

# Measuring the new reality

Latin American media consumption is changing fast, with digital and mobile leading the way. We asked experts in several key markets what this means for both advertising and research.

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Just over a year ago media and marketing company Internet Media Services (IMS) declared mobile ‘the new prime time in Latin America’. Its report with comScore showed that nine out of ten people with an internet connection in Latin America also own a smartphone. Furthermore, those who own a smartphone spend more than 37 hours a week connected to the internet and only a little over seven hours a week watching TV (see box for more media stats).

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This year's ESOMAR Latin America Conference takes place in Buenos Aires from 15–17 April.

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**T**his shift away from traditional to digital media has consequences for market research as well as the advertising industry. The latter is growing rapidly in Mexico, tells Roberto Palacios of the Guadalajara-based marketing agency Creativos rd. “In Mexico, the advertising business is growing rapidly, as well as the media we communicate through to get to specific markets.” He sees the advertising sector becoming more competitive due to the increase of clients who need communication. Clients also demand integral solutions that assure effective results directly reflected on their business growth. “These results can only be achieved by planning effective and innovative strategies and by the correct media selection”, Palacios adds. The constant change in the markets, with a strong focus on advanced and innovative technologies, means that his company needs to keep updating in order to compete as an advertising agency.

#### **MULTI-SCREEN**

The most recent survey of the Mexican Internet Association (AMIPCI), shows that the level of internet penetration in Mexico is at 63% which is equivalent to 70 million internet users. Olga Espinoza, managing director of market research agency Acertiva in Mexico City, explains how media consumption has moved from traditional media to digital platforms. “New audiences consume information through social networks, chat and digital video.



**Roberto Palacios** works at Creativos rd in Mexico. **Olga Espinoza** is managing director of Acertiva in Mexico. **Patricio Pagani** is executive director at Infotools in Argentina. **Urpi Torrado** is ceo of Datum Internacional in Peru.

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majority now owning two devices or more, whilst using them at the same time; 31% say that they check social media whilst watching TV, 38% say that they are indifferent to advertisements, and only 34% react favourably to ads. “This is a challenge for advertisement”, says Torrado. “People avoid it or skip it, depending on the media.”

### TALENT

Mexican advertising companies need to be informed about general matters but specifically in what is coming next for the sector, urges Palacios. “Technologies, changes in consumer behaviour, new trends, media innovation; we need to know, understand and be ready to implement these in our strategies in order to stay competent.” The latter demands a steady stream of talent, which is a challenge to the country’s professional population, tells Espinoza, who is ESOMAR’s representative in Mexico. “Without a doubt, the most significant change that I see within advertising and media companies, are the new job profiles required to develop digital content and communications. There is a great demand for digital marketing professionals.” Much sought after are for instance community managers, web designers, content creators, search engine optimisation consultants, web analysts, and creatives.

In Argentina, the media and advertising companies have always been very innovative and creative, says Pagani. “While digital is perhaps not as pervasive as in developed markets, ad agencies have already adapted to the new demands from clients. We see international award winning campaigns and really creative approaches coming through.” Changing consumer behaviour is continuous in Peru and always one step ahead of the media and advertising companies’ capacity to react explains Torrado, who is the ESOMAR representative in the country. “New on-demand services

are offered by media but this is a huge problem for advertising. Advertising companies have to be more creative, consumer centric and innovative to find the way to reach these new and constantly changing consumers.”

### REAL-TIME

Keeping up with changing media and consumer behaviour is clearly quite a challenge for the research industry across the region. Argentina is no exception, says ESOMAR representative Pagani. “As usual, research is lagging behind in terms of capturing this new mix. Clients and agencies tend to say that the way we measure this new reality and the marketing mix is disconnected and siloed. They also feel that it doesn’t always give them useable insights at the speed that they would need in the digital world, in order to adjust the material in real-time.” He sees several company specific initiatives to capture the digital reality in Argentina, but nothing is done industry wide to bring services more in line with the new demands.

Whilst demand for insights is equally huge in Peru, Torrado spots similar challenges as Pagani. “The problem is that companies still don’t know how to use new methodologies and analytics. There is a conflict: trying to track traditional metrics whilst understanding how to use the new ones.” She adds that the region is very price orientated, with many companies trying to push prices down to the detriment of innovation and the use of new methodologies and resources. Nevertheless, as a

### Changing habits

Mobile internet advertising in Latin America is on the rise and projected to reach over US \$7.92 billion by 2019, according to *eMarketer’s Global Media Intelligence Analyses and Mobile Advertising Watch*. Although advertising investment in Latin America still focuses primarily on TV, with 40% of all ad revenue going to a few large broadcast companies, the audience has moved away, especially to mobile internet.

(source: *eMarketer*)



Their most used platform is the smartphone.” Argentina shows a similar development. According to the IAB (Interactive Advertising Bureau) digital represented 24% of the marketing spend in the country—up from 20 the previous year. “It is hard to find a brand that doesn’t consider digital as part of the mix”, says Patricio Pagani, executive director at market research analysis supplier Infotools, Argentina. “We are one of the most mature markets in Latin America when it comes to digital marketing strategies.”

In Peru, Urpi Torrado, ceo of Datum Internacional, confirms that media consumption is going through major changes. “Although TV is still the star, people find the latest news in social media first, then they look for more information in different media webs.” She adds that people are consuming less traditional media, especially newspapers and radio. At the same time, Peruvian consumers have gone multi-screen, with the

## Mobile takeover

The ad spend forecast for 2018 in 4 major LATAM markets illustrates the advertising industry's shift from desktop to mobile in most countries.

### BRAZIL

mobile	US \$ 2.330.000.000
desktop:	US \$ 1.690.000.000

### MEXICO

mobile	US \$ 1.160.000.000
desktop:	US \$ 687.000.000

### ARGENTINA

mobile	US \$ 744.000.000
desktop:	US \$ 717.000.000

### CHILE

mobile	US \$ 84.000.000
desktop:	US \$ 128.000.000

(source: eMarketer)

**“We are facing an inexhaustible source of information that is generated through digital media and platforms.”**

Big data is a clear example of this and is the biggest challenge in my opinion, as we need to analyse information that goes beyond a simple reading of what is happening. We are now expected to survey and produce usable content quicker than ever before—sometimes even within 24 hours.”

With the Mexican presidential elections coming up this year, she expects research and analysis to play a significant role; from following everything that is happening in the networks and the design of digital campaigns, to their exposure in the right platforms. “The research companies are now expected to offer a palette of services that go much further than supplying reliable numbers based on the enormous amount of data that is being generated and published. We also need to analyse the public's interaction with the digital media and convert that into content that really impacts the consumers and users.” **RW**

leading marketer Palacios says he has access to all the information he needs through the internet. “Especially in our sector it is very important to have all the data from different associations—updated and as complete as we can currently have.”

## ELECTIONS

In order to keep up to date with the rapid developments, Creativos rd uses various research sources. Depending on the information needed, the company consults AMAI, AMAP, IFT and IAB among others. For analytics, different sources are used, depending on the channel, tells Palacios. “The most helpful are Google Analytics for web traffic and adwords, Sprout Social for social, and Mailchimp and Benchmark for mailing analytics.” The growing influx of data, platforms and sources, can be daunting sometimes, admits Espinoza. “We are facing an inexhaustible source of information that is generated through digital media and platforms.



## Mobile facts & figures

### 414.4 million

The total amount of unique mobile subscribers in LATAM in 2016

### Top 3

The biggest mobile markets in LATAM in terms of unique subscribers are:

1. Brazil (118 million)
2. Mexico (88 million)
3. Argentina (39.9 million)

### US \$3.3 trillion

The mobile industry's contribution to GDP in LATAM (4.4% of overall GDP)—set to reach US \$4.3 trillion in 2020 (4.9% of GDP)

### 78%

The unique mobile subscriber penetration in LATAM in 2020—higher than that of APAC, the Middle East and North Africa and Sub-Saharan Africa

### 52%

Mobile internet subscriber penetration rate in LATAM for 2016—set to reach 64% by 2020.

(source: GSM Association, a trade body that represents the interests of mobile network operators worldwide)