



UNIVERSIDAD AUSTRAL

RESEARCH CENTER FOR THE
MEDIA & ENTERTAINMENT INDUSTRY
IN LATIN AMERICA

Media & Entertainment In Fragmented Societies

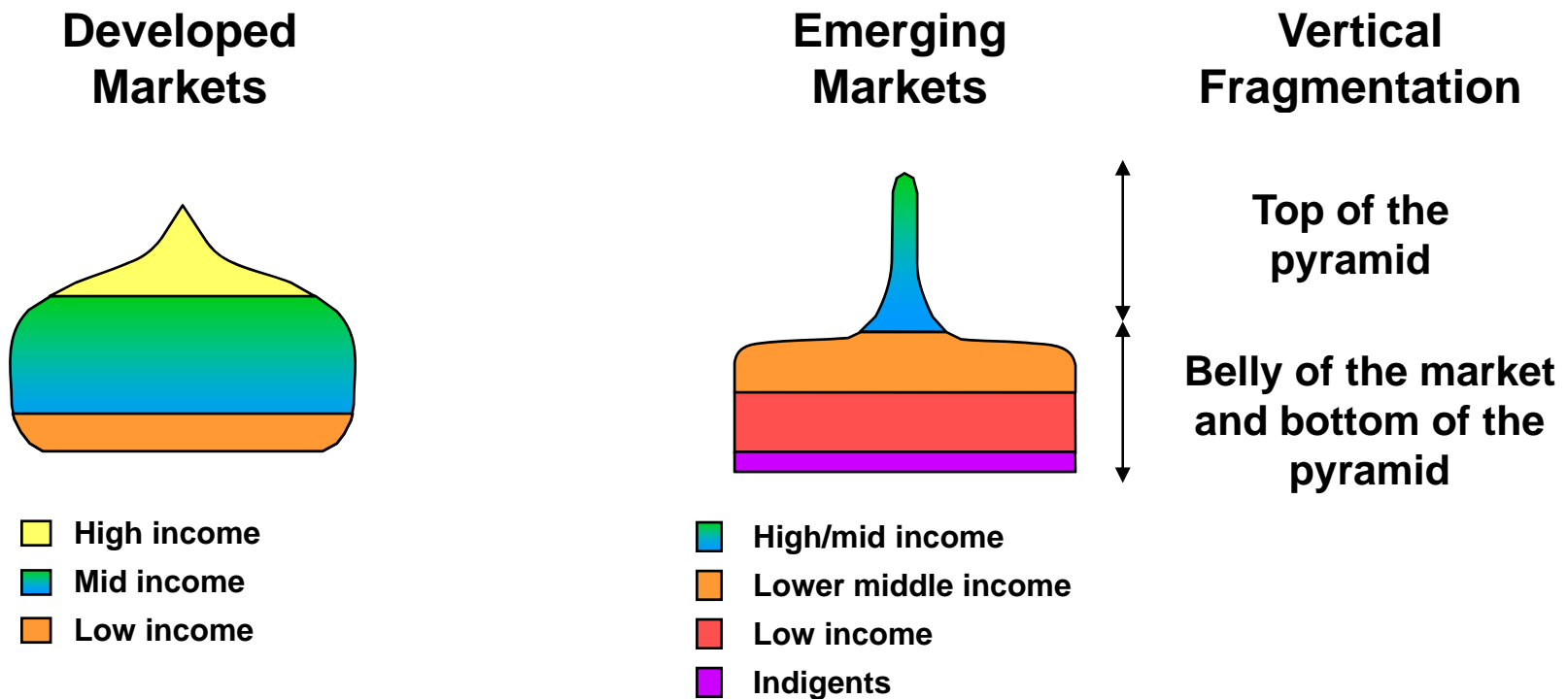
Evidence from Argentina and Brazil

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Motivation for this study

- We live in a vertically fragmented society



Motivation for this study

- **We live in a vertically fragmented society**

- **High-income segment is well known, but close to saturation**
- **Mid- and low-income individuals are our next consumers**
 - **We know little about them: their habits, their expectations...**
 - **How great is vertical fragmentation?**
 - **Is there horizontal fragmentation as well?**

Qualitative Study

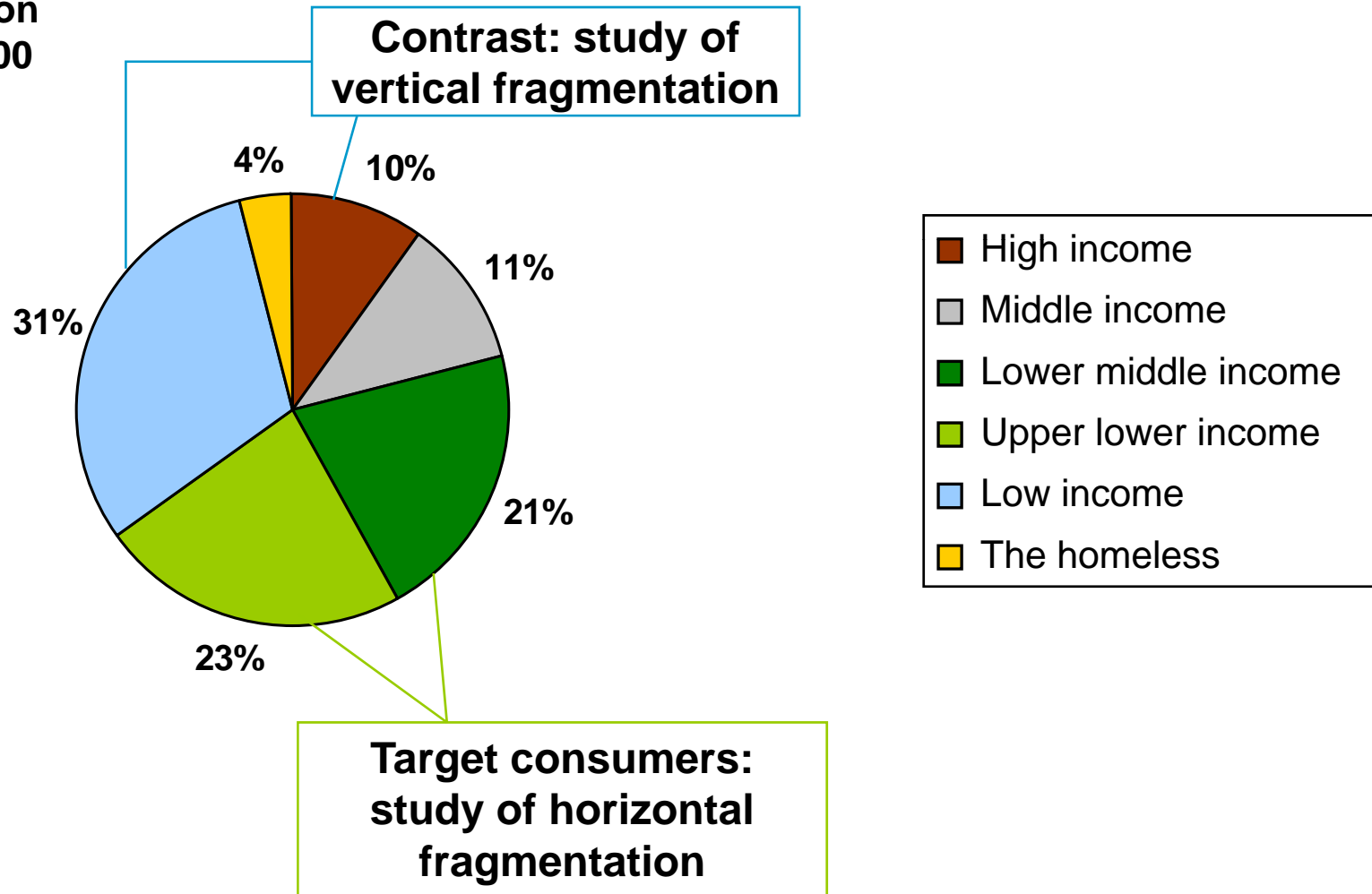


Goals

- To explore the **meanings** ascribed to the concept of entertainment
- To uncover the **ways** in which consumers in our target segments entertain themselves
- To understand the role **technology** plays in their world of entertainment
- To explore **aspirational wishes** and real vs. imaginary barriers associated with the world of entertainment they desire

- **Geography:** Buenos Aires (Argentina) and Sao Paulo (Brazil)
- **Technique:**
 - **12 focus groups with lower mid-income and upper low income individuals**
 - Young, single men and women aged 18-25 years
 - Adult men and women with children aged up to 12 years
 - Adult men and women with children aged 12-20 years
 - **12 individual interviews for contrasting purposes with high-income and low-income individuals**
 - Men and women in each sub-segment

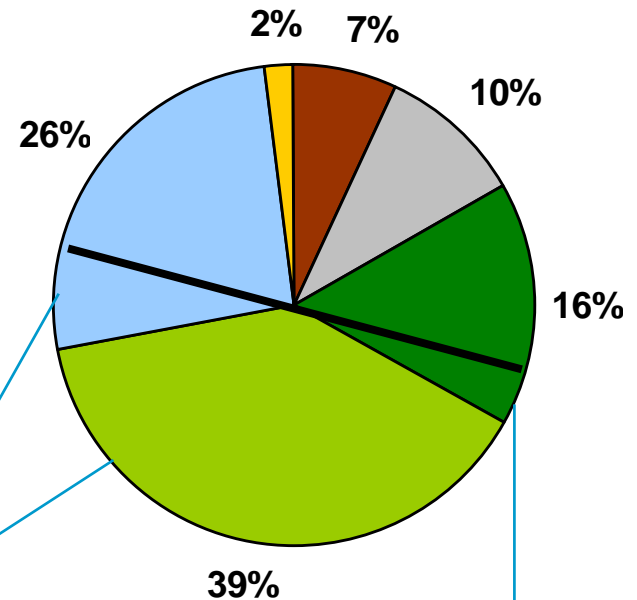
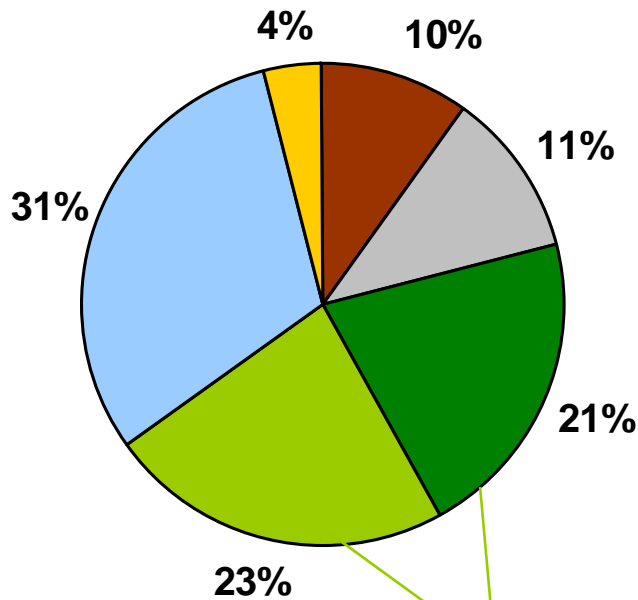
Argentina
Population
39,531,000



Methodology

Argentina
Population
39,531,000

Brazil
Population
187,150,000



- High income
- Middle income
- Lower middle income
- Upper lower income
- Low income
- The homeless

Target consumers

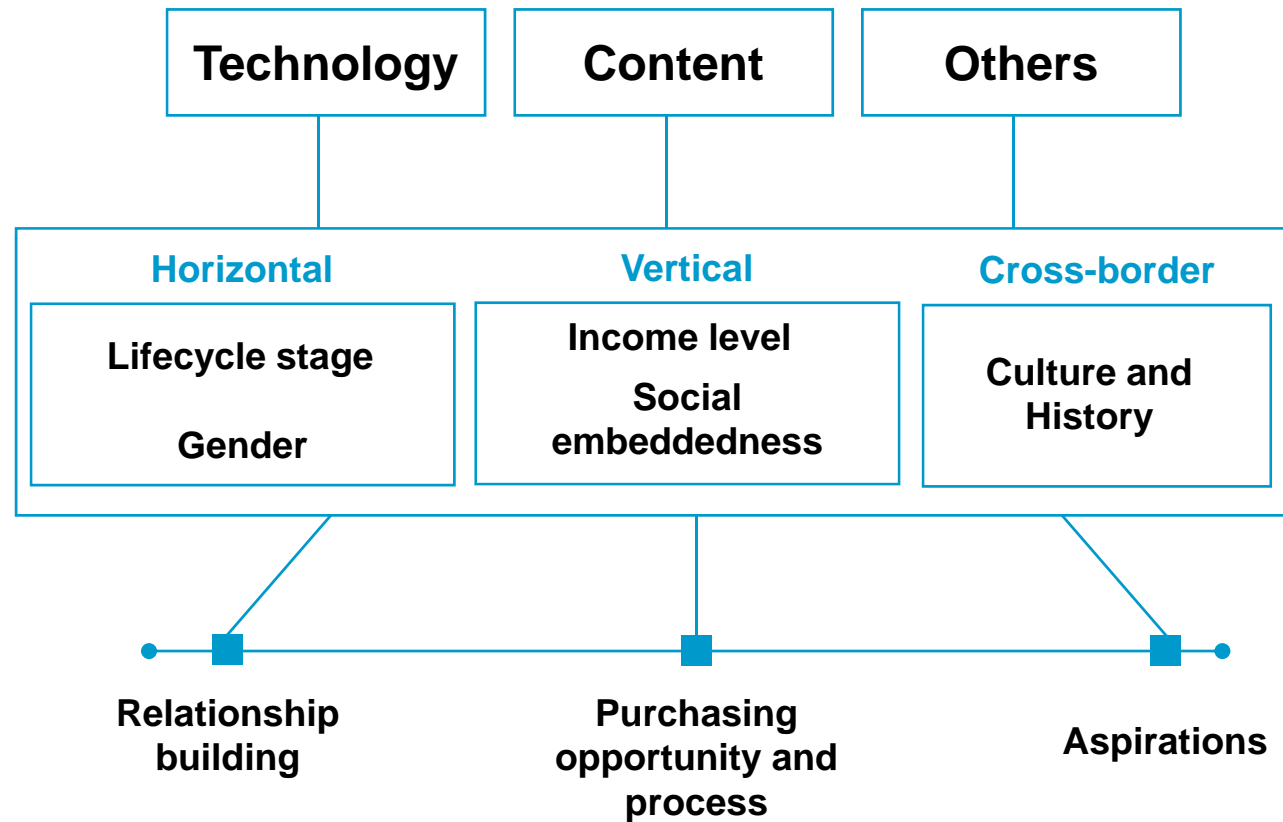
Contrast: same segment in Sao Paulo

Emerging Framework

The concept of entertainment: key activities

Conditioning factors to entertainment

Consumer behavior towards entertainment

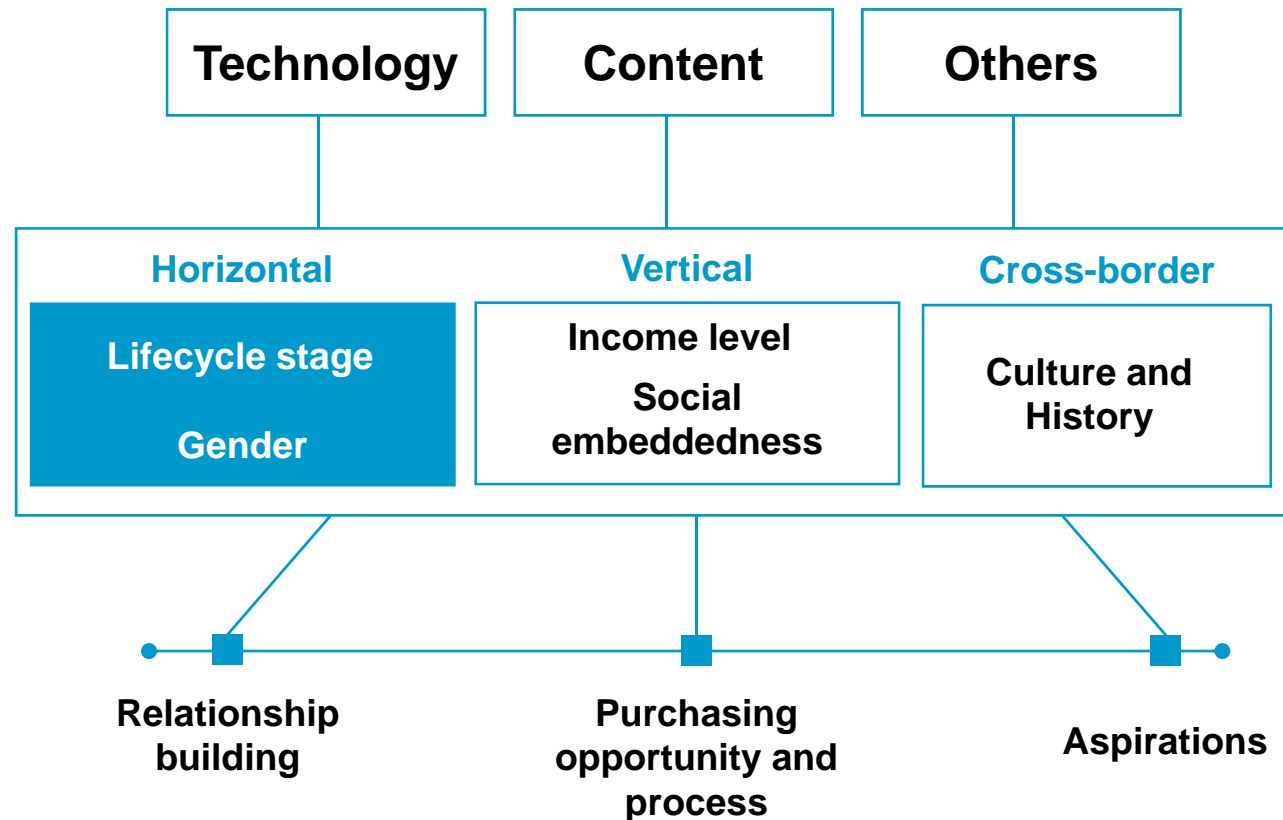


Emerging Framework

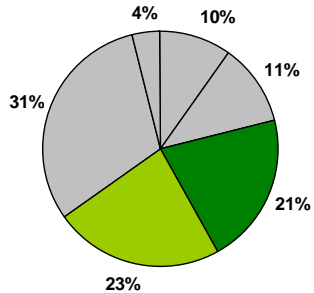
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The concept of entertainment



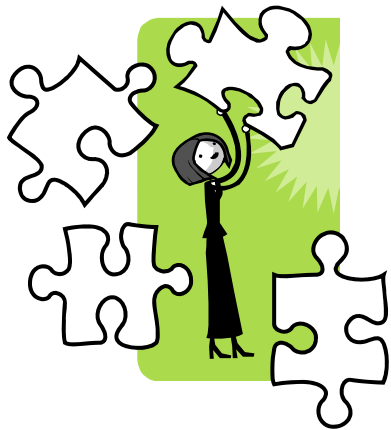
Target Consumers Argentina

- Spontaneous association to **activities**.
- Any activity taking place in a relaxed, enjoyable context may be deemed entertaining.
- Widespread concept: entertainment takes place during the **weekend**. Weekend feeling on days off work.

Horizontal fragmentation

Gender

Men and women show different traits in their relationship with entertainment



Entertainment options



Women seem to enjoy a broad **variety** of activities while men tend to focus on a **narrow selection**.



Familiarity with technology



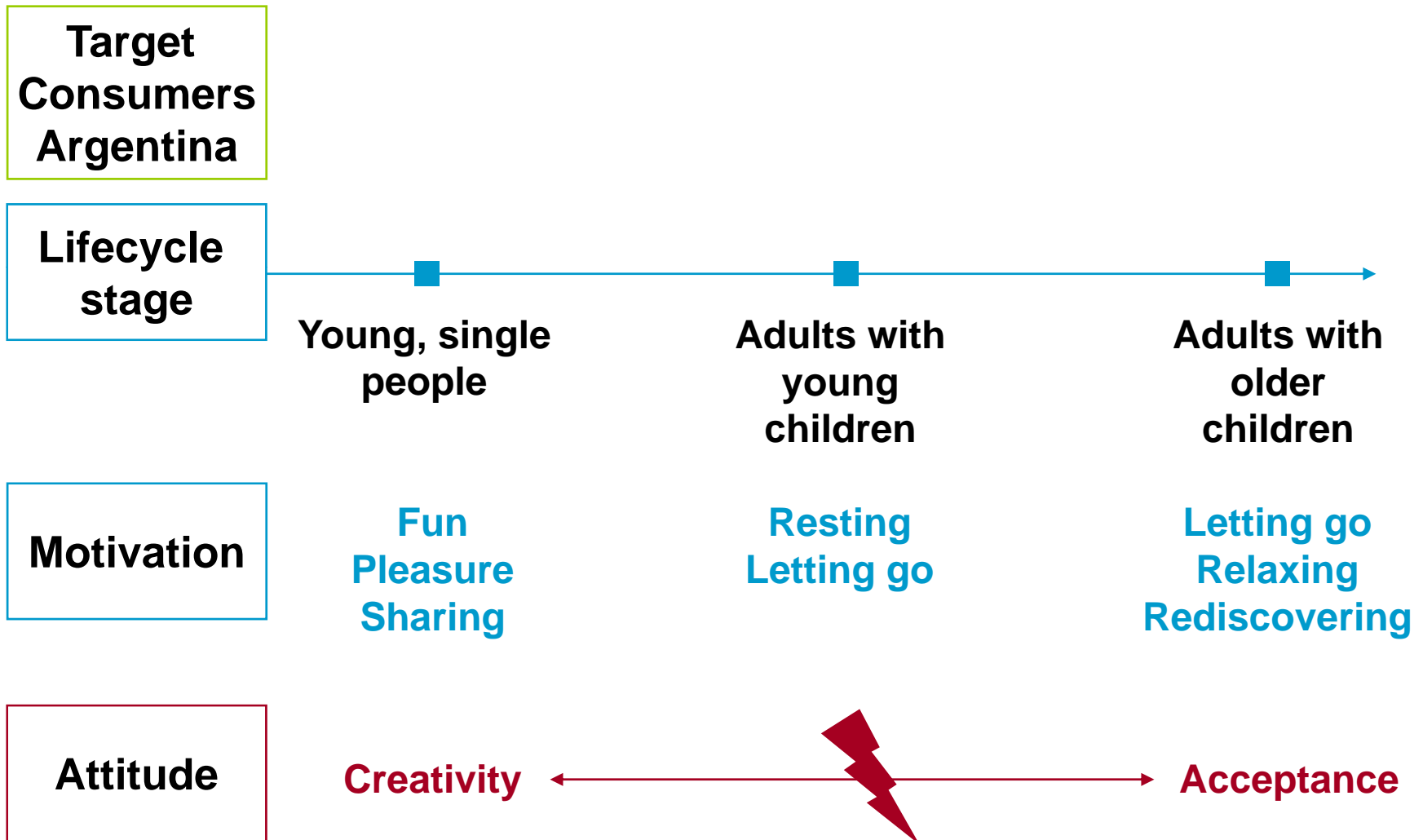
Men show a stronger attraction to **technology** than do women.

Aspirations



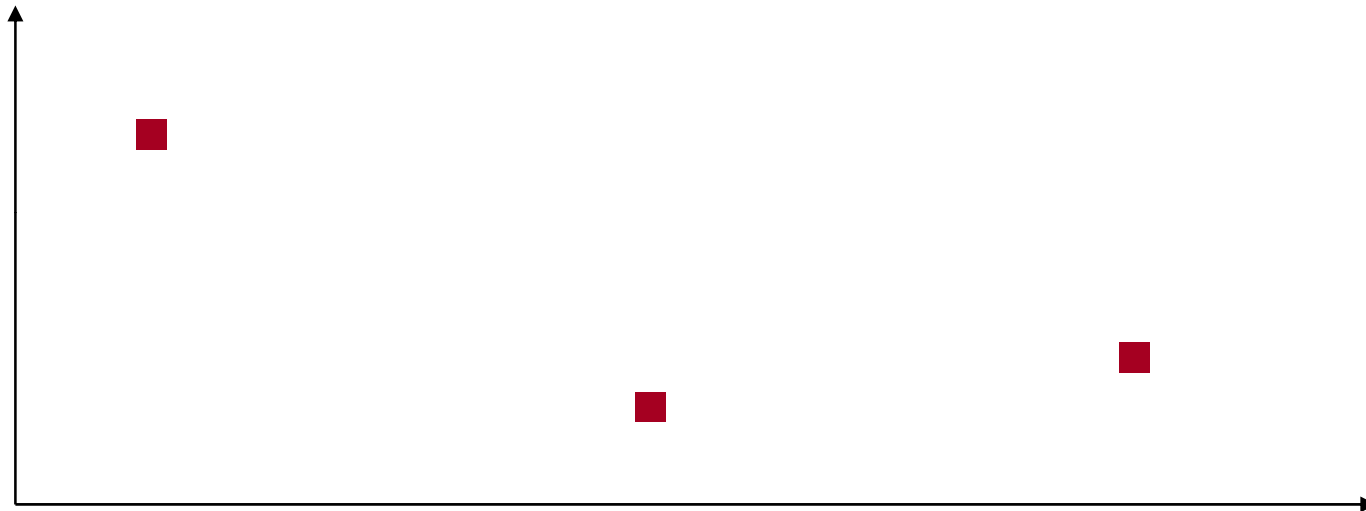
Men seem to look for entertainment options that will connect them to the **outside world**. Women wish to connect to their **inner world**.

Horizontal fragmentation Lifecycle stage



Horizontal fragmentation Lifecycle stage vis-à-vis Technology

Familiarity
with
Technology



**Young, single
consumers**

Daily
Mostly for men

**Parents of
children aged
0-12**

Absent
Restrictions
associated with
money and
knowledge

**Parents of
children aged
12-20**

Subsidized
Access and use
enabled by
children

Lifecycle
stage

A note on technology

Consumers often own...

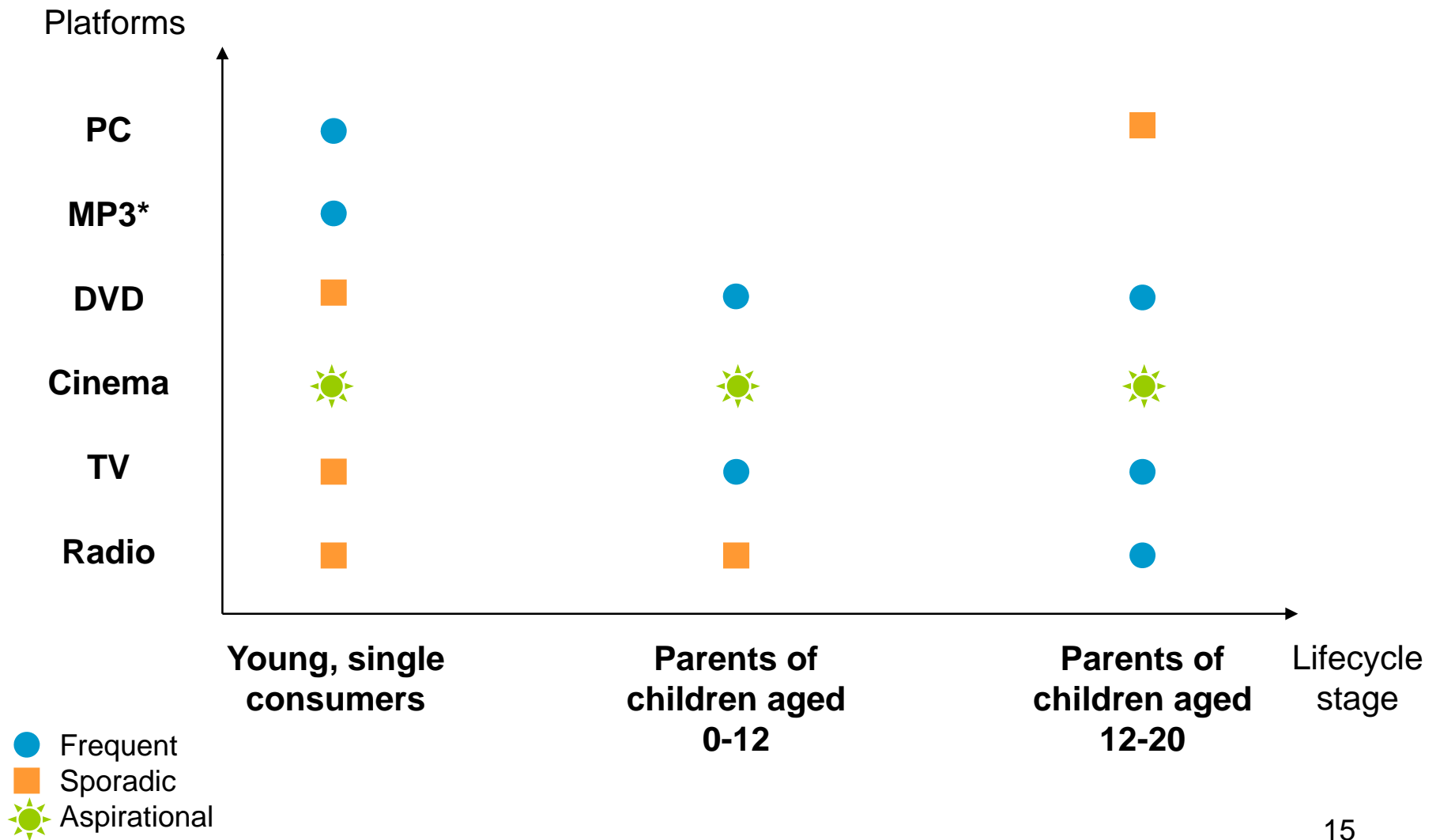
- Mobile phone
- MP3 player
- PC + Internet access (of their own or through cyber-cafés)

Consumers seldom own...

- Branded MP3 player
- Digital photo camera independent of mobile phone
- Playstation
- MP4 player

Technology tends to enter the home through the **children**.

Horizontal fragmentation Lifecycle stage vis-à-vis Content



*Both stand-alone and embedded in mobile phones

A note on content

Target Consumers

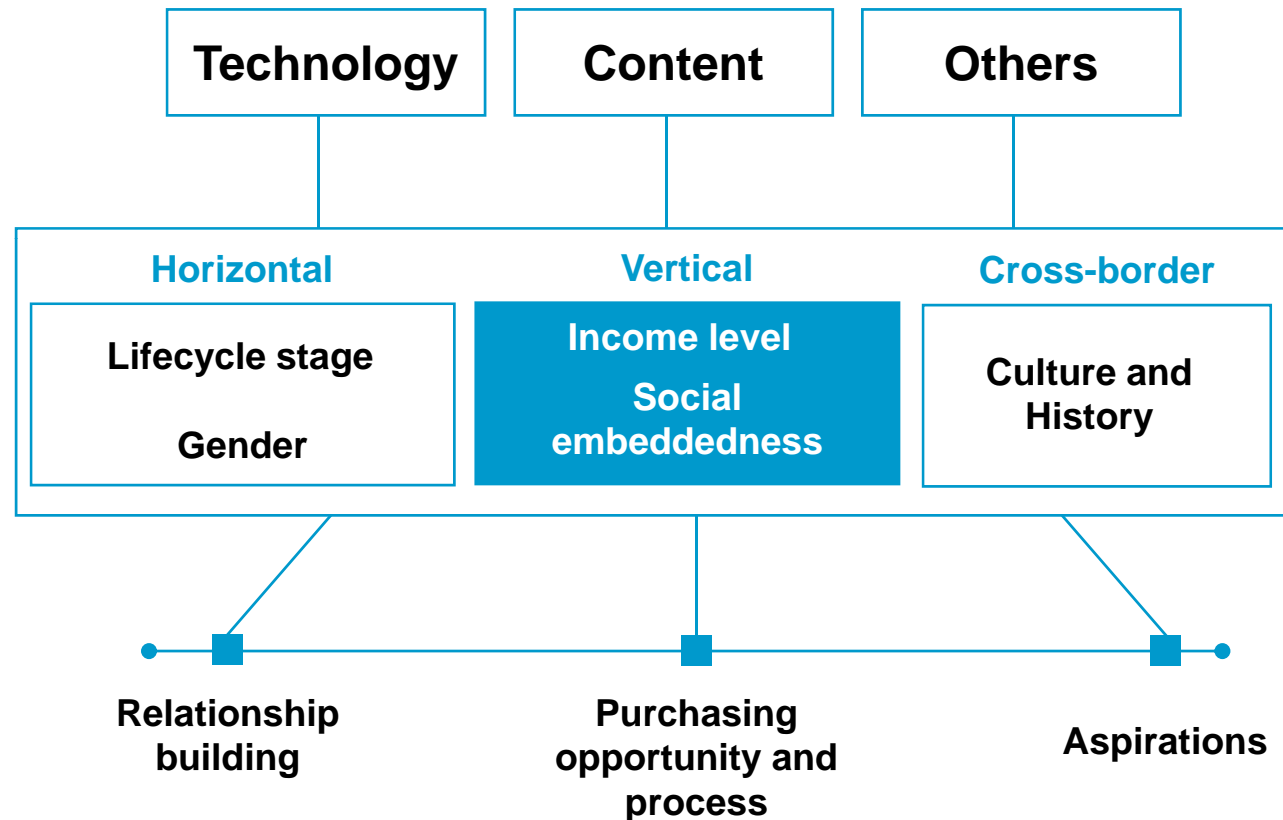
- **TV**
 - Families tend to own more than one TV set
 - Most homes have cable connections
 - Young people trade TV for PC
- **Video**
 - Habit of buying pirated copies of movies
 - Habit of exchanging movies with friends
 - Renting movies still popular
 - Young people download
- **Music: same content, different platforms**
 - Young people use PC, MP3
 - Parents use CD, radio. Children download for them
 - Aspiration: attending more concerts
- **Cinema: aspirational for men and women at all ages**

Emerging Framework

The concept of entertainment: key activities

Conditioning factors to entertainment

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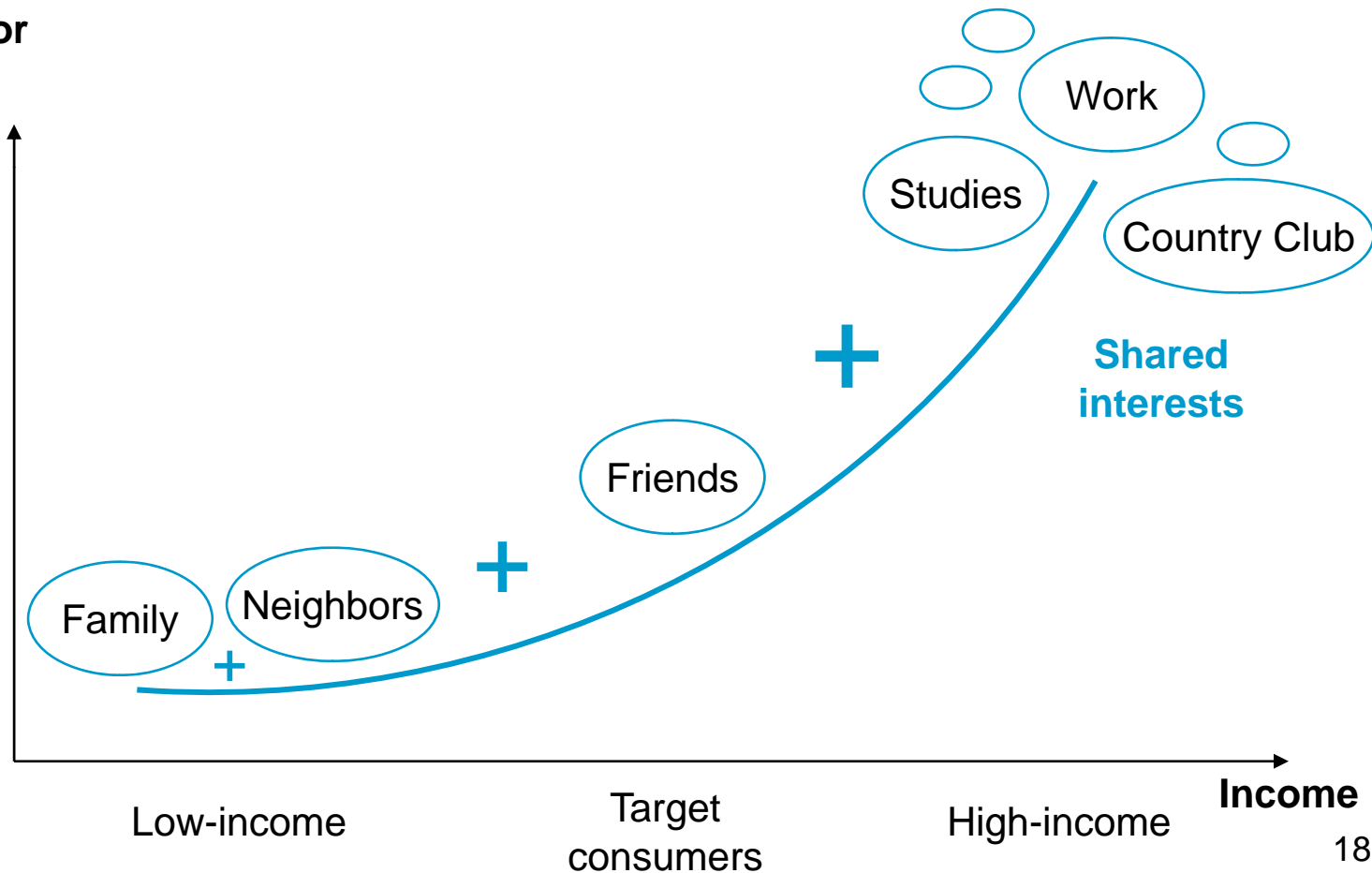


Vertical fragmentation

Social embeddedness

The variety and depth of the social circles in which consumers move affects their entertainment choices and aspirations

Social Circles for Entertainment



Vertical fragmentation

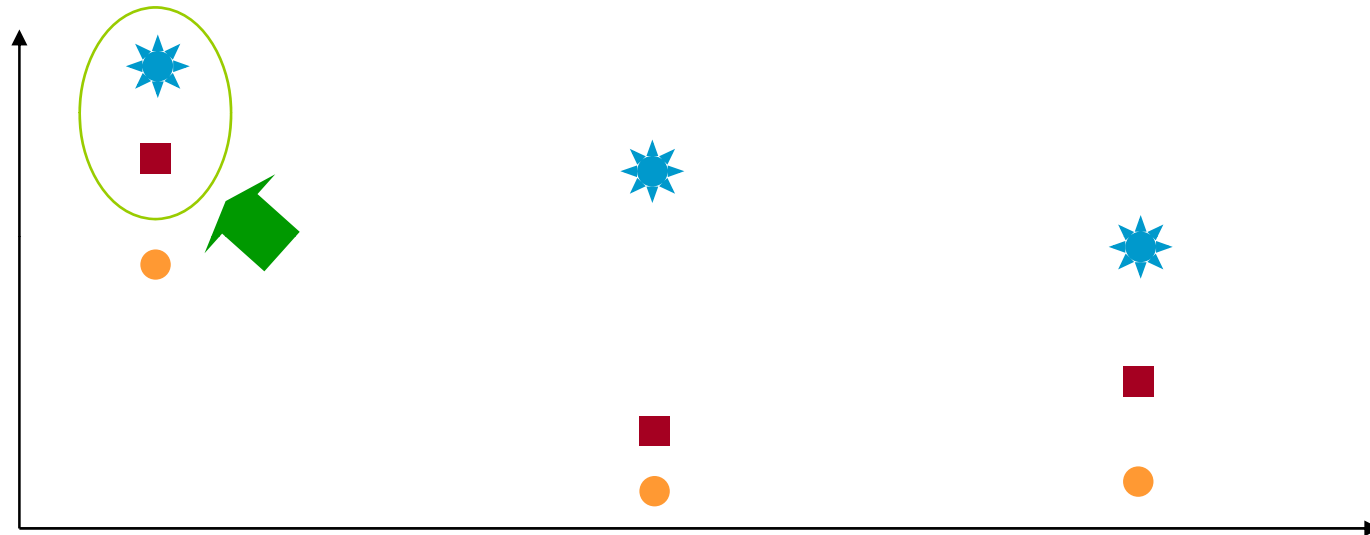
Income

Income level determines the complexity of entertainment experiences – and consumers' expectations towards these experiences



Vertical fragmentation Income vis-à-vis Technology

Familiarity
with
Technology



Young, single
consumers

Parents of
children aged
0-12

Parents of
children aged
12-20

Lifecycle
stage

- Low income
- Target consumers
- ★ High income

Vertical fragmentation

Income vis-à-vis Technology

High-income

- More emphasis on **brand** than on functionality (reference to iPod, not to MP3 player).
- All consumers have mobile phones, and some of them own more than once PC.

- More than one mobile phone per household – mostly owned by men and older children. Few PCs.
- Certain members of the family may not want to **share** the use of technology they have bought with their own money.

Low-income

Vertical fragmentation

Income vis-à-vis Content

High-income

- **TV:** experienced individually, without company.
- **DVD:** valid option but subject to more sophisticated cultural offerings (art openings, theater).
- **Cinema:** frequent activity.
- **Music:** MP3, live music, playing instruments.

- **TV:** most families own more than one TV set. Watching TV is a shared experience. Men and children tend to decide which shows are watched.
- **DVD:** few families own DVD players; VHS still dominates.
- **Cinema:** heavily aspirational.
- **Music:** predominantly at home, through the radio.

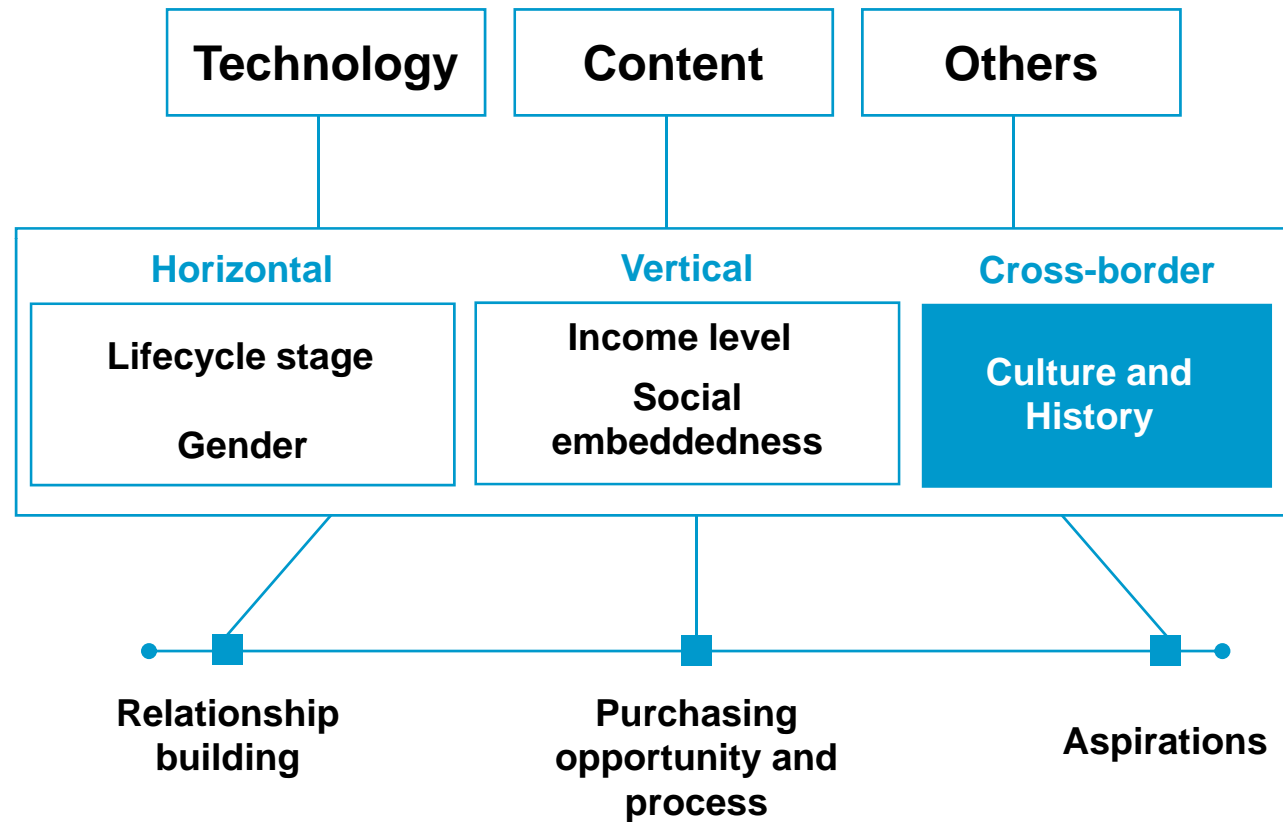
Low-income

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Cross-border differences

The concept of entertainment

Argentina

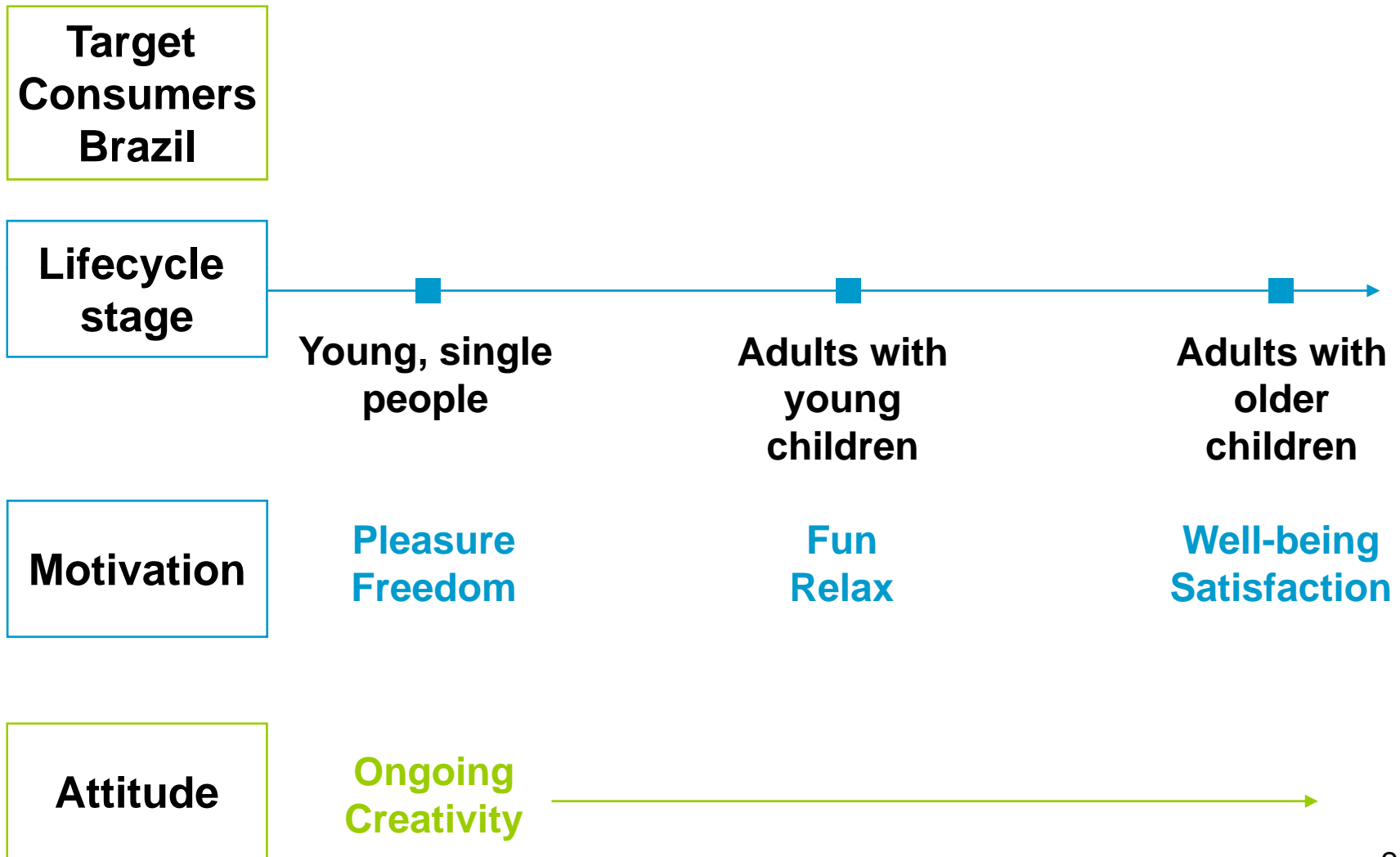
- Spontaneous association to **activities**.
- Any activity taking place in a relaxed, enjoyable context may be deemed entertaining.
- Widespread concept: entertainment takes place during the **weekend**. Weekend feeling on days off work.

Brazil

- Spontaneous association to **feelings**.
- Entertainment is linked to **well-being, quality of life, learning, and ecology**.
- Entertainment takes place during **weekdays and the weekend**.

Cross-border differences

Lifecycle stage



Cross-border differences vis-à-vis Technology

**Men in Sao Paulo seek to enrich their experience of technology,
but in adequate balance with other players in society**

- **Aspirational wishes strongly focused on technology...**
 - Unlimited Internet without social distinction: “everybody on line”
 - Videoconference and MP4 player on mobile phones
 - Easy access to music and movies
 - Educational games in 3D for children
 - Contacting people from all over the world
- **... but socially conscious:**
 - Respecting intellectual property rights by paying adequate dues
 - Keeping in face-to-face contact with people
 - Maintaining one’s privacy
 - Enjoying technology in peace and equality



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Back up

Who we are

- CIMEL is an initiative sponsored by IAE Business School and 3 leading M&E organizations



NOKIA



Disney



Telefonica

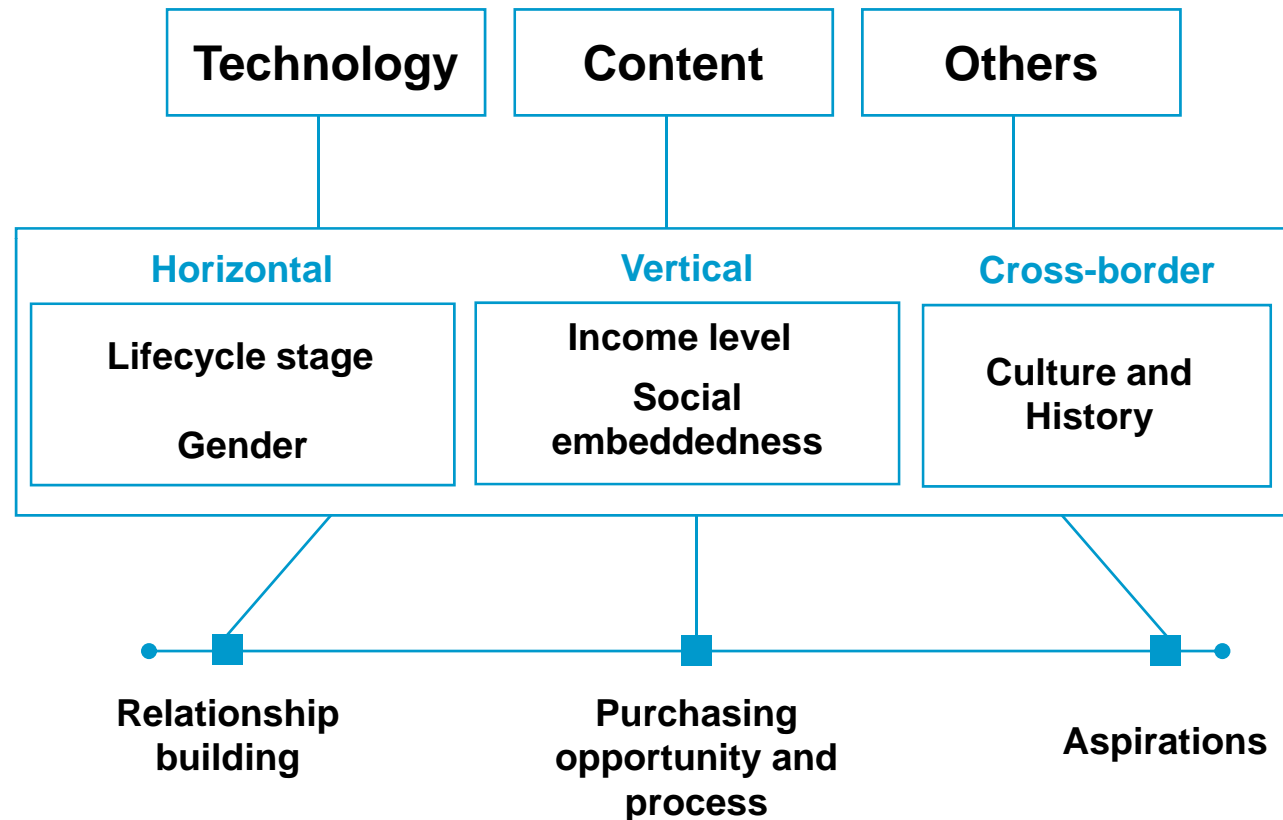
- CIMEL's goal is to detect, promote and generate knowledge about the M&E industry in Argentina, Latin America and the world
- CIMEL works as a learning community where knowledge arises from researching, sharing and discussing

Emerging Framework

The concept of entertainment: key activities

Conditioning factors to entertainment

Consumer behavior towards entertainment



Conclusion

- Emerging markets present vertically and horizontally fragmented societies.
- Consumers present differences that amplify themselves along their lifecycles.
 - Aspirational wishes subside
 - Acceptance ensues
- Men and women differ in their approach to entertainment: narrow focus vs. broad selection.
- Social embeddedness and income affect consumer's habits and aspirations.

Conclusion

- Consumers in the same segment have different habits and aspirations from country to country.
- Target consumers in Brazil vs. in Argentina:
 - Less acceptance
 - More focus on learning and on ecology

**Consumers should be analyzed integrally
as human beings, not through isolated actions**

**Only then will we be able to convey
an effective message to them**

Horizontal fragmentation

Gender vis-à-vis Technology

Men

Target Consumers

- **Technology is not seen as a source of entertainment,** only as a means for entertainment
- The PC as an instrument of play: gaming leads to use in other areas
- Mobile phone as an extension of the user himself
- **Aspirational wishes focused on technology,** esp. With adult men with children:
 - Playstation, Flipper
 - State-of-the-art PC, voice-operated notebook
- Technology provides a space where fathers and children meet
- Technology ranks second vis-à-vis meeting friends

Horizontal fragmentation

Gender vis-à-vis Technology

Women

**Target
Consumers**

- **Rational use** of technology:
 - PC to work / use seen as an obligation / infrequent use: “whenever I can”
 - Mobile phone used exclusively to send and receive SMS
- Technology instills **fear** due to lack of knowledge
 - “The PC is there – always turned off”
 - “All I know about PCs is that they are shaped like cubes”
 - “(Using my PC) I always follow the same routine”
- Women tend to “inherit” technology from husbands / children (e.g.: old mobile phone)
- Their aspirational universe includes more **household appliances** than sophisticated devices

Vertical fragmentation

Income

Target Consumers Argentina

- Consumers do not tend to reserve a certain amount of money for entertainment purposes. They **intuitively control** their expenses.
- Low-cost or **free options**:
 - Poor knowledge of available options.
 - “Options are more abundant downtown than where we live”.
 - Varying quality; perception of risk.
 - Certain options used to be free but now demand entry tickets.
- **Aspirational**: cinema, nightclubs, SMS, shopping, and gambling as free options.

Vertical fragmentation Income

High-income

- Consumers do not tend to reserve a certain amount of money for entertainment purposes.
- **No control over expenses.**
- Low-cost or free options:
 - Widespread information about available options.
 - **Guilt-free enjoyment.**
 - Perceived differences vis-à-vis paid options: large crowds, low quality infrastructure.

- Little money available for entertainment purposes.
- Little chance of accessing **paid entertainment options.**
- Low-cost or free options:
 - Little information about available options.
 - Presumption that options are more abundant downtown than in the suburbs.
 - Options discarded; **“No need for charity”**.

Low-income

Cross-border differences vis-à-vis Technology

Women in Sao Paulo feel more comfortable around technology than their counterparts in Buenos Aires, but they are more worried about its impact on family life

- They consider technology a source of entertainment but they acknowledge certain difficulties in use.
- **Aspirational wishes less focused on technology...**
 - Technology enables information, contacts, access to products
 - Technology brings people from around the globe closer together
- **... and more focused on worrisome aspects**
 - Loss of direct contact with people (receiving letters, listening to voice)
 - Difficulty controlling the information that children access
 - Growing laziness: “Kids don't think anymore – they copy everything from the Internet”

Cross-border differences vis-à-vis Content

- **TV**
 - Families tend to own more than one TV set
 - Several homes own flat-screen TV sets
 - Young people trade TV for PC

- **Video**
 - Recorded, loaned, purchased or rented movies.
 - DVD player also reproduces music

- **Music: same content, different platforms**
 - Ever-present, “in the air”
 - Association with well-being, relaxation
 - Scarce use of radio
 - Young go digital, adults rely on CDs

- **Cinema: aspirational and sophisticated**
 - Big screen, ample seats, hostess serving food, wide variety of movies at all times. Movies in 3D