EXPANDING THE REPRESENTATION OF LATINOS IN MEDIA
A CALL TO ACTION
The Latino segment of the U.S. population signifies a large growth opportunity for media companies. Latinos—or persons of Dominican, Cuban, Mexican, Puerto Rican, South or Central American or other Spanish culture or origin—comprise 57 million Americans translating to more than $1.3 trillion in buying power. A country of this size would be the world’s 14th largest economy ahead of Spain and approximately equal the gross domestic product (GDP) of the Russian Federation or Australia.

Latinos are also the fastest growing segment of the U.S. population. From 2000 to 2015 the Latino population grew by 63% while the rest of the population grew by only 7.2%. This trend is expected to continue. The Latino segment is forecasted to grow at a rapid pace of six to eight million people—or approximately 10%—every five years. Comparatively, the rest of the population is forecasted to grow by one to two percent.

The size, growth and GDP impact of the Latino segment make it a highly attractive demographic for media companies and a significant opportunity for growth. However, despite the segment’s clear importance to the U.S. economy, Accenture analysis shows that Latinos are underrepresented in the media industry, particularly in the content that the industry produces.

This underrepresentation of Latinos is particularly acute among U.S. television series and feature films. Between 2011 and 2015 approximately one percent of TV series and feature films had Latino actors in the top 10 roles. The low number of Latinos cast in prominent roles in any year shows a missed opportunity to engage with this important consumer segment. With Latinos accounting for 17% of the U.S. population and only one percent of media roles, they are proportionately under represented by 94%. That means that for every Latino currently in a role there needs to be an additional 16 cast into prominent roles. This is a gap the media industry will need to work aggressively to close to ensure the content they produce will engage this important and growing demographic.

With an explosion of industry competition, the risk to media companies of not engaging the Latino segment is magnified. Studies show that Latinos in the U.S. will seek out content most relevant to them, through whatever channel it is offered. For example, more Hispanics watch YouTube than any cable network in the U.S. Hispanics more frequently turn to their smartphones to watch video than the general population. And, when watching video on smartphones, nearly one in two Hispanics look for video content that is culturally relevant to them.

A SAMPLING OF HIGH PROFILE ROLES
DESPITE THE GENERAL UNDERREPRESENTATION OF LATINOS IN FEATURE FILMS, THERE HAVE BEEN NOTABLE PERFORMANCES BY LATINO ACTORS IN LEADING ROLES WITHIN THE PAST YEAR. FOR EXAMPLE, GINA RODRIGUEZ PLAYED ANDREA FLEYTAS IN DEEPWATER HORIZON ALONGSIDE MARK WAHLBERG. ACTOR EDGAR RAMIREZ PLAYED ROBERTO ‘MANOS DE PIEDRA’ DURAN, ONE OF THE GREATEST LATINO BOXERS OF ALL TIME, IN HANDS OF STONE. AND, DEIGO LUNA PLAYED CAPTAIN CASSIAN ANDOR IN ROGUE ONE: A STAR WARS STORY, WHICH SURPASSED $1 BILLION IN WORLDWIDE BOX OFFICE SALES IN JANUARY, 2017.

THE ECONOMICS ARE CLEAR
Relevant content, quite simply, is content that is relatable to the Latino population—it addresses issues commonly faced by this segment of the population and, most importantly, it casts individuals from the segment into visible roles. Media companies know that relevant, relatable content drives viewership, which drives higher interest by advertisers and direct financial benefit to them.

The success of a few new and notable TV series that feature Latino cast members demonstrates the positive impact Latino representation can make in television. The same impact can be seen in feature films and movie attendance. Latinos purchase 25% of movie tickets though they comprise just 17% of the population. This translates to about $2.8 billion in box office sales. This proportion is expected to grow as other demographic groups show a trend of decreasing movie attendance.

Advertising spend is another category of benefit. Advertising spending in the U.S. has been very steady since the 1920s, averaging about 1.29% of GDP. This means that in 2020, when the Latino population will account for $1.72 trillion dollars in GDP, Latinos will represent $22.2 billion of total U.S. ad spending. This will also be the fastest growing segment, forecasted to grow GDP by another $300-400 billion by 2025, which equates to an additional six to eight billion dollars in ad spending.

PUTTING ANALYTICS TO WORK
Media companies compelled to pursue this lucrative demographic segment can take several steps to monetize the opportunity. The objective is clear: to effectively close the Latino representation gap in television and film. Building a deeper understanding of the interests and behaviors of the Latino segment can provide insights on how to best direct investments and maximize returns. Analytics can help media companies understand how digital Latino consumers behave and what they want, and identify the capabilities to target and serve them effectively. For example, video analytics can provide insights to:

- Understand the type of content to produce
- Provide more customized strategies to reach out to these customers
- Understand the viewing patterns of Latino customers and improve their engagement with content and services
- Maximize the effectiveness of advertising spend by understanding Latino customer profiles and the addressable population for specific advertisers
- Make content recommendations most relevant to specific Latino targets to drive up viewership and engagement

In the highly competitive and disrupted media industry, the Latino segment represents a very large and growing financial opportunity waiting to be captured. Organizations that are smart about creating content relevant to the Latino community and building enduring relationships with Latino customers stand to win big.

Accenture offers comprehensive video marketing and monetization services including analytics capability to help you create a data-driven approach to increasing Latino representation. We can help you understand your customer segments and their behaviors, identify the right content and execute a strategy to most effectively seize this opportunity. For a deeper conversation, contact: Greg M Leja.

AN OLD SHOW THROUGH A FRESH, NEW LENS

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v Accenture Analysis, based on media data purchased from Gracenote Inc., December 2016.


viii Accenture analysis, April 2017.