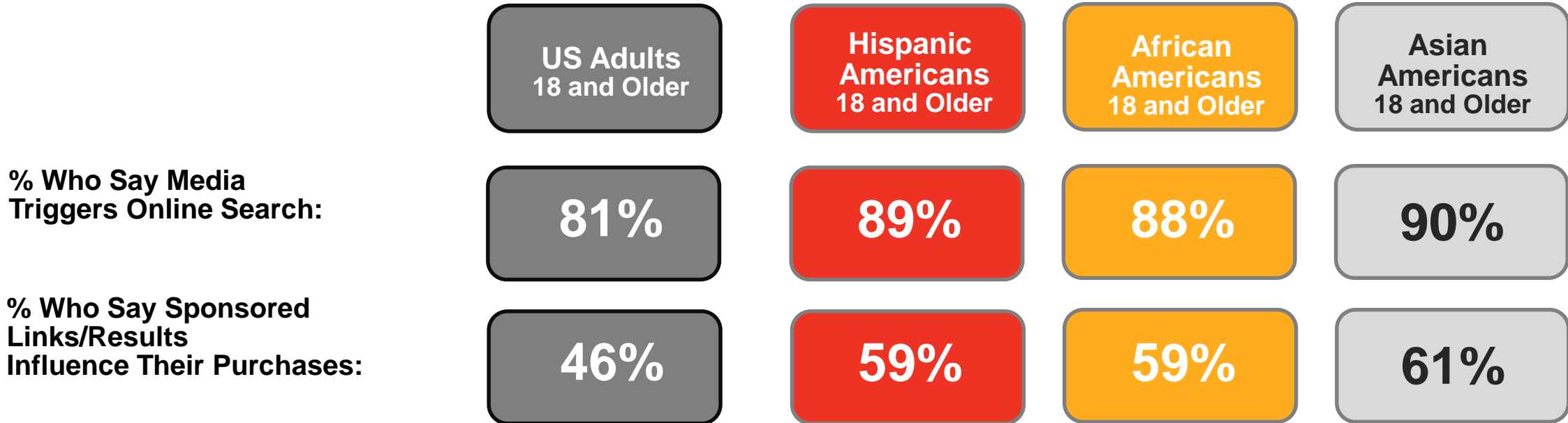


All Roads Lead to Digital: Online and Offline Media Inspires Search, Which is More Likely to Influence Multicultural Consumers

- Nearly 9 in 10 multicultural consumers turn to online search after seeing an ad in any media, digital or traditional
- Over half of multicultural consumers say that sponsored search results influence their purchases

Which of the following triggers you to start an online search? (Check all that apply) Percent who selected any of the following: Advertising Inserts, Blogs, Cable TV, Coupons, Direct Mail, Email Advertising, Face-to-Face Communication, In-Store Promotions, Internet advertising, Magazine, Mobile Websites and Apps (Smartphone, Tablet), Newspaper, Online Communities/Social Media (e.g. Facebook, Twitter, etc.), Outdoor Billboard, Radio, Read an Article, Text Messaging, TV / Broadcast, Video on Mobile Device or Computer, Yellow Pages

When searching for products/services on the Internet, how do 'sponsored links/results' influence your purchases? Percent who answered neutral, somewhat or greatly influence.



Implications

Multicultural Consumers Shop Differently From the General Population

- ▶ While there are some commonalities between multicultural consumers and the general population (like ranking Pricing as their #1 reason for switching and ranking 'Trusted brand' as a smartphone's most important attribute), each group of consumers shops differently for a mobile phone or plan. Different multicultural groups prioritize the importance of phone features and mobile plans differently. For instance, while monthly contract plans are currently the most popular, there's a growing interest in month by month contract-free plans with African Americans already intending to switch to this type of mobile plan. Knowledgeable marketers can use these differences to provide a more targeted and personal approach to more effectively sell mobile phones and services to multicultural groups.

Digital Media Influences Multicultural Consumers

- ▶ Multicultural consumers are influenced differently by media. While all consumers rank the Internet as the #1 influence on their Electronics and Telco purchases, other media varies in how much it influences these groups' purchases. Overall, digital formats are more influential in multicultural consumers' Electronics and Telco purchases than in the general population.
- ▶ Digital media varies in purchase influence among different multicultural consumer groups. For example, Email Advertising is much more influential among Asian Americans in their Electronics purchases, ranking #3, than it is for other groups. Similarly, Social Media at #5 ranks higher in purchase influence in Electronics and Telco for Hispanic and African Americans than it does for other groups.
- ▶ Hispanic American, African American and Asian American consumers each differ from the general population in how they shop for products, how they consume media, how they're influenced by media and even how they share product information with others. Understanding these differences provide opportunities for savvy marketers to reach these consumers in a relevant and meaningful way.

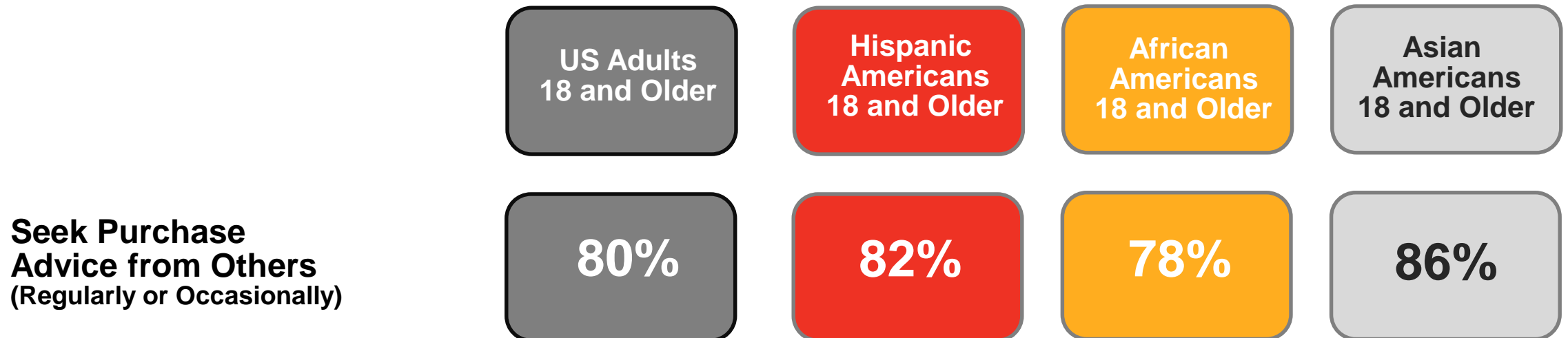
Sharing Product Info

The Case for Social and Native Advertising to Multicultural Audiences

8 in 10 Consumers Seek Product Advice from Others Before Purchasing

Hispanic and Asian American consumers more likely to seek product advice

*When you purchase products or services, do you seek advice from others before buying?
(Regularly means routinely, as a set pattern; Occasionally means no set pattern, as mood suits)*



Seek Purchase Advice from Others
(Regularly or Occasionally)

Over One-Third Seek Purchase Advice from Product Reviews

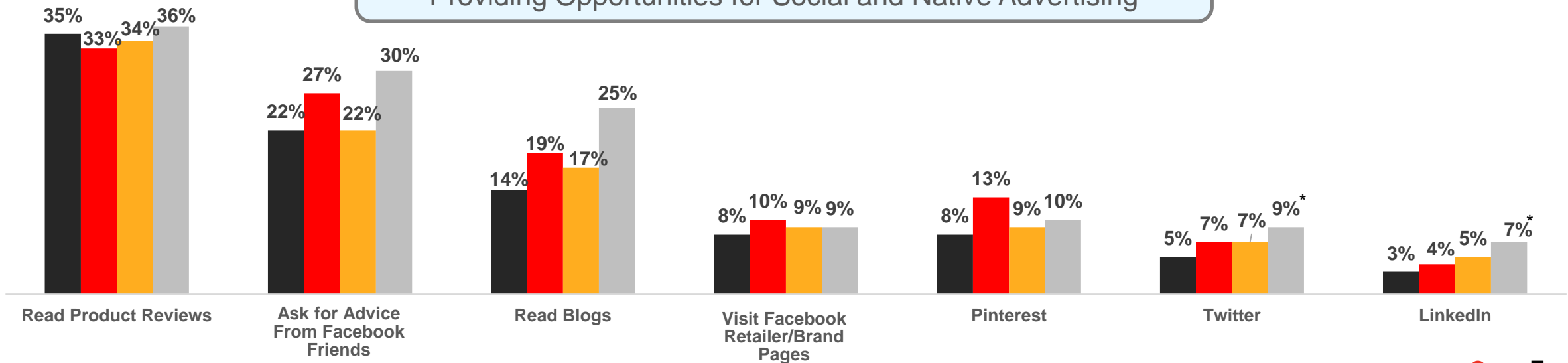
- Asian Americans much more likely to seek product advice by reading reviews, asking Facebook friends and reading blogs
- Hispanic Americans more likely to seek product advice by asking Facebook friends, reading blogs and Pinterest
- African Americans more likely than the general population to seek product advice by reading blogs

How Seek Product Advice Before Purchasing

How do you seek advice from others about products and services before buying? (Check all that apply)

■ US Adults 18+ ■ Hispanic A18+ ■ African American A18+ ■ Asian American A18+

Multicultural Consumers Seek Purchase Advice Online, Providing Opportunities for Social and Native Advertising

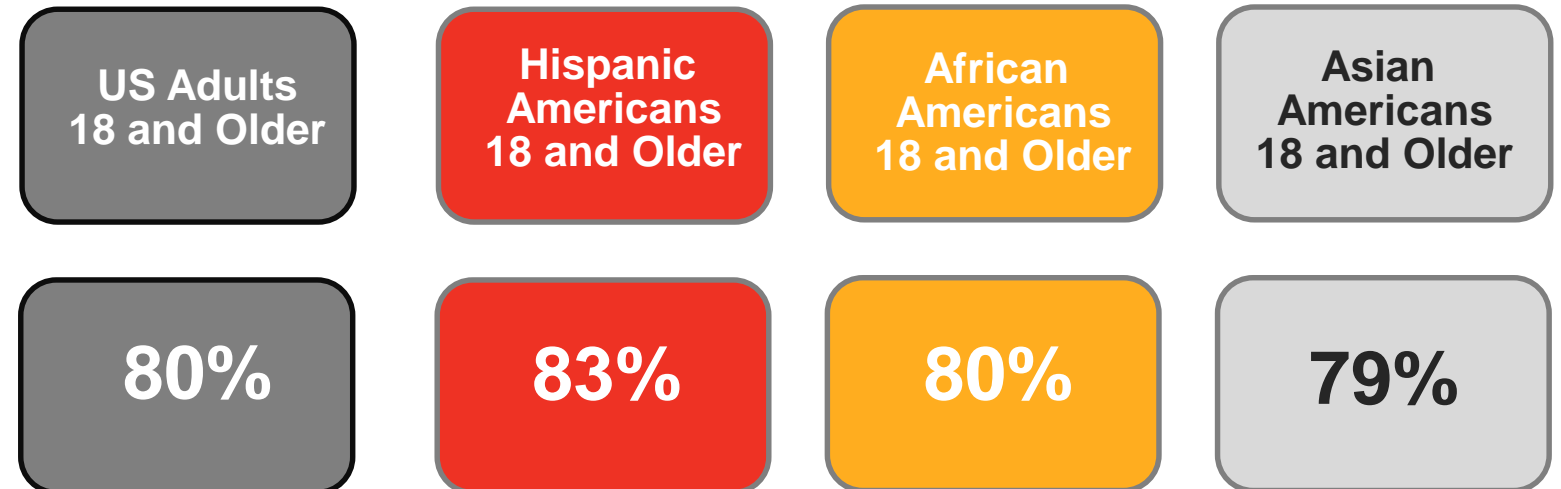


In Turn, 8 in 10 Consumers Give Product Advice

- Hispanic Americans more likely to give product advice
- Asian Americans are most likely to seek product advice and Hispanic consumers are most likely to give advice

*Do you give advice to others about products or services you have purchased?
(Regularly means routinely, as a set pattern; Occasionally means no set pattern, as mood suits)*

**Give Purchase
Advice to Others:
(Regularly or Occasionally)**



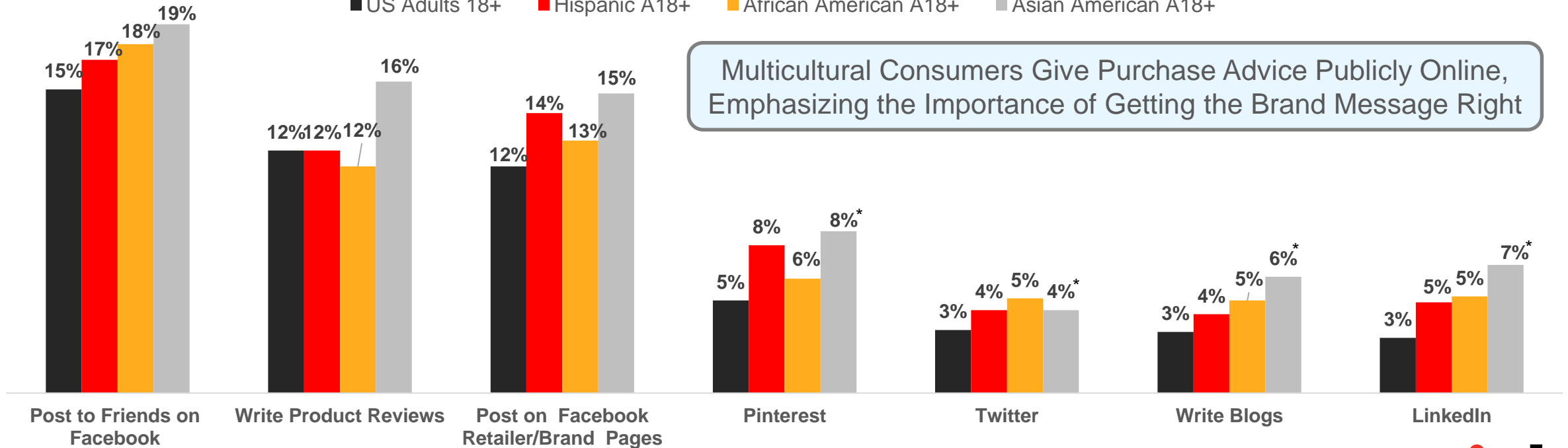
Multicultural Consumers Are More Likely to Give Product Advice Online in Public Forums

- Asian Americans are much more likely to give product advice by posting to Facebook friends, writing reviews and posting to Facebook brand pages.
- Hispanic Americans are more likely to give product advice by posting to Facebook friends and to Facebook brand pages.
- African Americans are more likely to give product advice by posting to Facebook friends and private means.

How Consumers Give Product Advice

How do you give advice to others about products and services you have purchased? (Check all that apply)

■ US Adults 18+ ■ Hispanic A18+ ■ African American A18+ ■ Asian American A18+



Multicultural Consumers Give Purchase Advice Publicly Online, Emphasizing the Importance of Getting the Brand Message Right

Multicultural Consumers Are More Likely to Communicate About a Brand After Searching

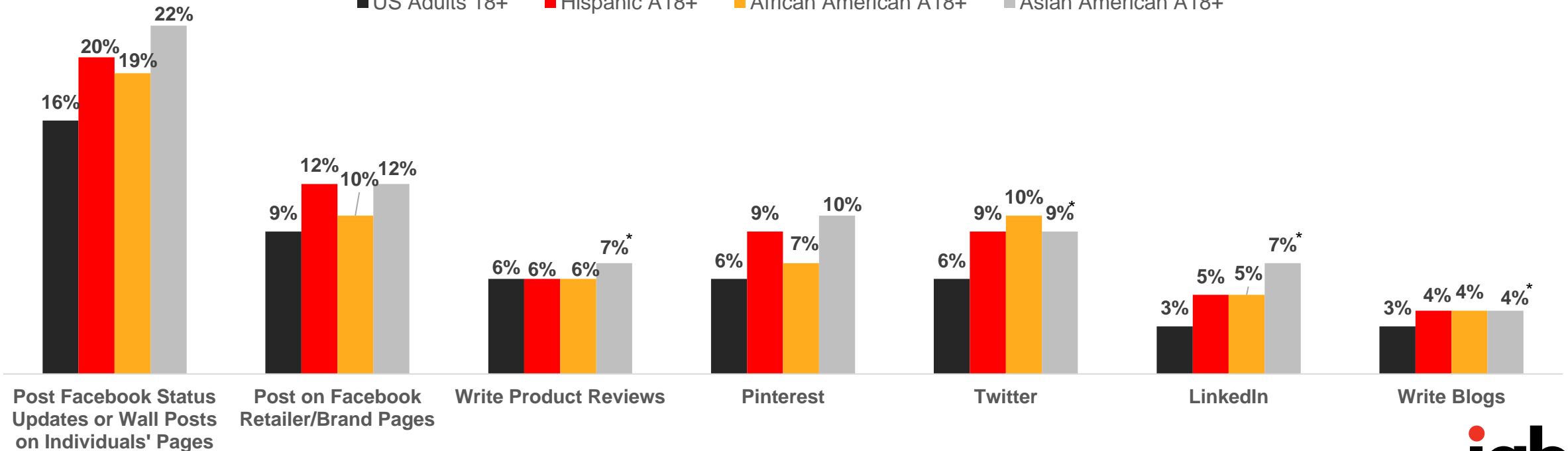
- Asian and Hispanic Americans are more likely to share info about a brand on social media after searching

Multicultural Consumers Share Product Info Publicly Online, Emphasizing the Importance of Getting the Brand Message Right

How Consumers Give Product Advice

After searching, how do you communicate with others about a service, product or brand? (Check all that apply)

■ US Adults 18+ ■ Hispanic A18+ ■ African American A18+ ■ Asian American A18+



Implications

Sharing, Social Media and Native Advertising

- **Multicultural consumers are more likely to both seek and give purchase advice. There are differences among these groups, for example, with Asian Americans more likely to seek product advice and Hispanic consumers more likely to share such advice.**
- **While many of these product recommendation conversations happen privately, especially among African Americans and the general population, some consumers have them in public forums like social media, brands' social media pages, product reviews and blogs.**
- **For example, Asian Americans are much more likely to seek and give advice on products by reading and writing product reviews and blog posts, emphasizing the importance of reaching these consumers in a way that translates positively in these proactive digital forums. Hispanic consumers are more likely to post on the Facebook pages of friends and brands, again emphasizing the importance of getting messaging to these consumers right.**
- **Savvy marketers can tap into these public conversations to influence brand perceptions and purchase decisions. Marketing to multicultural groups not only can have the added benefit of sharing positive brand information but it can also prevent the proliferation of negative reviews of brands.**
- **The case for social and native advertising to multicultural audiences is clear. The need for knowledgeable, appropriate marketing to these consumer groups is a necessity. Knowing and understanding both the commonalities and the differences among multicultural audience groups is key.**

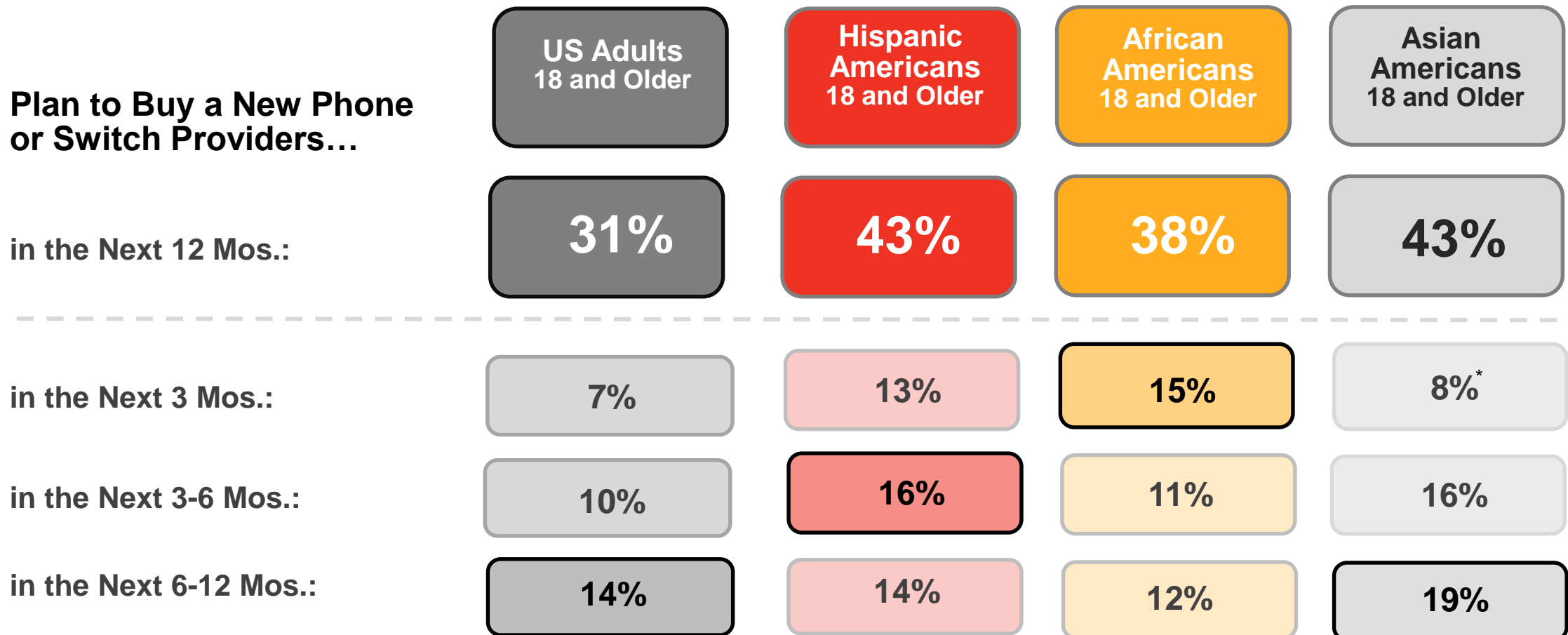
Appendix

Appendix

African Americans Are Most Likely to Have Near Term Plans to Change Phones or Providers

- Hispanic Americans more likely to plan a new mobile phone or provider in the next 3-6 months
- Asian Americans and Americans are more likely to be planning a switch in 6-12 months

Are you planning on getting a new mobile phone (Cell Phone or Smartphone) or switching providers...



Top Reasons for Switching Mobile Plans Vary Among Multicultural Consumers

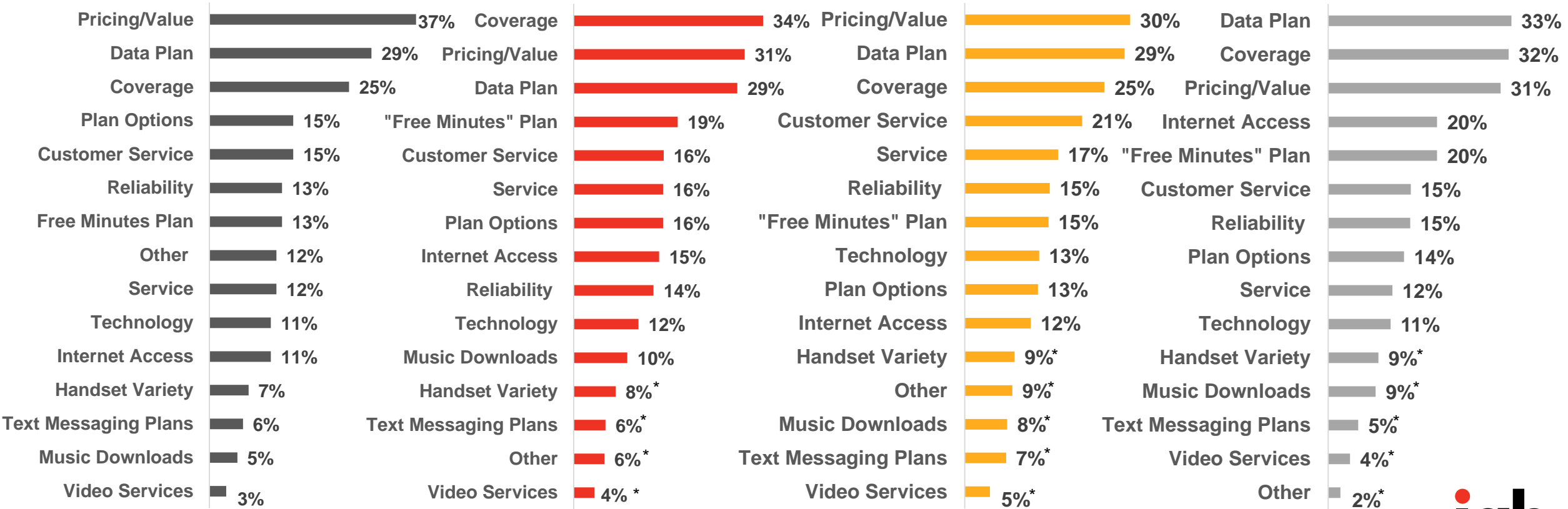
Planning to Switch Service Providers: Why are you considering switching mobile phone service providers? I want better... (Check all that apply)

US Adults 18 and Older

Hispanic Americans 18 and Older

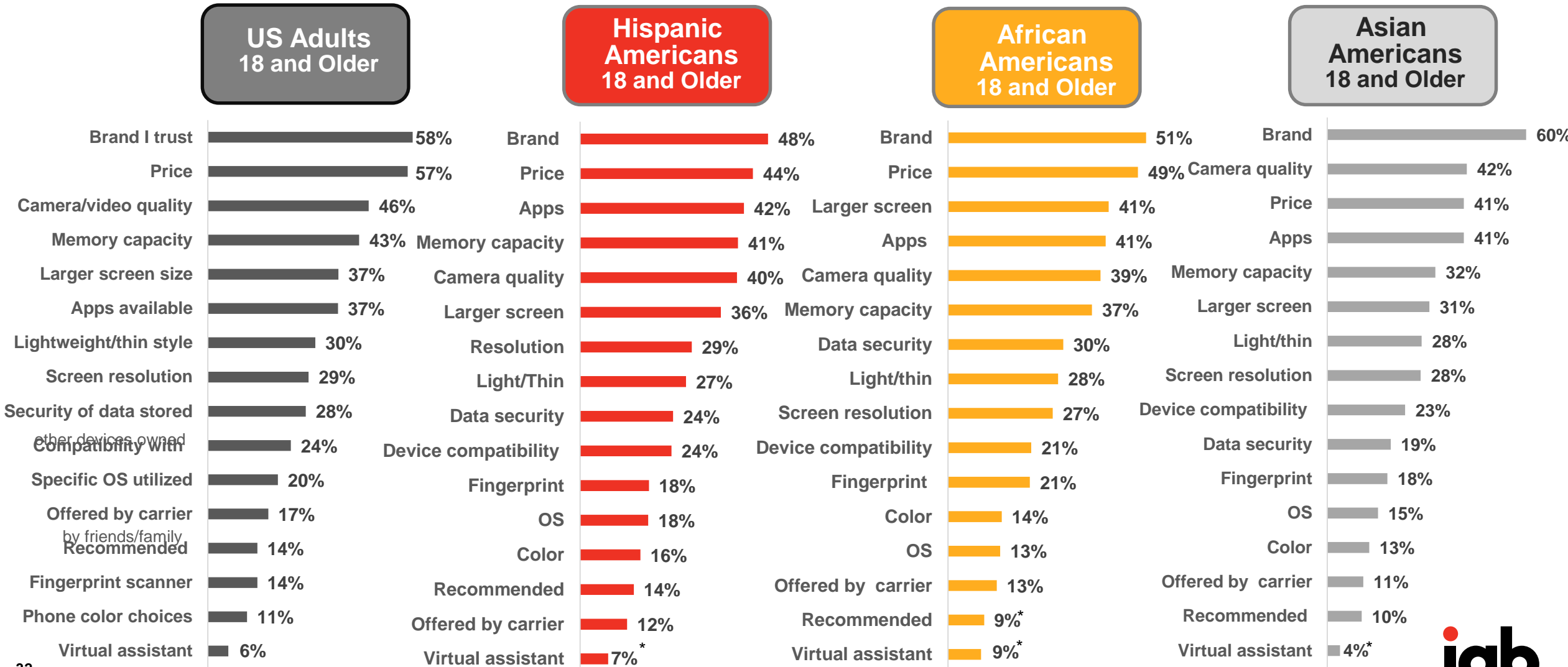
African Americans 18 and Older

Asian Americans 18 and Older



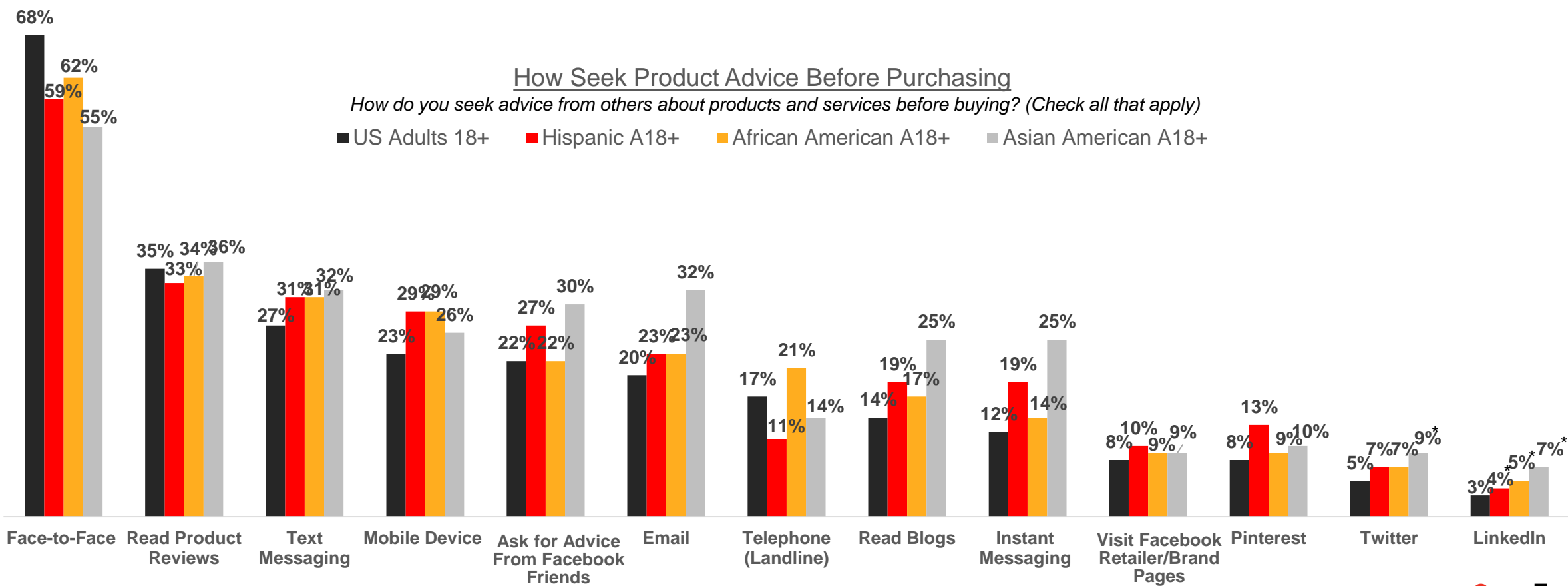
After Brand, Smartphone Attributes Vary in Importance Among Multicultural Groups

Considering Smartphone: Which of the following Smartphone features or attributes are most important to you as you consider a Smartphone purchase? (Check all that apply)



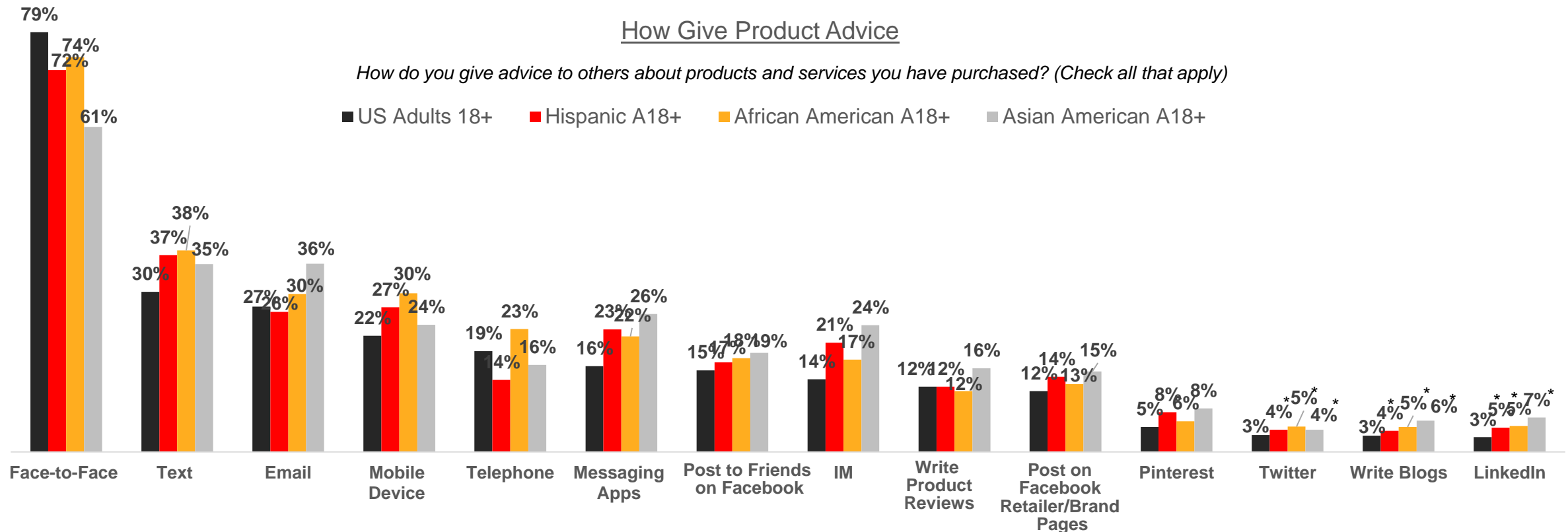
Many, Especially Multicultural Consumers, Seek Product Advice from Others

- Many seek advice privately: Face to face, Text, Mobile, Email, Phone, IM
- However, many also seek product advice in public forums: Product reviews, Facebook friends, blogs, Facebook brand pages, Twitter, Pinterest, LinkedIn



Many, Especially Multicultural Consumers, Give Product Advice

- Most product advice is given by private methods: Face to face, Text, Email, Mobile, Phone, Messaging
- However, product advice is also given in public forums: Posting to Facebook friends, writing product reviews, posting to brands' Facebook pages, Pinterest, Twitter, blogs and LinkedIn





Media Influence on Telecom Purchases Among Multicultural Audiences

Questions?

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