

The State of the Hispanic Consumer: The Hispanic Market Imperative

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Nielsen



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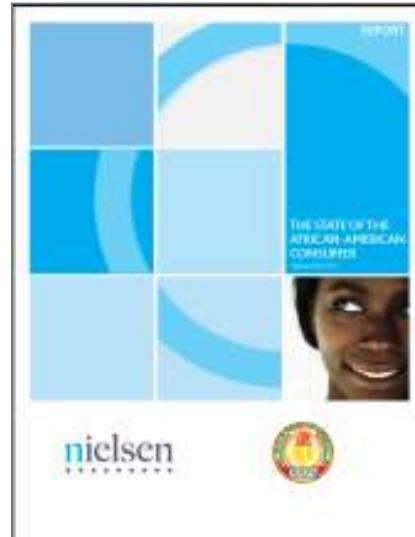
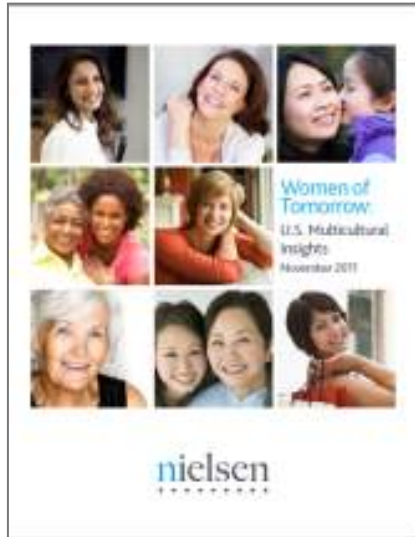
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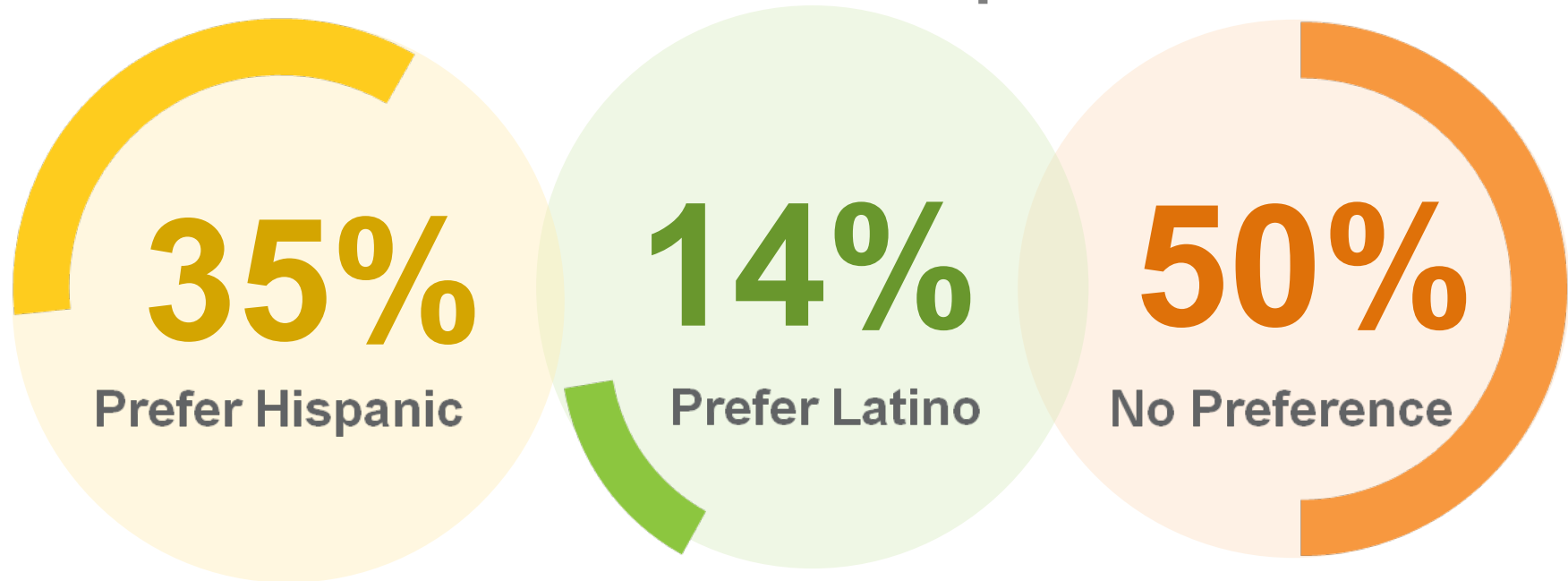
Nielsen Diverse Intelligence Insight series

- In 2011, Nielsen launched a diverse intelligence insight series to help marketers better understand the media and purchasing behaviors of key consumer segments.



First things first

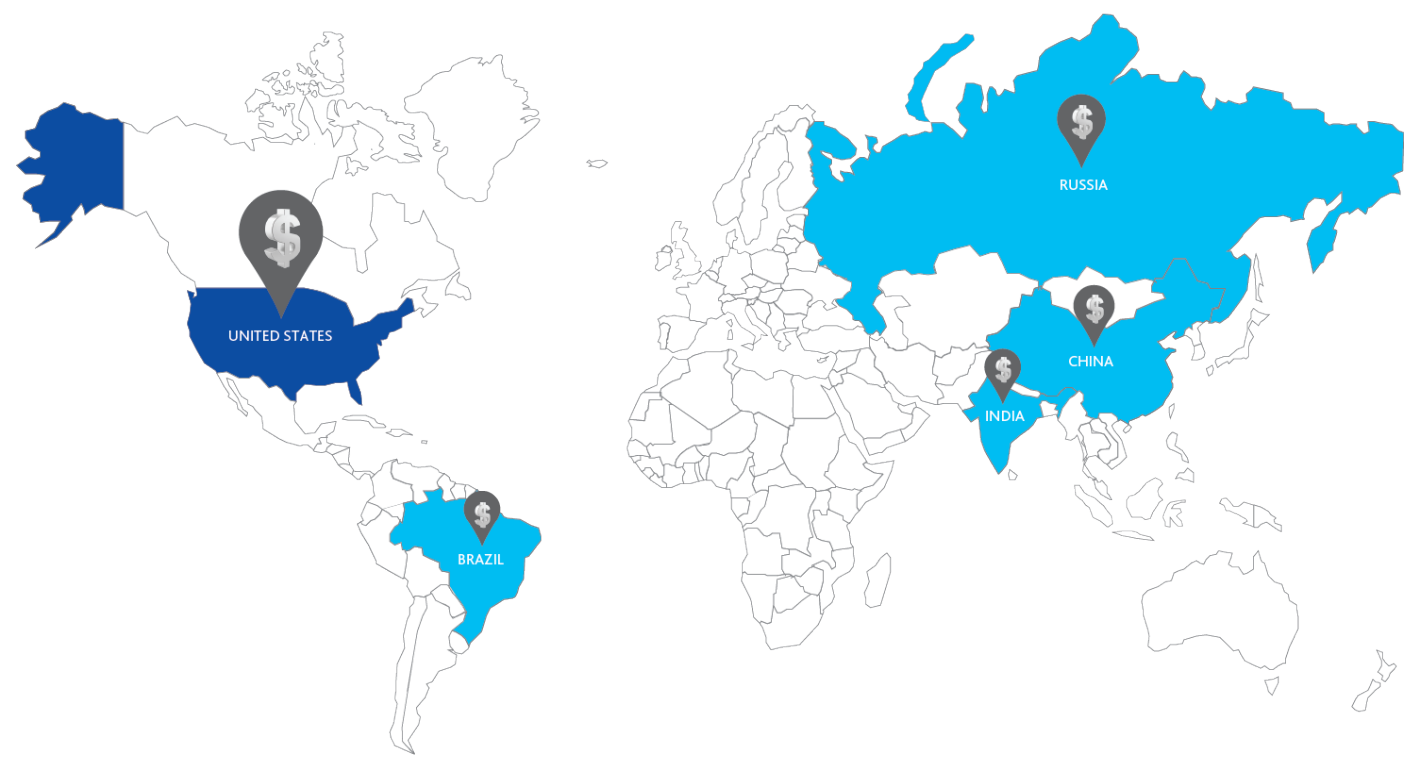
Latinos vs. Hispanics?



Latinos are Vital to America's Future



The Hispanic market offers unique growth prospects within our borders

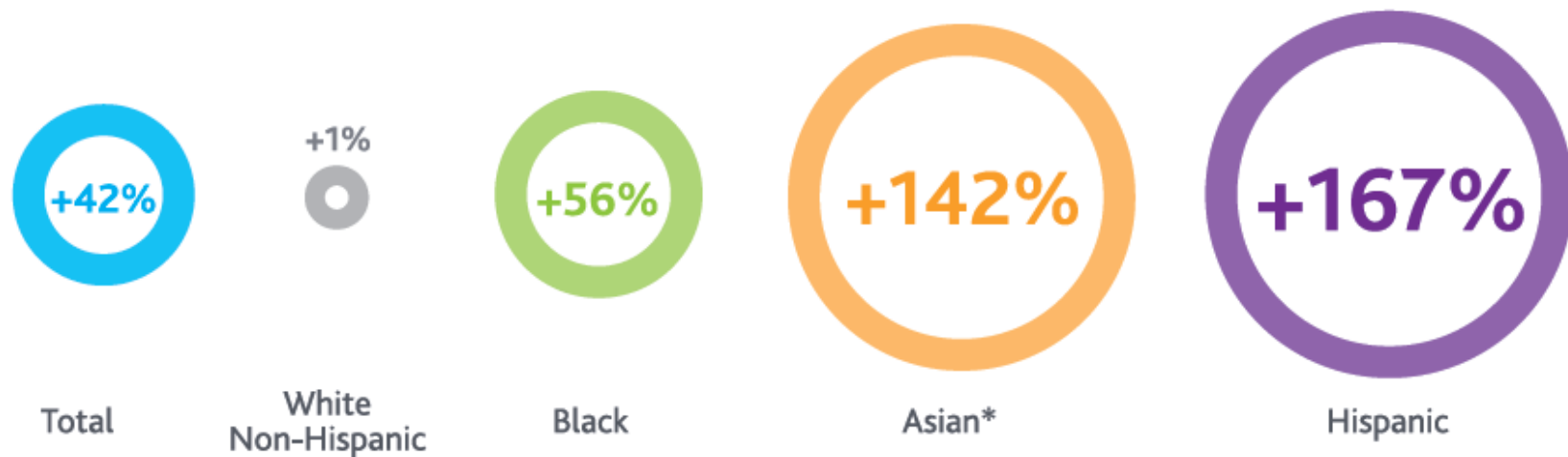


The per-capita income of U.S. Hispanics is higher than any one of the highly coveted BRIC countries (Brazil, Russia, India, China).

Goldman Sachs Global Economics, Commodities & Strategy Research: BRICS Monthly Issue 11/06, June 24, 2011. Hispanic per capita income is from Census in 2009 constant dollars. Hispanic per capita income is second to Russia, but above Brazil, China and India.

Hispanic population growth projected to outpace all ethnic groups over the next 40 years

Projected U.S. Population Growth From 2010 to 2050



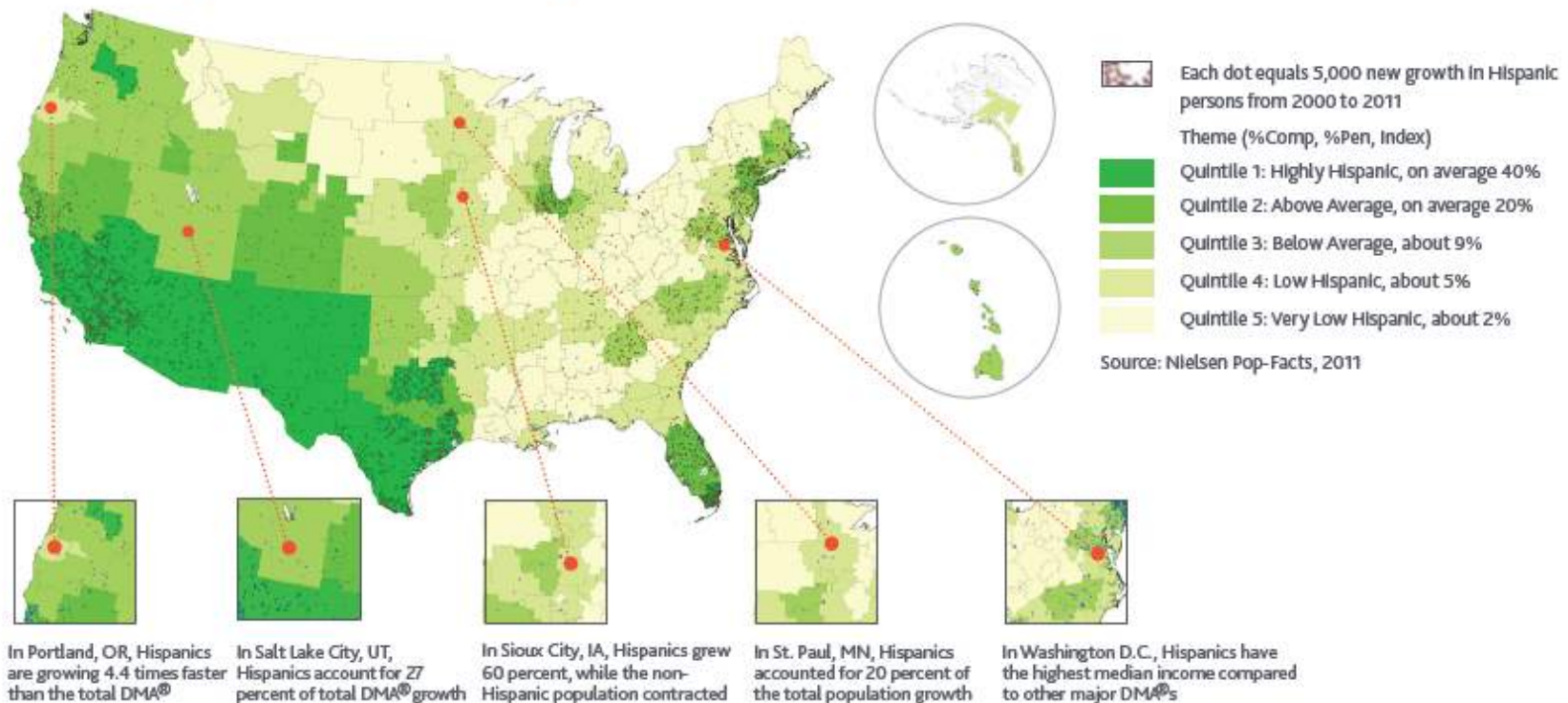
* Excludes American Indian, Alaska Native, Hawaiian & Other Pacific Islanders

Hispanics continue to experience dynamic growth vs. the general population

Every hour in the U.S. **131** Latinos are born

Not just the coasts: Hispanics are across the nation

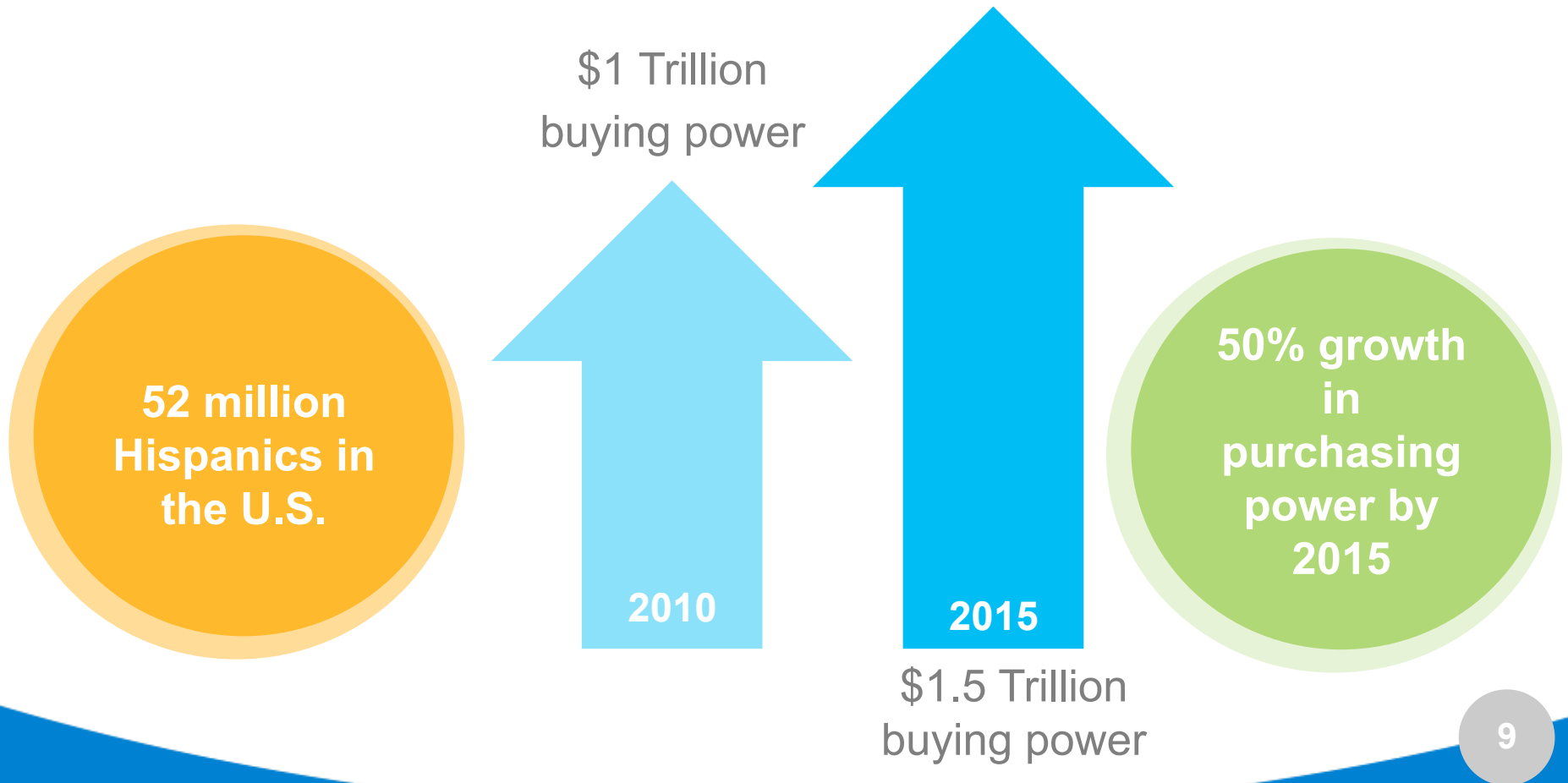
2011 U.S. Hispanic Percent of DMA[®] Population and Growth since 2000



DMA[®] region - Designated Market Area: A term used by Nielsen to identify an area of counties in which the home market television stations hold a dominance of total hours viewed.

Can you afford to miss out?

The growing purchasing power of the Hispanic consumer



Latinos fuel growth in key sectors

Residential buying



Food



Retail



Education



Financial



Transportation



Entertainment and media industries



Further evidence of culture sustainability

31%

Hispanic Adults say they want to be **MORE LATINO**

90%

Hispanic parents want their children to be **BILINGUAL**

60%

Hispanic adults say they want to be **BICULTURAL**

72%

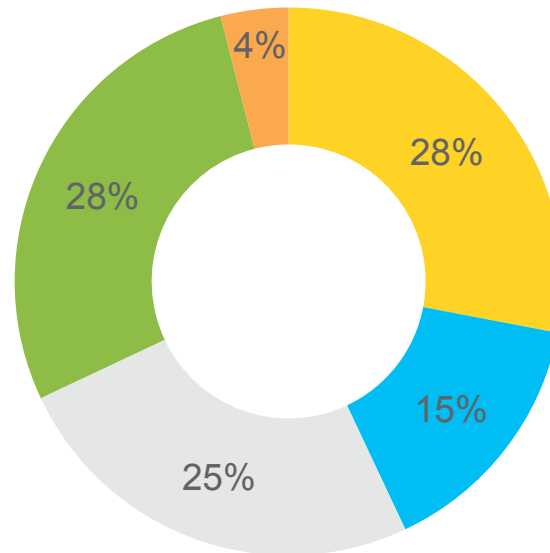
In 2011, intermarried couples classified their children as **HISPANIC** vs. 35% in 1991

Role of language among the Latinos

The Emergence of Bilinguals

English dominant Hispanic Adults *now wanting to read, watch and explore more Spanish media*

Language usage among U.S. Hispanic Adults



■ Only Spanish ■ Only English ■ Mostly English ■ Mostly Spanish ■ Spanish & English Equally

What Hispanics Watch

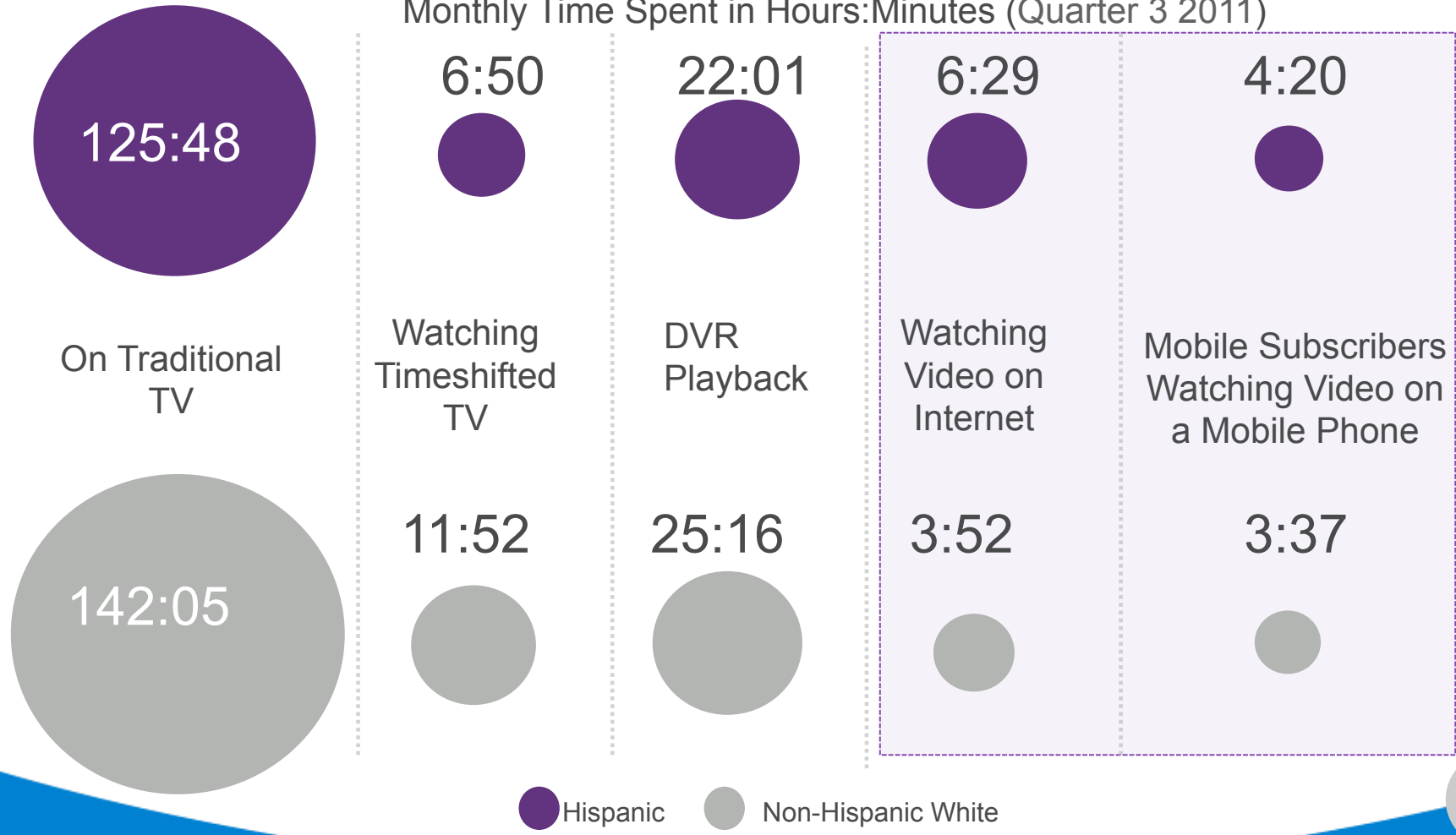


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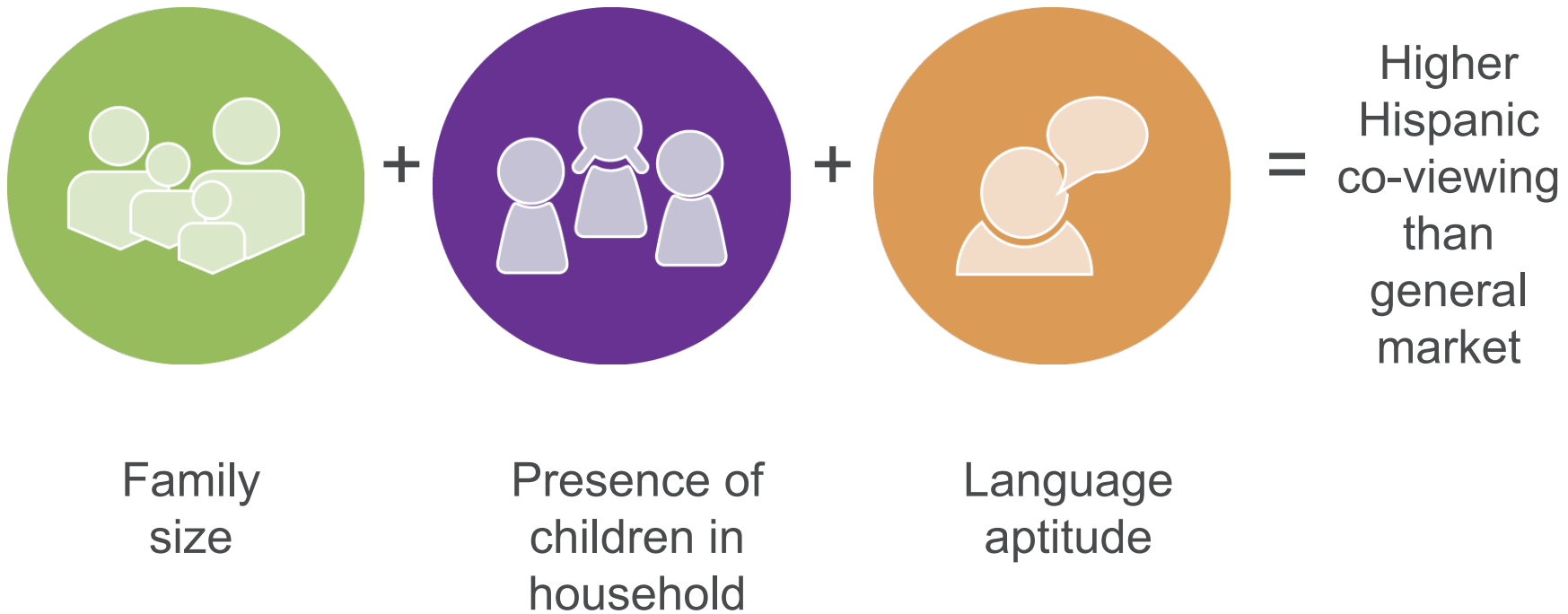
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Following the video: Hispanics show higher viewership on the Internet and mobile

Monthly Time Spent in Hours:Minutes (Quarter 3 2011)



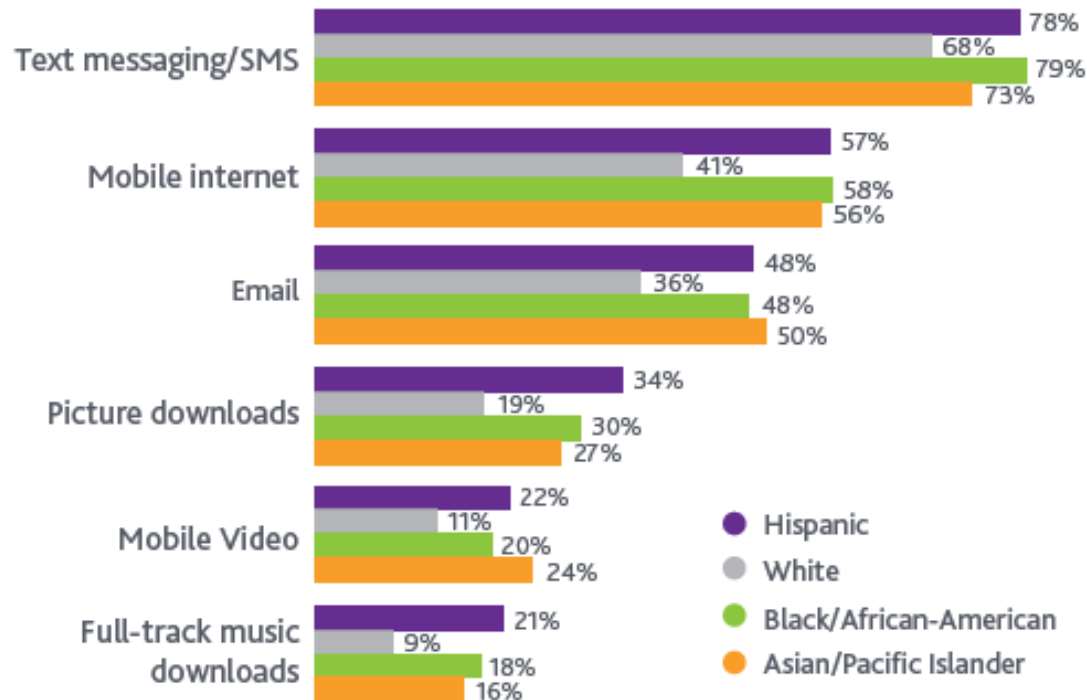
Factors driving co-viewing phenomenon among Hispanic viewers



*May 2011

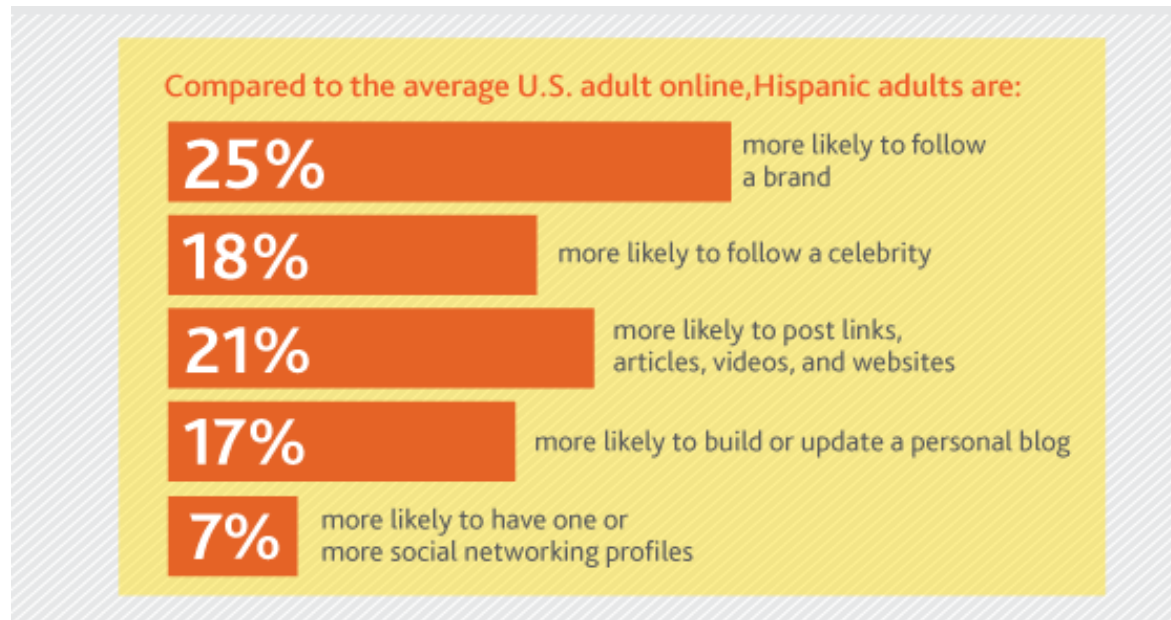
Technology usage among Hispanics: Tracking well among all non-white segments

Mobile Data Services Used by Hispanics In Past 30 Days



Source: Nielsen Q4, 2011 Mobile Hispanic Insights Report

Hispanics are immersed in and engaged with 'online' and 'emerging platform'



60%

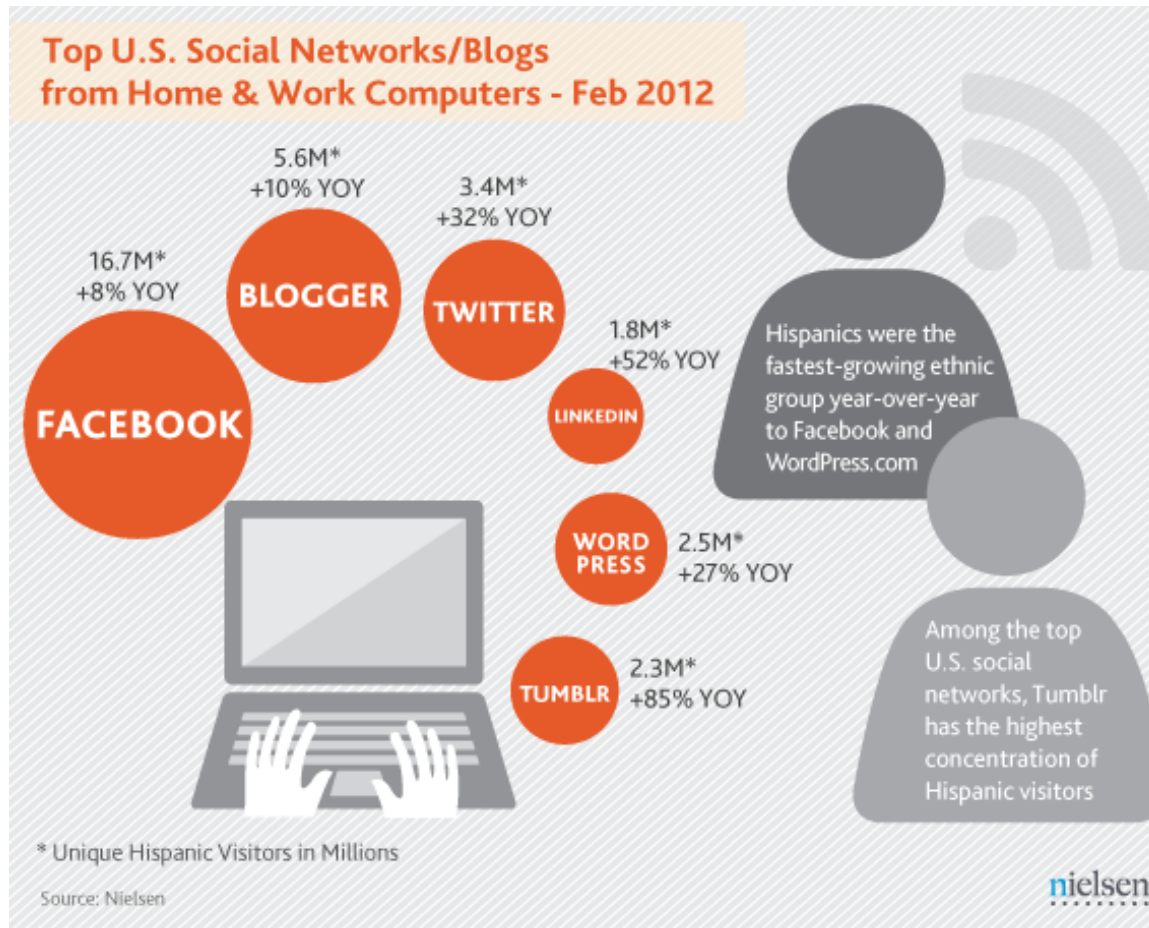
of Latino households own at least one video or Internet-enabled cell phone vs. 43% of the general market.

68%

spend more time watching video on the Internet vs. non-Hispanic whites.

17

Latinos exhibit significant—and substantial—growth in social media usage



Usage rates of **TV + smart phones + social networking + online video + other entertainment = one of most engaged and dynamic targets**

What Hispanics Buy



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Distinctly different 'buy' behaviors displayed by Hispanics

Hispanics product consumption is indeed *unique* in many respects and *well differentiated* in comparison to U.S. consumers overall



Latinos make fewer trips to the store than average*

143 vs. 149

But **Latinos** spend more per trip than average*

\$52 vs. \$47



* average= White Non-Hispanic

What's in the basket?

Top 10 Hispanic Product Categories

Purchase Index: Share of Hispanic Dollar Sales Divided by U.S. Household Dollar Share X 100

Category	Hispanic Dollar Index to Total Households
Dried Vegetables and Grains	221
Hair Care	154
Shortening Oil	152
Baby Food	150
Women's Fragrances	149
Grooming Aids	144
Disposable Diapers	144
Family Planning	142
Photographic Supplies	142
Baby Needs	137

Private Label vs. Branded

For Hispanics, brand loyalty prevails in three categories

ALL CPG:

- 1) Hair care
- 2) Baby products
- 3) Health & Beauty

Source: Nielsen Homescan® 01/02/2011 – 12/31/2011

Market-driving Examples



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Marketing strategies should reflect cultural cornerstones...

Hispanics remember **English language** commercials as well as the general population

The same commercial shown in **Spanish** bumps up ad recall by as much as **30%**

Hiring Spanish-speaking talent to deliver the script resonates **30% better** with **Latinos**

H-E-B meets w/ customers, asks “what would you love to see?” and delivers!



North Lamar Boulevard and Rundberg Lane, North Austin, Texas

“They wanted more things that remind them of home.”

“The \$7 million remodeling project — which added 6,000 square feet and about 40 employees to the store — includes a masa factory that grinds corn daily, a tortilleria that will turn that masa into tortillas, a carniceria (Latino-focused butcher shop) and a deli with fresh salsas and cremas.”

Pathmark catering to demographics of the neighborhood



Progressive Grocer reported on Mar. 16, 2012—

“Our remodeled Weehawken store...offers shoppers products that match their needs and cultural preferences,” said Sam Martin, president and CEO of Montvale, N.J.-based A&P. “With more diverse offerings and a friendlier, more modern atmosphere, this renovation is a prime example of our goal to enhance our customers’ shopping experience.”

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“Hormel Foods introduces MegaMex Foods, where you can find *all* the flavors of Mexico”



Macy's partners with Latina Magazine & the Hispanic Scholarship Fund



EN ESPAÑOL

**MACY'S CELEBRATES
HISPANIC
HERITAGE
MONTH**

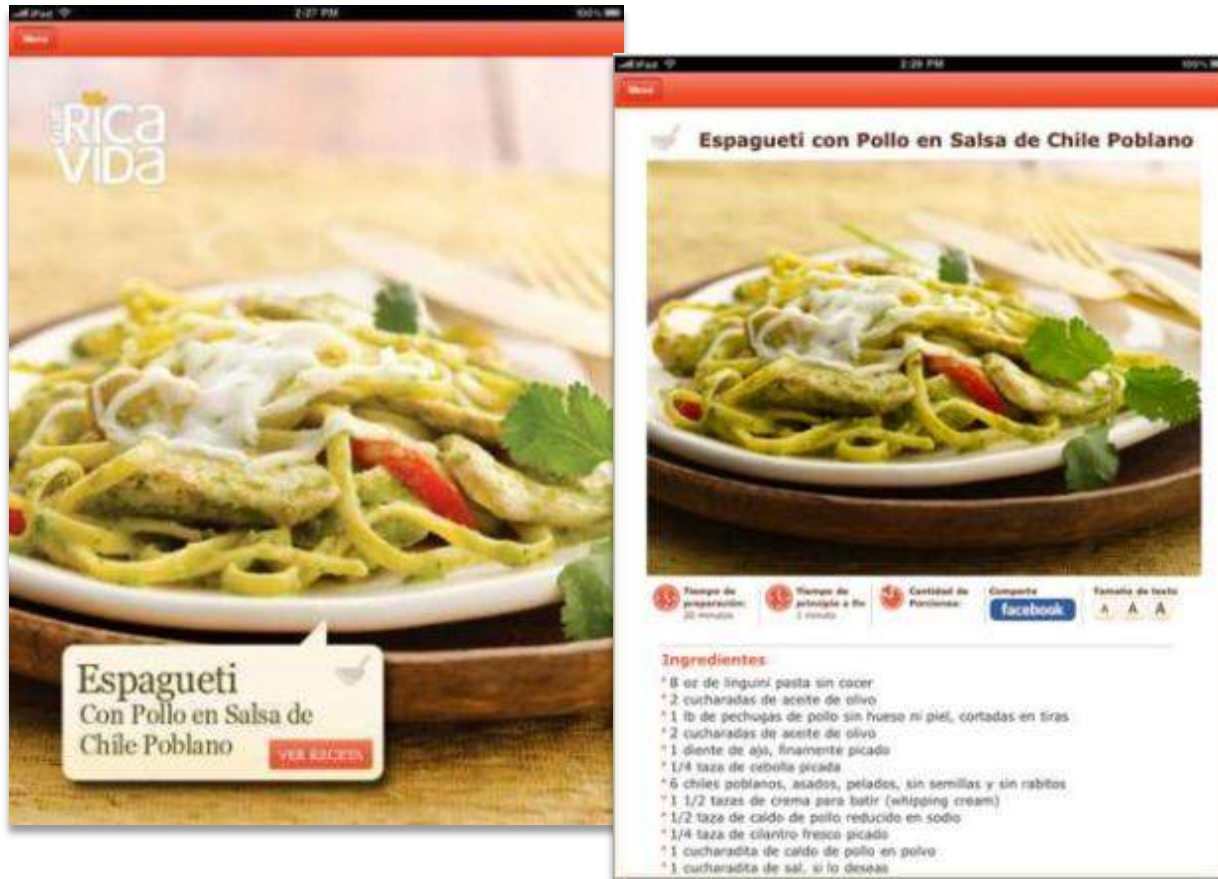
Celebrate Hispanic Heritage Month with La Magia de Macy's, as we honor the contributions of over 50 million Hispanic Americans. Join us for Latina magazine's 15th Anniversary Celebration with the Hispanic Scholarship Fund and Lancôme.

MEET LATINA'S FASHION EDITORS
Learn more about the style gurus at *Latina* and check out their Hot List picks.
[Read Bios](#)

TAKE OUR QUIZ
Enter for a chance to win a \$100 Macy's Gift Card and a 1-year subscription to *Latina* magazine.
[Take the Quiz](#)

STORE EVENTS
Celebrate Hispanic Heritage Month with us at a store near you!
[Find Events](#)

General Mills' Spanish language app for Apple iPad



Instant access
to more than 900
Latin-inspired
recipes, in 12
different
categories

P&G's Gain expanding to reach Hispanics

inicio productos club de admiradores diversión y productos gain ofertas y cupones [INÍCIATE AL CLUB INWASH](#) [SÍGUEMOS EN FACEBOOK](#)

english

GAIN Huélelos todos. Pruébalos todos. Encuentra el adecuado para ti.

Icy Fresh Fizz
con Oil Scoop

Dazzle and Shine
con alternativa de blanqueador

Fusión Manzana Mango

Butterfly Kiss
con Oil Scoop y Suavidad

Hawaiian Aloha
con Frescura Fizz

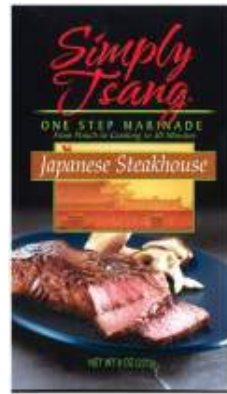
Detergente Líquido para Platos Honeyberry Hula
con alternativa de blanqueador

Suavizante Dreamy Desire

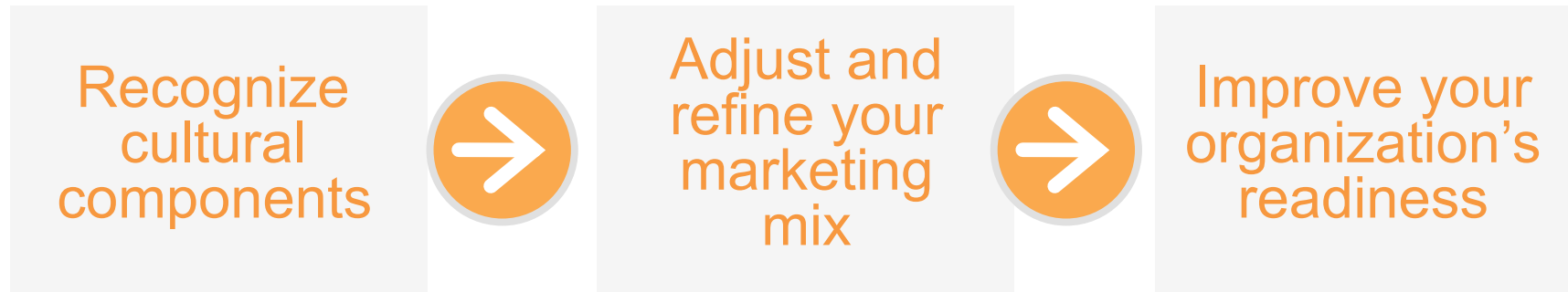
Suavizante en Barra Forget Me Not
Frescura Total

Fragancia Fireworks In-Wash
Lluvia de Dazzle

Ethnic diversity impacting general population



How do you improve your marketing success?



What you need to remember:

- 1 Latinos are fundamental component to business success
- 2 Marketers can't ignore cultural foundations
- 3 Importance of new sustainability vs. old melting pot concept

¡Gracias! Thank you