

# Web Usage Among Hispanics In The South Florida Region

Pradeep Korgaonkar, (E-Mail: PRA616@aol.com), Florida Atlantic University  
Ronnie Silverblatt, (E-Mail: RZS910@aol.com), Florida International University  
Bay O'Leary (E-Mail: BayOleary@aol.com), Florida Atlantic University

## Abstract

*The establishment of LAOL by America Online to cater to the Hispanics in the U.S. attests to the growing importance of the Hispanic consumers to corporations. The Hispanic market in the U.S. offers promising and lucrative online business opportunities. Spain's Terra Network, one of the biggest online content and access providers in the Latin countries, has teamed up with New Jersey based IDT to provide access to U.S. Hispanics (Folpe, 2000). Sears, Roebuck & Company plans to offer Internet sales on its Spanish language website to take advantage of this growing market. Approximately, 13 million households and 2.3 million Hispanic small businesses are using the Web. Still, little published research exists documenting the evaluation and usage of Web by this growing segment of the US population. Applying the gratification and avoidance approach used in the prior studies of media usage and Korgaonkar and Wolin's seven-factor Web gratification model, the authors explore the Hispanic Web consumers' use of the Web. The gratification factors as well as demographic factors of the Hispanic respondents were studied in three usage contexts of the Web: (1) the number of hours per day spent on the Web, (2) the percent of time spent using the Web for business and personal purposes, and (3) if the subjects in the past 12 months made purchases or not from the Web. Multivariate discriminant analysis suggests that the gratification factors along with age, education, and income levels, are significantly correlated with the three usage contexts of the Web. The study results and implications for managers are discussed.*

## 1. Introduction

The recent estimates released by the U.S. Census Bureau show explosive growth in the number of Hispanics in the U.S. The U.S. Hispanic population has increased from 6 percent of the population in 1980 to 11.5 percent of the U.S. population in 1998. Today, the number of Hispanics in the U.S. is about 31.3 million. Although 9 out of 10 Hispanics currently live in only 10 states (CA, NV, AZ, CO, NM, TX, FL, NY, NJ, CT), the ethnic market is becoming more main stay as reflected in the fact that in the years from 1990 thru 1998 the Hispanic population more than doubled in states of Arkansas, Nevada, North Carolina, and Georgia. By the U.S. Census estimates in year 2010 the Hispanic population is projected to reach 43.7 million. No wonder, increasingly, the Latin culture has captured the attention of American business (Advertising Age, 1997, Whitefield, 1996). In 1998, U.S. companies spent \$1.7 billion dollars to advertise to Hispanics. A large proportion of the money was spent on television, but future dollars from these corporations will also be spent on the Internet. According to one estimate about 13 million U.S. Hispanic households are users of the Internet (Greenberg, 1999). A recent study sponsored by the Association of Hispanic Advertising Agencies (2000) states that 38 percent of 16 years and older Hispanics are regular users of the Internet. The study also estimates the U.S. Hispanic buying power of \$458 billion. Espanol.com, the first large scale Internet site for Spanish speakers surveyed 2000 U.S. Hispanics and reports that Hispanic shoppers spend an average of \$547 online (Direct Marketing, Mar2000). However, little is

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*Readers with comments or questions are encouraged to contact the authors via email.*

known regarding how and why Hispanics use the Internet. The purpose of the study is two-fold. First, to understand Hispanic consumers' motivations and concerns towards using the Web. Second, to seek significant relationships, if any, of the motivations, and demographics on Hispanic consumers' predilection for using the Web. In this study, we define Web usage in three contexts: 1) the number of hours per day spent by Hispanic respondents on the Web, 2) the percentage of time spent by Hispanic respondents for personal and business purposes on the Web, and 3) the purchases made from a Web business.

The World Wide Web, or the multimedia interactive component of the Internet, presents advertisers with opportunities and challenges, including the need for understanding Web users' attitudes and beliefs toward this new medium's advertising potential. It is estimated that today, fifty-five million people surf the Web (Green, Himmelstein, Judge, 1998), on-line traffic has been doubling every one-hundred days (Ingersoll, 1998), and a year of Internet time is measured as seven years of regular time (Arnold and Arnold, 1997). Although the Internet's growth has exploded, sales conducted via the Web were nearly nonexistent in 1994. However, by 1996, on-line sales increased to \$500 million, 1997 sales were \$1,500 million, and estimates for spending in the year 2000 exceed \$12 billion (E-Marketer, 1999, Kannan, Chang, Whinston 1998). Unquestionably, the burgeoning Internet has fast become an important new sales, distribution, and advertising channel for Hispanic commerce (Zbar, 1999). Next, we will review the relevant literature.

## **2. Literature Review**

### **2.1. Gratifications**

Although a few past studies have investigated the media habits of Hispanics little is known about how they view and use the Web. To get a better understanding of possible reasons and concerns of the Web users, we examined the past published literature on why people use the mass media and the gratifications derived from such use. Uses and gratifications has been studied extensively by several researchers in marketing as well as communication fields (e.g., Katz, Blumer, and Gurevitch, 1974; Rosengren, Wenner, and Palmgreen 1985; McGuire, 1974).

Contemporary researchers have applied the gratifications concept to the study of new technologies. Shaver (1983) conducted focus group interviews and found two gratifications related to cable television. They were "variety" and "control over viewing." The studies (Phillips, 1982; Waterman, 1984; Levy and Fink, 1984) on videocassettes suggested gratifications of choice, time, and mobility. Rafaeli (1986) found that users of electronic bulletin boards felt "recreation, diversion, and entertainment" as the principal motivations for use followed by "communications" and "learning what others think." In recent years, it has also been used to examine the audience experience associated with Web sites (Eighmey and McCord, 1998; Mukherji, Mukherji, and Nicovich, 1998). Finally, Korgaonkar and Wolin (1999) have successfully applied the gratification approach to understand the motivations for using the Web, upon which our study builds. In their study, Korgaonkar and Wolin (1999) report seven motivational factors impacting the usage of the Web. The factors are: Social Escapism, Transaction-Based Security and Privacy Concerns, Information Motivation, Interactive Control, Socialization, Nontransactional Privacy, and Economic. We chose Korgaonkar and Wolin's study for two reasons. First, the study had empirically validated measures as well as external validity as reflected in the similarity of findings reported by Stanford Professor Norman Nie and his colleague Professor Lutz Erbring of the Free University of Berlin (2000). Second, given the measures of gratifications were validated; the translations of the original survey into Spanish language was easier and minimized language oriented errors. We build upon their study to understand the motivations and usage of Hispanic consumers and hypothesize that motivations and concerns of Hispanic Web users will be varied and correlate significantly with the usage of the Web.

### **2.2. Four Demographic Factors**

We also expect the usage of the Web to vary based on the demographics - i.e., the characteristics of the audience. Each of the major media has unique capabilities and unique audience characteristics. Many estimates of the typical Internet users indicate that the user is more likely to be: male, well-educated, middle income, and middle-

aged or younger (Wang, 1998, GUV 1999). Although Hispanics are perceived to be a monolithic group ethnically, significant differences do exist due to demographic differences within the group leading to the differences in the use of the Internet. Hence, we hypothesize that Web usage will correlate significantly with the demographic factors of gender, education, income, and age.

As documented in the preceding literature, we expect the seven gratification factors along with selected demographics to correlate significantly with the consumer usage of Web. We hypothesize that first, the number of hours per day subjects spent on the Web will vary and correlate significantly with Hispanic subjects' seven gratification factors, and demographic factors. Second, the percentage of time spent for business purposes and personal purposes by Hispanic subjects will vary and correlate significantly with the subjects' seven gratification factors, and demographic factors. Finally, propensity to purchasing products or services on the Web by Hispanic subjects will vary and correlate significantly with Hispanic subjects' seven gratification factors, and demographic factors. The following section describes the methodology used to test the research hypotheses.

### **3. Methodology**

#### **3.1. Questionnaire Development**

The survey instrument included several statements designed to measure the participants' motivations and concerns toward the Web use. The survey also gathered additional information on the respondents' attitudes and beliefs toward Web advertising, the types of Web sites the respondents visit, and the regularity of the respondents' usage of various Web sites, e-mail, bulletin boards, and chat rooms. Additionally, we asked the respondents to compare Web advertising with other types of media advertising. Finally, we collected demographic information including gender, age, income level, occupation, education, and ethnicity. The data for the study was collected by personal interviews using English and Spanish language questionnaires. The English version was pretested and the validity as well as the reliabilities of the constructs was well established prior to its translation into Spanish. A bilingual translator first translated the surveys from English to Spanish. A second bilingual translator translated the Spanish version back to English to ensure the exactness of meaning between the two versions of the instrument. A few discrepancies between the two were resolved by a common agreement. The detailed discussion of the operationalization of the constructs follows the sample section.

#### **3.2. Sample and Data Collection**

The study sample consisted of 350 Hispanic consumers from the southeastern area of Florida. They were contacted on different days of the week and times of the day for their study participation. Given the nature of the study topic, only those who indicated they had used the Web were selected to participate in the study. Probability sampling for the project was difficult given that Hispanics tend to be more wary of participating in survey research than other ethnic groups for a variety of reasons. Concerns about participating in a study are exacerbated because of the fears that personal information could be used against them by immigration/government authorities as well as fears that unethical businesses will use the information to exploit them (e.g., Franco, Malloy, and Gonzalez, 1984). Hence, following the recommendations that survey of Hispanic population be conducted by persons familiar with the community and/or of similar background characteristics, including ethnicity, in a personal face-to-face situation (Martin and Martin, 1991) data for the study was collected via personal interviews. The respondents were given the choice of responding to English or Spanish questionnaire. The participants were drawn from an area with a total population of about 3.5 million residents. The area has two major English and one major Spanish newspapers, as well as four English major and two Spanish major TV stations. Although attempts were made to sample respondents to reflect the Hispanic profile of the community from which they were selected, two factors were inhibiting. One was the fact that we only were interested in those who had used the Web before. The second is common to all studies investigating the ethnic populations. In additions to the fears alluded to earlier, the lack of accurate listing of population, the presence of illegals, the practice of relatives living in a common household, all restrict the ability to select and administer probabilistic sample (Pl. see especially Martin and Martin, 1991, for a detailed discussion).

The sample consisted of an almost equal number of males (49.8%) and females (49.8%), with some college level education (41.1%), mostly under 40 years of age (80%), with income between \$20,000 and \$40,000 (36.4%). Of those who responded to the national origin question (n=201), The major responses were Cuba (28.9%), South America (21.9%), Latin America (21.4%), and Caribbean (19.4%). Compared to the demographic composition of the area, the sample was over-represented in terms of younger and college educated composition. This over-representation was not surprising since we surveyed only those consumers who had a previous experience with the Web.

### **3.3. Data Analysis**

**Operationalization of motivations and concerns towards using the Web:** The respondents' Web gratifications and concerns were measured using Korgaonkar and Wolin's (1999) seven-factor model. Each of Korgaonkar and Wolin's seven scale dimensions was operationalized in terms of three or four items. Respondents were asked to what extent they agreed or disagreed with each item on a five point scale with descriptive anchors ranging from (1) "strongly disagree" to (5) "strongly agree." Since we translated the items from Korgaonkar and Wolin's original study, we assessed the reliability and validity of the constructs. We factor analyzed the items with principal component extraction and varimax rotation. With eigenvalues of 1.00 or higher as the criterion, we found six factors accounting for 56.863% percent of the variance. By using a criterion of factor loadings of 0.30 or higher, we selected the statements pertaining to each factor. Table 1 is a summary of the factor analysis and reliability results. As the results indicate the constructs are very similar to Korgaonkar and Wolin's study except for one difference. This study has one factor accounting for what were two (transaction based versus non-transaction based) separate factors of security and privacy concerns in the original study. We were encouraged by the robustness of our measures given the nature of the differences in culture of the Hispanic population.

**Operationalization of Demographic Information :** The demographic information collected in the study included gender measured as (1) male, (2) female; occupation measured on a scale of (1) unskilled through (6) professional; education measured on a five point scale of (1) high school through (5) post graduate/professional training; age measured on a six point scale of (1) under 20 years through (6) over 60 years of age; annual household income measured on a six point scale of (1) under \$20,000 through (6) over \$100,000.

**Operationalization of Web Usage:** Finally, the dependent variable Web usage was conceptualized as an activity variable of three dimensions, and measured to capture the various degree and type of predilection toward Web usage as indicated by the respondents. The first usage variable captured the average amount of time spent per day on the Web on a five point scale of (1) zero hours through (5) more than four hours. The second usage variable captured the percentage (from zero to one-hundred) of estimated time spent on the Web for business and personal purposes. This variable was measured by asking the respondents to indicate the estimated percentage for each separately as an open-ended response. Third, a question related to purchasing on the Web was included: if the respondents had purchased merchandise or a service from a Web business in the previous twelve months measured as either a yes or a no. Thus, our analysis of usage is capturing three different activities of (1) overall usage, (2) business and personal usage, and (3) shopping oriented usage. The data were analyzed separately for each of the usage variables. Using the resulting six motivational and four demographic variables as independent variables and each usage factor as a dependent variable. The analysis of overall usage, business usage, and personal usage was carried out via step-wise multiple regression. The purchase from a Web business was measured as a dichotomous (Yes, No) variable and thus analyzed via the discriminant analysis.

**Table 1: Factor Analysis Results <sup>1</sup>**

<b>Factor 1 - Social Escapism Motivation</b>	<b>Loadings Eigenvalue</b>	<b>Reliability <math>\alpha</math></b>
	6.345	.8769
So I Can Escape From Reality	.830	
Because It Stirs Me Up	.674	
Because It Arouses My Emotions And Feelings	.739	
Because It Makes Me Feel Less Lonely	.756	
So I Can Get Away From What I Am Doing	.582	
Because It Shows Me How To Get Along With Others	.741	
Because It Helps Me Unwind	.642	
So I Won't Be Alone	.689	
<b>Factor 2 - Transaction Based Security And Privacy Concerns</b>	<b>Loadings Eigenvalue</b>	<b>Reliability <math>\alpha</math></b>
	3.599	.7891
I Am Worried About The Security Of Financial Transaction On The Web	.783	
I Am Concerned That My Personal Financial Information May Be Shared With Businesses Without My Consent	.775	
I Am Uncomfortable Giving My Credit Card Number On The Web	.610	
I Am Concerned Over The Security Of Personal Information On The Web	.730	
When I Send A Message Over The Web, I Feel Concerned That It May Be Read By Some Other Person Or Company Without My Knowledge	.602	
To Me, The Use Of The Web Will Be More Appealing If Proper Safeguards Were In Place	.649	
<b>Factor 3 - Information Motivation</b>	<b>Loadings Eigenvalue</b>	<b>Reliability <math>\alpha</math></b>
	2.780	.7667
Because It Gives Quick And Easy Access To Large Volumes Of Information	.722	
Overall, I Learn A Lot From Using The Web	.702	
So I Can Learn About Things Happening In The World	.692	
It Helps Me To Research A Company, Stock or Industry	.668	
Because It Makes Acquiring Information Inexpensive	.661	
<b>Factor 4 - Interactive Control Motivation</b>	<b>Loadings Eigenvalue</b>	<b>Reliability <math>\alpha</math></b>
	1.375	.7628
Because I Decide If I Want To Continue Scrolling Through The Sites Or Not	.692	
Because It Gives Me The Control Over What And When I Want To Use It	.826	
Because It Is Interactive	.692	
Because It is Thrilling	.571	
<b>Factor 5 - Socialization Motivation</b>	<b>Loadings Eigenvalue</b>	<b>Reliability <math>\alpha</math></b>
	1.129	.6946
When I Visit My Friends We Often Use The Web With My Friends	.737	
It Gives Me Something To Talk About Later	.739	
	.341	
<b>Factor 6 - Economic Motivation</b>	<b>Loadings Eigenvalue</b>	<b>Reliability <math>\alpha</math></b>
	1.262	.5744
I Enjoy The Convenience Of Shopping On The Web	.745	
When I Want To Buy A Big-Ticket Item, I Use The Web To Search For Bargain Prices	.719	
Because It Saves Money	.326	

<sup>1</sup> 56.863% of the variance is explained in this factor analysis.

**4. Results**

**4.1. Hours Spent Per Day On The Web**

A multivariate stepwise regression analysis was carried out using the number of hours spent on the Web as the dependent variable and the six motivational and concern factors and the four selected demographics as the independent variables. Missing values of the variables were replaced with the mean values. The results are shown in Table 2. The regression function for this usage variable was significant ( $p < .001$ ). Three out of ten discriminating variables were found to be significant at a level of .05 or better. The significant variables were socialization motivation ( $p < .001$ ), information motivation ( $p < .05$ ), and gender ( $p < .05$ ).

The results for the significant variables indicates that compared to those who spend an hour or less per day on the Web, the heavier user of the Web is more likely to: find the Web useful for acquiring useful information in a quick and inexpensive way, enjoy talking to friends about different sites and use the Web with friends as a social activity, and find gratification in using the Web to shop for “good” prices conveniently, especially for big ticket items. Finally, the more frequent users of the Web are more likely to be male than their counterparts who used the Web less frequently. The results are shown in Table 2.

**Table 2: Stepwise Regression: Number of Hours Spent Per Day on the Web**

<b>Summary of Fit</b>	
<b>Independent Variable</b>	<b>Significance</b>
Information Motivation	.05
Socialization Motivation	.001
Gender	.05

**ANOVA\***

<b>Model</b>	<b>Unstandardized Coefficients</b>		<b>Standardized Beta</b>	<b>t</b>	<b>Significance</b>
	<b>Beta</b>	<b>Std. Error</b>			
Constant	1.766	.328		5.381	0.001
Socialization	7.4E-02	.018	0.224	4.143	0.001
Information	3.13E-02	.014	0.125	2.310	0.05
Gender	-.212	.094	-0.121	-2.242	0.05

\*F= 9.781 (3,317) significant at 0.001

**4.2. Business Purpose Web Usage**

The respondents were asked to indicate what percentage of the time spent on the Web was for business purposes. Again, a stepwise multiple regression analysis was undertaken with the percent time spent on the Web for business purposes as the dependent variable and ten independent variables. Missing values of the regression variables were replaced with the mean values. The results are shown in Table 3.

The resulting stepwise multiple regression function was significant at  $p < .005$  level. Two out of ten factors were found to be significant in correlating with the percent time spent for using the Web for business purposes. The significant variables were education ( $p < .05$ ), and income ( $p < .05$ ). Overall, the respondents who were heavier business users of the Web were better educated and came from higher income strata.

Table 3: Stepwise Regression: Percentage Of Business Web Use

Summary of Fit	
Independent Variable	Significance
Education	.05
Income	.05

ANOVA\*

Model	Unstandardized Coefficients		Standardized Beta	t	Significance
	Beta	Std. Error			
Constant	8.809	5.775		1.525	0.128
Income	3.078	1.333	0.132	2.310	0.05
Education	3.653	1.638	0.128	2.230	0.05

\*F=7.257 (2,318) significant at 0.005

4.3. Personal Purpose Web Usage

The respondents were asked to indicate what percentage of the time spent on the Web was for personal reasons. Once again, the responses could vary from zero to one hundred percent. As expected, the frequency distribution of the responses indicated that the respondents favored the personal use of the Web more so than the business use. Again stepwise multiple regression analysis with percentage time spent on the Web for personal purposes as the dependent variable and the ten independent variables was carried out. Missing values of the regression variables were replaced with the mean values. The results are shown in Table 4.

Table 4: Stepwise Regression Analysis: Percentage Personal Use

Summary of Fit	
Independent Variable	Significance
Economic Motivation	.05
Education	.05
Age	.05

ANOVA\*

Model	Unstandardized Coefficients		Standardized Beta	t	Significance
	Beta	Std. Error			
Constant	54.810	11.192		4.897	0.001
Economic	2.010	0.808	0.136	2.489	0.05
Education	-4.807	1.866	-0.141	-2.576	0.05
Age	-4.790	2.140	-0.123	-2.239	0.05

\*F=6.315 (3,317) significant at 0.001

The resulting multiple regression function was significant at  $p < .001$ . Three out of ten variables were significant at the .05 level. Thus, economic motivation ( $p < .05$ ), education ( $p < .05$ ), and age ( $p < .05$ ) were significantly correlated with the percentage of time spent surfing the Web for personal use. Compared to the light users, the heavier users of the Web for personal purposes were younger and less educated. These results are starkly in contrast to those who frequented the Web more for business purposes. The heavier user of the Web for personal reasons sought higher enjoyment from the Web for seeking economic features of the Web. These younger, less educated consumers enjoy performing a whole slew of economic tasks (e.g. looking for price deals) on the Web without leaving their room. No wonder shopping services such as e-Bay are popular with these Hispanics.

**4.4. Purchased Merchandise/Service**

The respondents were asked to indicate if they had purchased merchandise or services from a Web business in the previous year. The differences between those who had purchased a product or service and those who had not were analyzed via multivariate discriminant analysis. The six motivational and concern factors and the four selected demographics were used as the discriminating set. The sample was split in half and the resulting discriminant function was cross-validated using the holdout sample. Missing values of the discriminating variables were replaced with the mean values. The resulting discriminant function was significant at  $p < .001$ . The cross-classification results indicated that the classification accuracy is significantly ( $p < .05$ ) better than by chance alone. The percentage improvement in classifications over the chance factor was 31.03. The z-test for proportional chance criterion rejects the null hypothesis ( $p < .05$ ) that classification accuracy is not better than chance. Six out of ten factors were found to be significant. The significant discriminating variables were: information motivation ( $p < .005$ ), interactive control ( $p < .05$ ), socialization motivation ( $p < .10$ ), economic motivation ( $p < .001$ ), education ( $p < .10$ ), and income ( $p < .10$ ). Those who purchased from a Web business were more likely to take advantage of convenience and low prices associated with purchasing on the Web, enjoy the information rich environment of the Web, and relish the interactive features and the socialization value of the Web. As expected, the Web users who have purchased a product or service from a Web business also enjoy the convenience of shopping for big-ticket items on the Web. Demographically, they are more likely to come from better-educated and higher income strata. The results are shown in Table 5.

**Table 5: Discriminant Analysis: Web Purchases Over The Past Year**

<b>Summary Of Fit</b>				
<b>Independent Variable</b>	<b>Significance</b>			
Social Escapism Motivation	.118			
Transaction Based Security And Privacy Concerns	.181			
Information Motivation	<b>.002</b>			
Interactive Control Motivation	<b>.012</b>			
Social Motivation	.074			
Economic Motivation	<b>.000</b>			
Gender	.589			
Education	.087			
Age	.281			
Income	<b>.052</b>			
<b>Test of Functions</b>	<b>Wilks' Lambda</b>	<b>Chi-square</b>	<b>df</b>	<b>Sig.</b>
1	.868	36.533	6	.000
<b>Cross-Validated Classification Results <sup>1</sup></b>	<b>Predicted Group Membership Of Subjects Who Purchased</b>	<b>Predicted Group Membership Of Subjects Who Did Not Purchase</b>		<b>Total</b>
Purchase	66.0%	34.0%		100.0%
Did Not Purchase	35.0%	65.0%		100.0%

<sup>1</sup> 65.5% of the original cases were correctly classified and 63.9% of cross-validated grouped cases correctly classified.



## 5. Discussion

### 5.1. Gratification Factors

**Social Escapism Motivation:** This motivation factor did not correlate significantly with the number of hours respondents spent on the Web daily, personal use of the Web. However it did correlate with purchases from the Web in last year. This indicating that the Hispanics use the Web to escape from reality and may be viable targets for marketers. Furthermore, users who are motivated by social escapism assert they use the Web to avoid loneliness.

**Transaction Based Security and Privacy Concerns:** Surprisingly, this factor *did not* correlate significantly with the Hispanic respondents' Web Usage. Understanding consumers' transaction based security and privacy concerns is paramount to recognizing the Web's potential. Hispanics are believed to be less trustworthy of institutions such as banks and government. We had expected that these feelings of mistrust combined with the lack of familiarity with the new technology of the Web would be a major concern leading to privacy issues. Perhaps, the aggressive stand taken by many e-commerce businesses in safeguarding consumers privacy is starting to pay off. The resolution of some of the security and privacy problems is already developing.

**Information Motivation:** The information motivation factor correlated significantly and positively with the respondents' number of hours spent on the Web per day, and if they made Web purchases in the past year. From a consumer perspective, the Internet's information role is its main legitimizing function, with free information exploding on the Internet ( Mukherji, Mukherji, and Nicovich, 1998). In order to cater to this gratification factor, the information provided must have quick and easy access. The information provided must also be relevant. The study results indicate that Hispanic respondents rely heavily on the Web to collect information. The use of the Web for personal reason may allow Hispanics to keep in touch with their US Latin culture. The responses to the question on the sites regularly visited reflect the information seeking gratification of the respondents. The frequent use of education and reference sites, arts and humanities sites, news sites, and career sites by the Hispanic respondents in our study provide further clarification of this motive.

**Interactive Control Motivation:** The interactive control motivation factor did not correlate with any of the Web Usage aspect studied in this report. This was surprising as one of the main features of the Web is its interactive nature. Web users have control over the presentation order of the information they view, the amount of information they view, and the style in which they view information (i.e., video, audio, pictorial, and text formats). This interactivity feature unique to the Web supports two-way communication between the firm and the user, without restrictions of time or geography. Hispanic Web users who enjoy the interactivity of the Web are likely to be surfers as well as purchasers of products and services from the Web.

**Socialization Motivation:** This motivation factor correlated significantly and positively with the number of hours respondents spent on the Web per day. The results indicate that those who use the Web with friends and as a part of their social routine are likely to make purchases over the Web. Frankel (1998) suggests that while users may initially use a site for its interactive features, it is the sense of community that keeps them there, which has implications for the marketer. Past studies indicate that Hispanics are more social and group oriented than non-Hispanics (Valdes and Sedane,1995). If marketers want to reach Hispanic users in particular Web sites, the Web site designers may consider building a sense of Latin community to promote firm offerings. The usage of Spanish as well as English languages in designing the sites will also enhance in satisfying the social reasons for using the Web. In the current study, the socialization motive is indicated by the use of web services such as e-mail. In fact e-mail is the most used web service by our respondents.

**Economic Motivation:** The economic motivation factor correlated significantly and positively with the hours per day respondents spent on the Web for personal reasons and purchases over the past year. Hispanic users who enjoy the convenience and money-saving attributes of Web shopping are likely to purchase from the Web. Selling products on the Internet can save companies as much as fifteen percent compared to selling through the regular channels. However, many companies are still reluctant to sell products at a lower rate on the Internet so as to

avoid alienating their sales force and distributors (Andres,1998). Nevertheless, the success of companies such as LatinoWeb.com and Terra.com suggests that opportunities exist for companies to cater to the economic incentives sought by consumers. In the current study, Hispanic respondents indicated their frequent use of web services related to shopping, and financial sites relating to the economic motivation.

## **5.2. Demographic Factors**

Although many consider Hispanics as a monolithic ethnic group variations do exist within the group in terms of their Web use. We considered the demographic factors of gender, education level, age, and income level. Gender correlated significantly and positively only with the number of hours spent on the Web. This finding suggests that Hispanic males are more inclined to use the Web than women. However, with respect to the purchases made, gender had no significance, implying that Hispanic males are more likely to be surfers than Hispanic females.

Education correlated significantly and positively with the percentage of business Web use and correlated significantly but negatively with the percentage of personal Web use, suggesting that subjects with higher education levels tend to feel more comfortable and knowledgeable about the Web, leading to higher use for business purposes.

Age is correlated significantly and negatively with the percentage of personal Web use. The results indicate that younger Hispanic Web users are more likely to be heavy users, spending more than half of their Web time for personal use. Income level is correlated significantly and positively with the percentage of business Web use, and if respondents made Web purchases over the past year. Subjects with higher household income are more likely to use their time for business purposes. The higher income household Web users are more likely to make Web purchases in which the frequency of purchasing increases with household income.

## **6. Limitations**


This study attempts to fill the void in the published literature on this important topic. However, there are a few limitations to be considered. First of all, because the sample consisted of Hispanics from the South Florida area, the results may not be generalized over the different Hispanic populations in other geographical regions. Future studies could benefit by expanding the sample to include more Mexican-Americans as well as by investigating differences if any between the Hispanic subgroups based on their ethnic/country of origin. Investigation of this large and profitable ethnic markets' needs and perceptions will benefit researchers and practitioners eager to unravel this new and different medium's potential.

Secondly, although we surveyed the Hispanic population based on the findings that the interviews be conducted by persons familiar with the community and/or of similar background characteristics, including ethnicity, in a personal face-to-face situation (Martin and Martin, 1991), the responses could have shown a bias if the respondents were providing responses that they thought to be socially acceptable or if there remained a language barrier since the respondents were mainly from Cuba, Latin America and South America. Further studies among different groups would show generalization of the constructs. In addition, as noted earlier, the lack of accurate listing of population, the presence of illegals, the practice of relatives living in a common household, all restrict the ability to select and administer probabilistic sample.

## **7. Conclusion**

The evolution of the Web has important implications for the way businesses perform marketing tasks. Interactive technology has the capability to change the way we do business in a variety of ways. The Web's future includes high fragmentation similar to what we have seen in television, radio, and print media. Much like CNN delivers information, ESPN delivers sports, and The Home Shopping Network delivers shopping goods, the Web is beginning to fragment. America On-Line has launched LAOL, an on-line resource for Hispanics focusing on specific need of the growing Hispanic market. The recent successful launch of StarMedia, a leading Internet company catering to the Latin market (Schrage 1999) is another example. The future of the Web indicates further fragmentation.

The Internet may be used as tool for entrepreneurs to provide new services and opportunities to ethnic user groups. The findings of this study add significantly to our understanding of why and how Hispanic consumers use the Web. Thus, for practitioners and researchers alike, understanding why and how these consumers use the Web may be the key to unlocking the Web's capacity. Web has drastically changed the buyer-seller relationship, tipping the balance of power in favor of consumers, as the interactive feature of the technology puts the consumer in control. How the "new" consumers view the new medium and use it have a significant impact on the future of marketing to these consumers. The equality inherent in the Internet business technology is especially appealing to minorities such as Hispanics.

It is suggested that about 13 million U.S. Hispanic households and 2.3 million Hispanic small businesses are using the Web (Greenberg, 1999). The rate of increase in computer and Internet access continues to outpace the national average (Tomas Rivera Policy Institute, 1998). The attractiveness of the U.S. Hispanic market has lured domestic as well as foreign companies such as Spain's Terra Network to establish a significant presence in the U.S. (Beardi, 2000 and Folpe, 2000). This study documents Hispanic Web users' motivations and concerns in relation to different types of usage. It suggests that their motivations and concerns correlate significantly with the number of hours per day spent on the Web, the percentage of time spent on the Web for both personal and business purposes, and the users' purchasing behavior. Although the study asserts that Web users' behavior varies based on gender, education, income, and age, motivations and concerns also play a key role than demographics alone in determining subjects' actions with respect to Web usage. In sum, it is clear that practitioners and researchers need to pay more careful attention to the needs of the Hispanic Web users. Examining these needs may provide the means to understanding the under-utilized potential of the Web. 

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