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AMERICA'S NEW UPSCALE SEGMENT: LATINOS!

STUDY BRIEF

ahaa

the voice of hispanic marketing

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CONTEXT

AHAA expands its thought leadership platform well into 2014 with a series of studies to educate marketers on the increased need to segment properly for higher ROI and not treat the vast Hispanic market as one size fits all.

Later this year, the Research Committee will unveil Doing Total Market Right and latest Hispanic ROI in the Financial & Insurance Sectors analysis will round out this comprehensive effort.

STUDY OVERVIEW

AHAA: The Voice of Hispanic Marketing, in alliance with Nielsen, conducted a preliminary meta-study on Latino Upscale households benchmarked against NH.

AHAA's America's New Upscale Segment: Latinos! underwritten by Nielsen is a 2-part of study.

The study brings together the following Nielsen assets: Nielsen People Meter, Nielsen Financial Track Survey, Nielsen PRIZM, Nielsen PopFacts, and Nielsen Homescan, to profile the Upscale Latino segment of today and tomorrow.

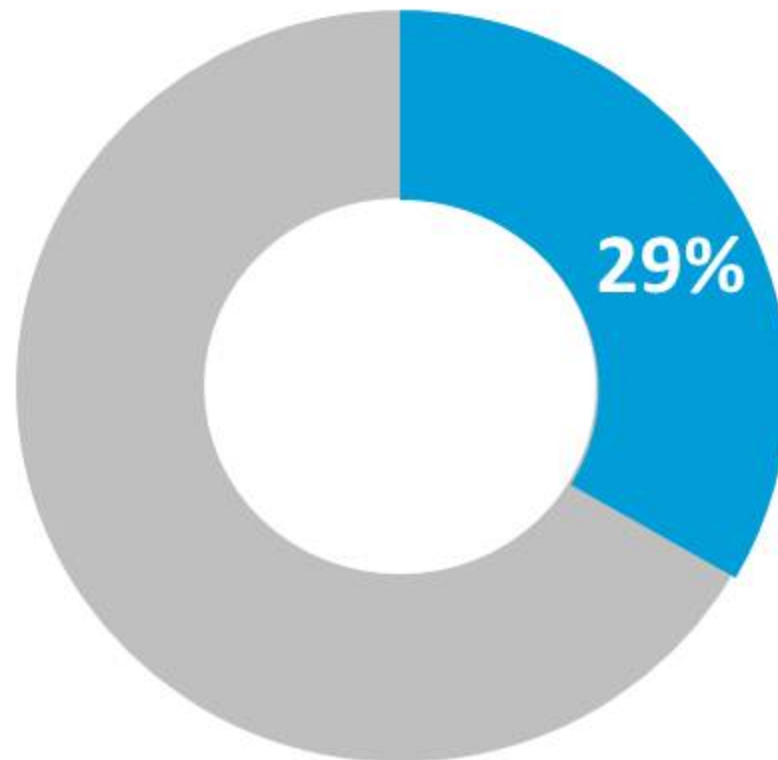
- Demographics
- Lifestyle Segmentation
- Financial & Investment Behavior
- Technological Adoption
- Purchasing Habits
- Media Behavior

An abstract graphic on the left side of the slide. It features a series of concentric, curved lines that form a partial sphere or cone shape. The lines are colored in a spectrum including red, orange, yellow, green, and blue. Several small, colored dots (yellow, green, purple, red) are placed on these lines, with thin lines extending from them towards the center of the sphere.

WHY THE \$50,000 - \$100,000 HOUSEHOLD?

Upscale Latinos
Education
Media Hispanic
Spending Urban Growing Occupation Connected
Age Entrepreneurs Financial
Tech-savvy American Young Bicultural

ALREADY A VIABLE SEGMENT OF THE U.S. HISPANIC



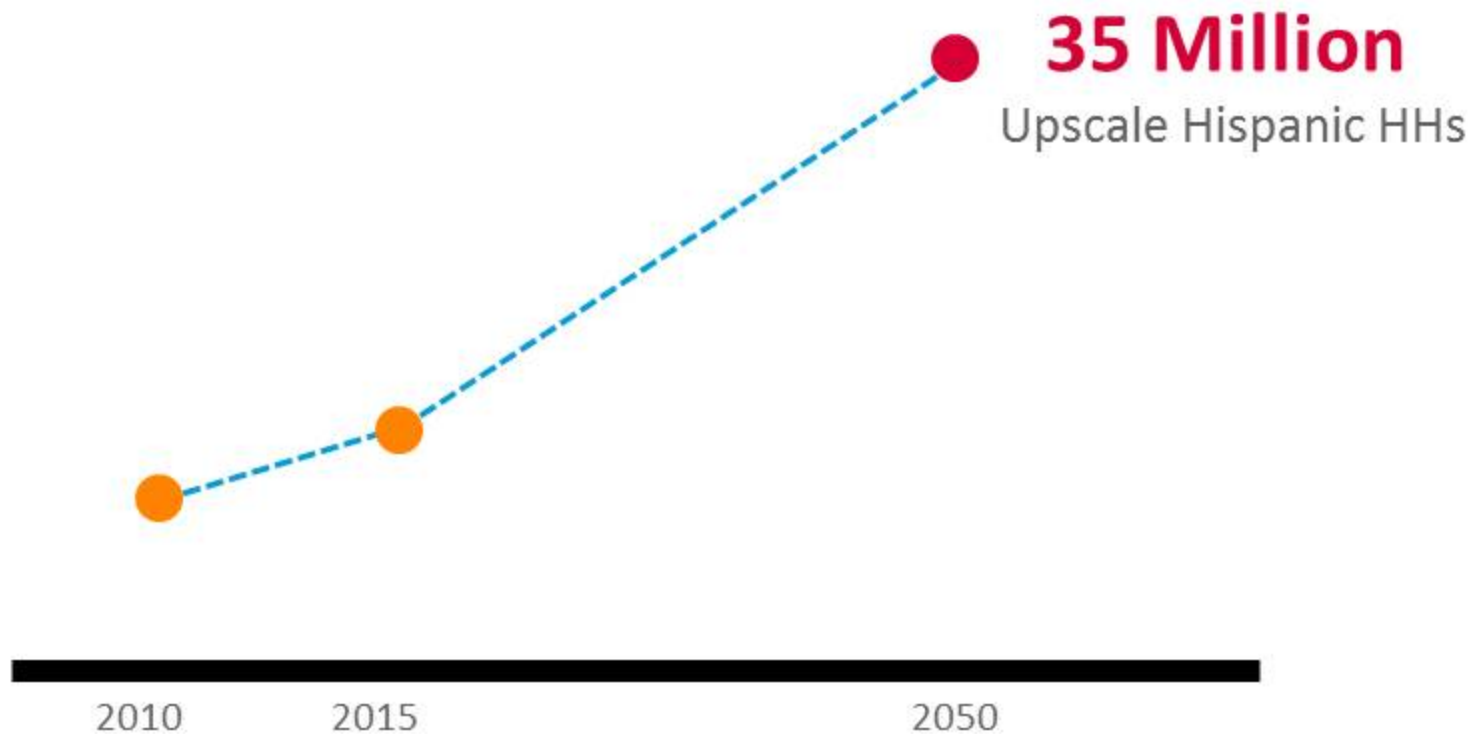
In 2012, the Upscale Hispanic segment accounted for
15 Million Hispanics.

THE UPSCALE POWER PLAY

Upscale Hispanics will generate 37% of the Hispanic spending power in 2013, \$500 Billion out of \$1.3 Trillion.



A SEGMENT THAT WILL DOUBLE AGAIN BY 2050



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Source: Nielsen People Meter Universe Estimates and Growth Projections, Nielsen growth projection analysis. 2015 and 2050 estimates assume upscale Hispanics will represent a constant 31% of total US Hispanic population by 2015.

An abstract graphic on the left side of the page. It features a series of curved, overlapping lines in various colors (red, green, blue, yellow) that form a partial view of a sphere or a complex geometric shape. Several small, colored dots (yellow, green, purple, red) are placed at various points along these lines, with thin lines extending from them towards the center of the page.

THE UPSCALE LATINO

WHO IS THE \$50K+ LATINO?



75%

are under the age
of 45



77%

have households with
4 or more people



60%

live in the Southwest
and Pacific region

REALIZING THE AMERICAN DREAM

Strong force in the white collar segment

11% higher than overall Hispanics.¹



39%

Upscale
Hispanics

50%

Upscale
Non Hispanics

28%

Hispanics

Robust entrepreneurial spirit

½ Million



Upscale Hispanic homes have a member in their households that own their own business; 1 in every 8 Upscale homes.²

Rise in graduation rates

College enrollment among Hispanics has seen dramatic growth from 2010 to 2011.³

+15%

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Source: 1. Nielsen People Meter Universe Estimates by Occupation, 2011-2012 Broadcast Season. 2. Nielsen Financial Track Survey National 2012. 3. Pew Research Hispanic Center. Now Largest Minority Group on Four-Year College Campuses: Hispanic Student Enrollments Reach New Highs in 2011. Released August 2012. Increase pertain to 2010-2011 scholastic year.

YOUNG, URBAN & CONNECTED

Young
Achievers
16.7%

Young Achievers are young, hip, twenty-somethings who've recently settled in metro neighborhoods. Heavily includes college students living in group quarters.



YOUNG, URBAN & CONNECTED

**Urban
Uptown
26.6%**

Urban Uptowners share upscale urban lifestyles reflected in their choices as consumers as they frequent arts and traveling abroad and also spend heavily on computers and wireless technology.



YOUNG, URBAN & CONNECTED

Young
Accumulators
26.9%

Young Accumulators have fashioned comfortable, upscale lifestyles in their mid-sized homes. They enjoy adult toys like campers, powerboats and motorcycles but also shop heavily for kid-friendly technology.



YOUNG, URBAN & CONNECTED



**The
Affluentials
17.7%**

Affluentials enjoy comfortable, suburban lifestyles and are big fans of health foods, computer equipment, consumer electronics, and a range of big box retailers.

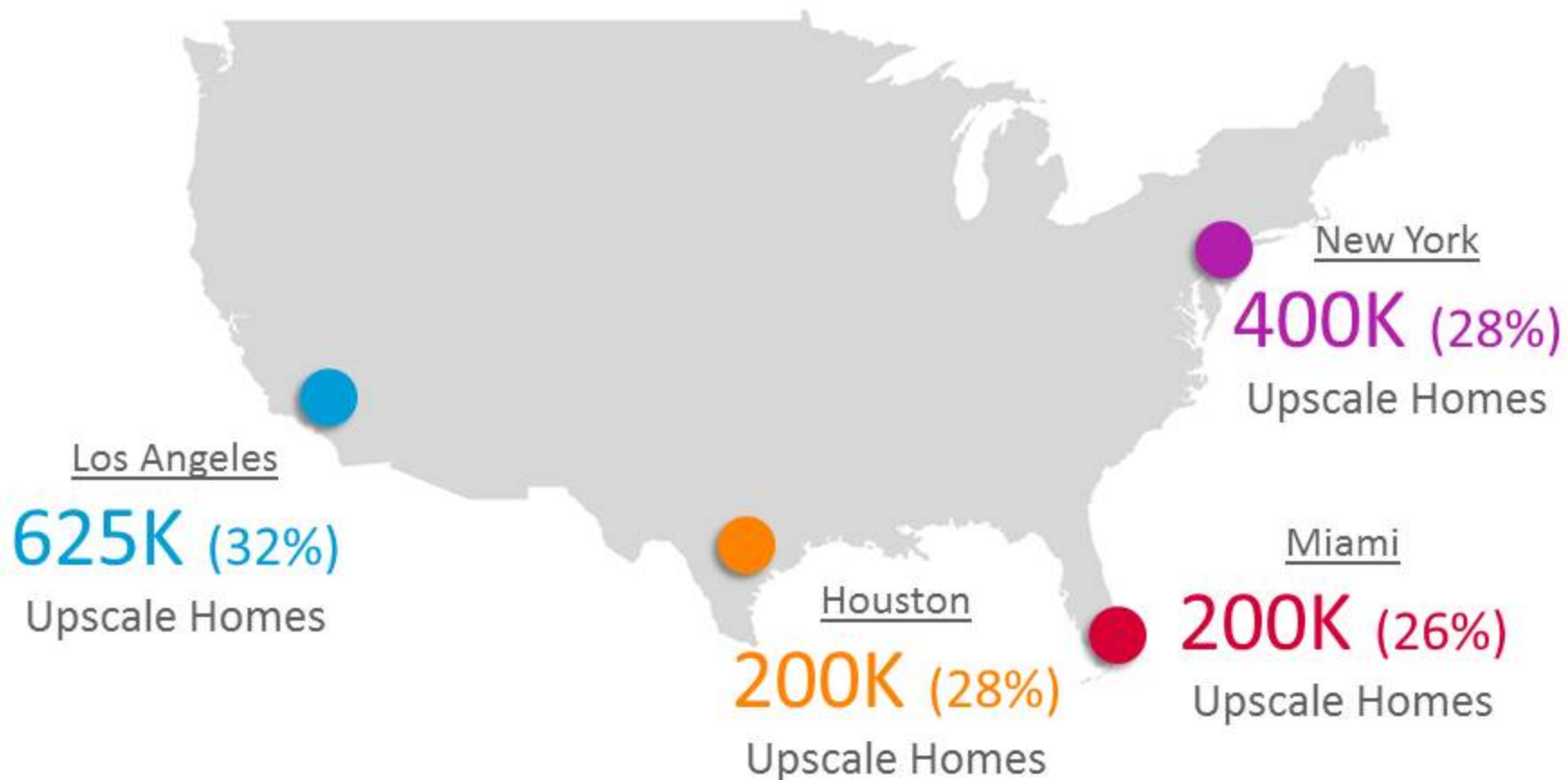


An abstract graphic on the left side of the slide depicts a sphere or a curved surface. It is covered in a grid of thin, curved lines in various colors including red, green, blue, and yellow. Several colored dots (yellow, pink, red) are placed on the surface, with thin lines extending from them towards the right, suggesting data points or connections.

UNDERSTANDING UPSCALE LATINO WHERE THEY LIVE

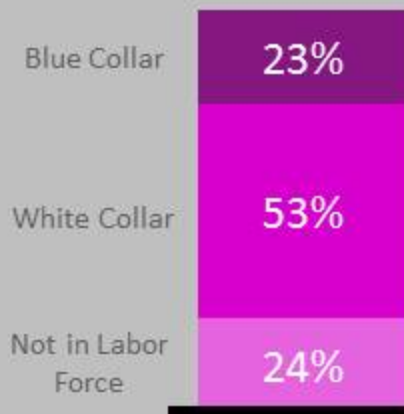
UPSCALE LATINOS LIVE IN TOP LATINO MARKETS

There are approximately 1.5 million Upscale Hispanic homes in the top US Hispanic DMAs®.



UPSCALE HISPANICS IN SOUTH, CENTRAL FLORIDA...

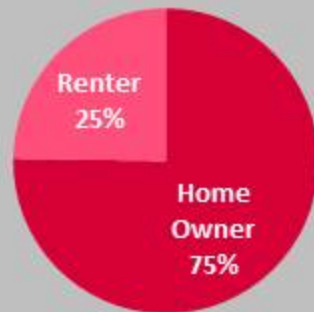
Occupation



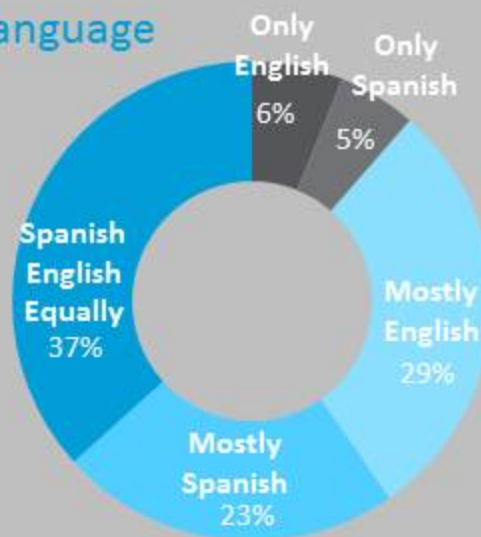
Household Size



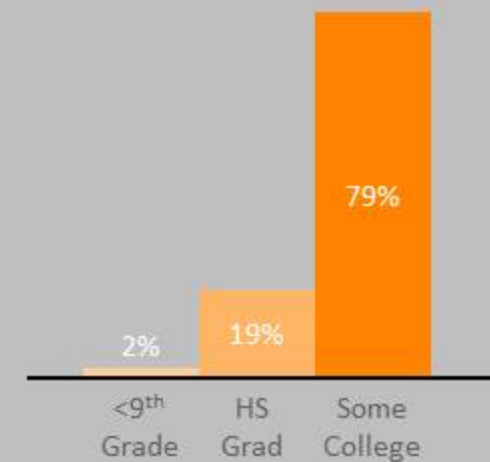
Home Ownership



Language



Education



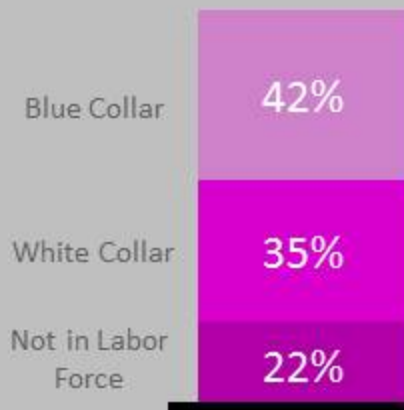
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Source: Nielsen People Meter. Universe Estimates Persons 2+ by Occupation, Household Size, Language Class, HoH ED, Home Ownership. Includes Miami-Ft. Lauderdale, Orlando, Tampa, W. Palm Beach, Gainesville

IN SOUTHERN CALIFORNIA...

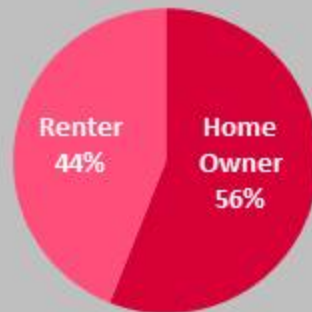
Occupation



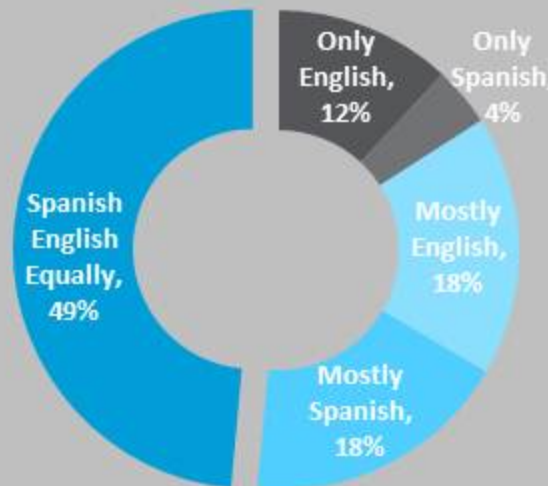
Household Size



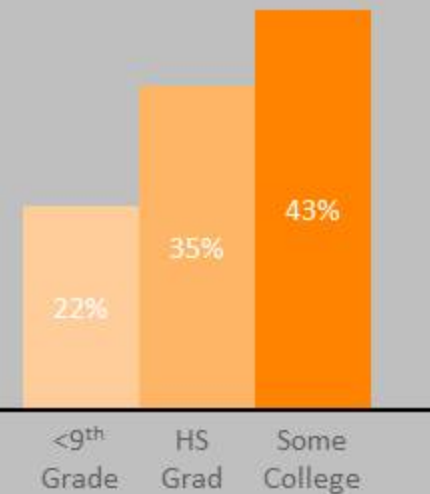
Home Ownership



Language



Education



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Source: Nielsen People Meter. Universe Estimates Persons 2+ by Occupation, Household Size, Language Class, HoH ED, Home Ownership. Includes Los Angeles, Palm Springs, San Diego, Santa Barbara

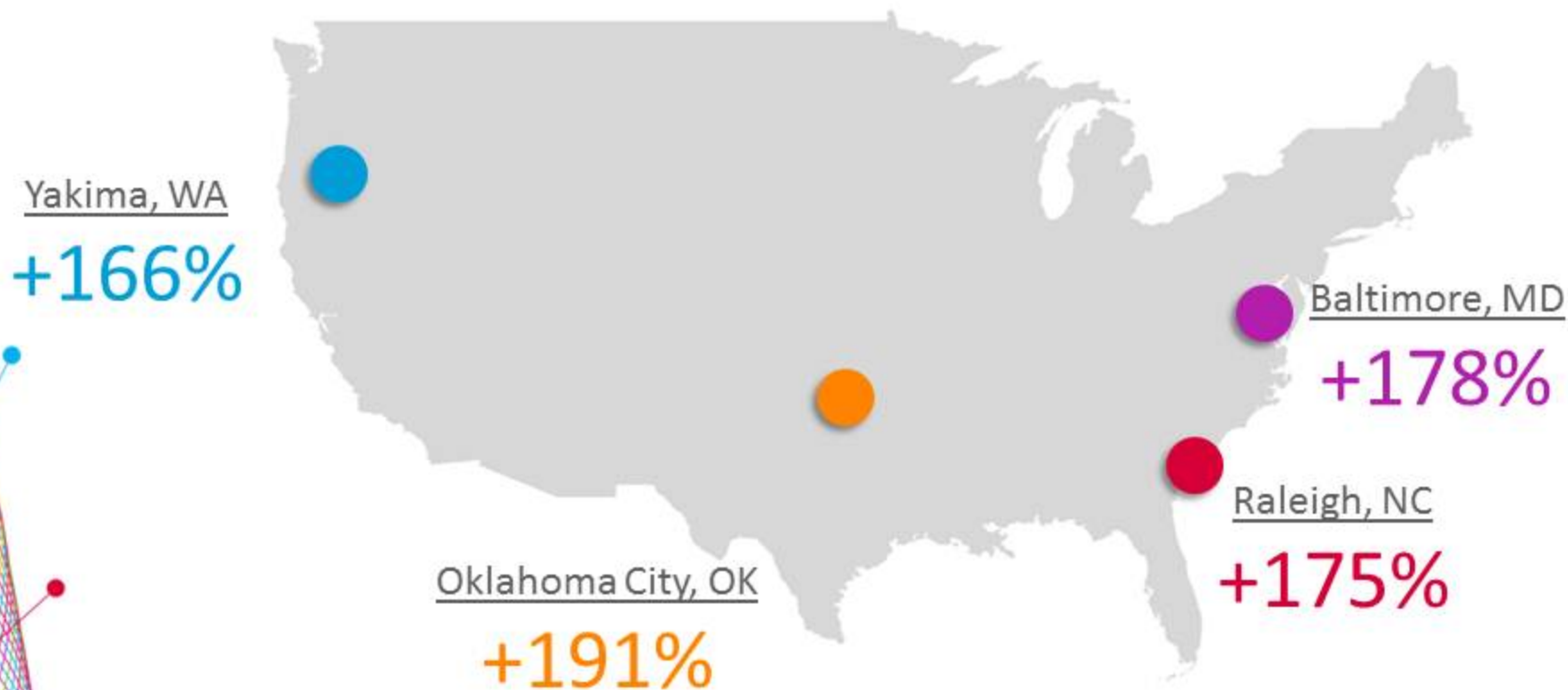
THEY ARE ALSO CORE TO MANY SECONDARY LATINO MARKETS

Upscale Hispanic homes are increasingly at the core of many Hispanic markets throughout the U.S., comprising 30% or more of the Hispanic population across several secondary markets.



AND THEY FUEL EMERGING LATINO MARKETS

Smaller DMAs throughout the United States experienced impressive growth in Upscale Hispanic households from 2000 to 2013.



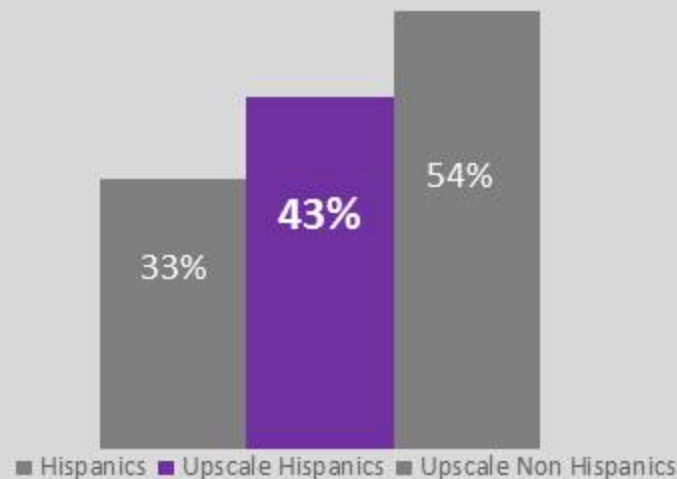
An abstract graphic on the left side of the slide features a series of curved, overlapping lines in various colors (red, green, blue, yellow) that create a sense of depth and movement, resembling a stylized globe or a complex data visualization. Several colored dots (yellow, pink, red) are placed at various points along these lines, with thin lines extending from them towards the right.

UPSCALE HISPANICS & SPENDING

ASSET CHOICES OF THE AVID INVESTOR

Investments

Upscale Hispanics are investing, especially in **mutual funds** and **stocks**.



Retirement Services

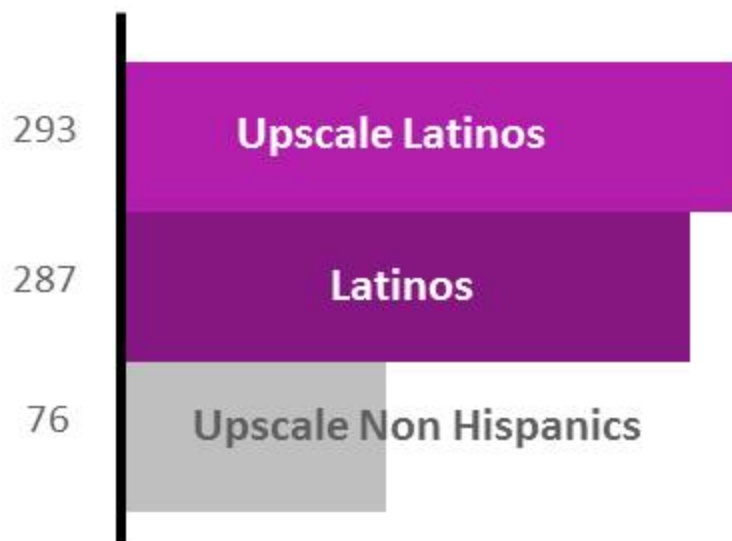
Like Upscale Non-Hispanics, Upscale Hispanics use IRAs, Keogh, 401(k), and Pension Plans.

Upscale Hispanics, though, are **2x** more likely to use Keogh retirement services.

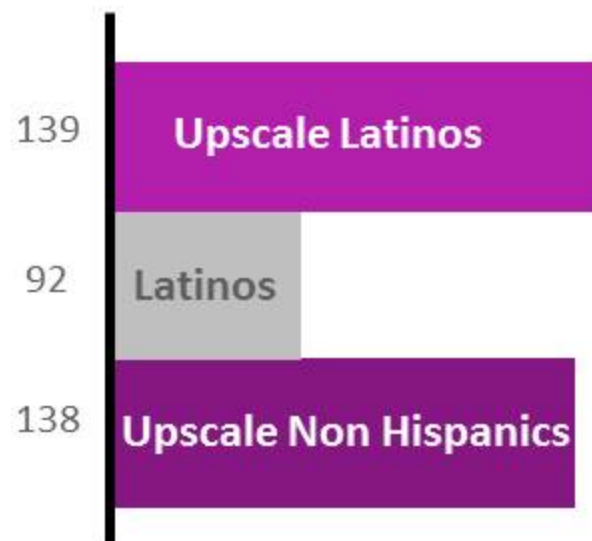


DRAWING FROM VARIOUS INFLUENCES

Upscale Hispanics resemble both U.S. Hispanics overall and their Upscale Non-Hispanic counterparts in their financial choices.



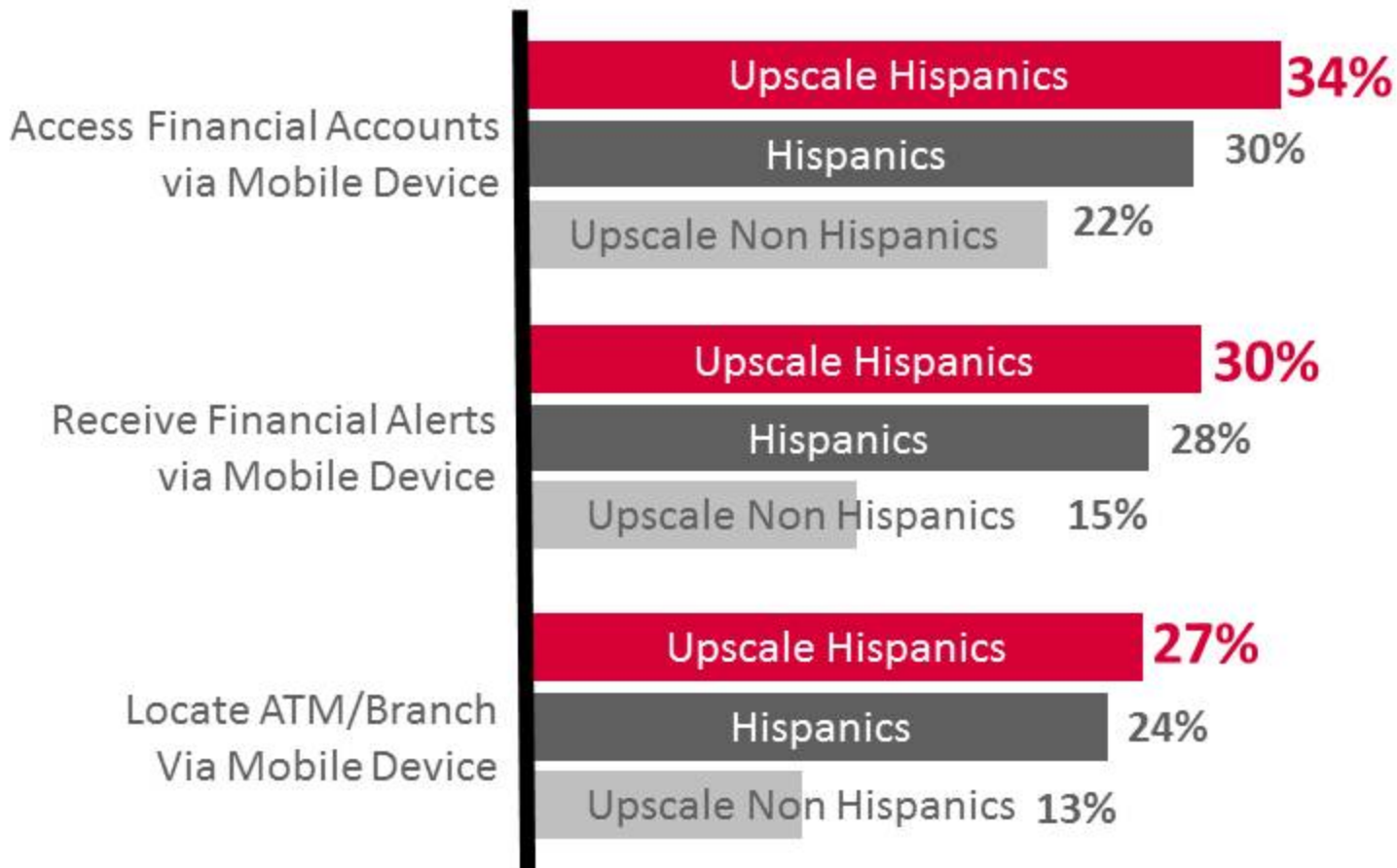
Keogh



401(k) Plan

MANAGING THEIR FINANCES VIA MOBILE

Nearly twice as many Upscale Hispanics are using their mobile devices to access their financial accounts in comparison to Upscale Non Hispanics.



UPSCALE PURCHASING PROPENSITIES

Spending

In the majority of categories measured, Upscale Hispanics spent the same amount as Upscale non-Hispanic Whites. However **26%** of **categories** saw **significantly greater spending**.



Personal Care



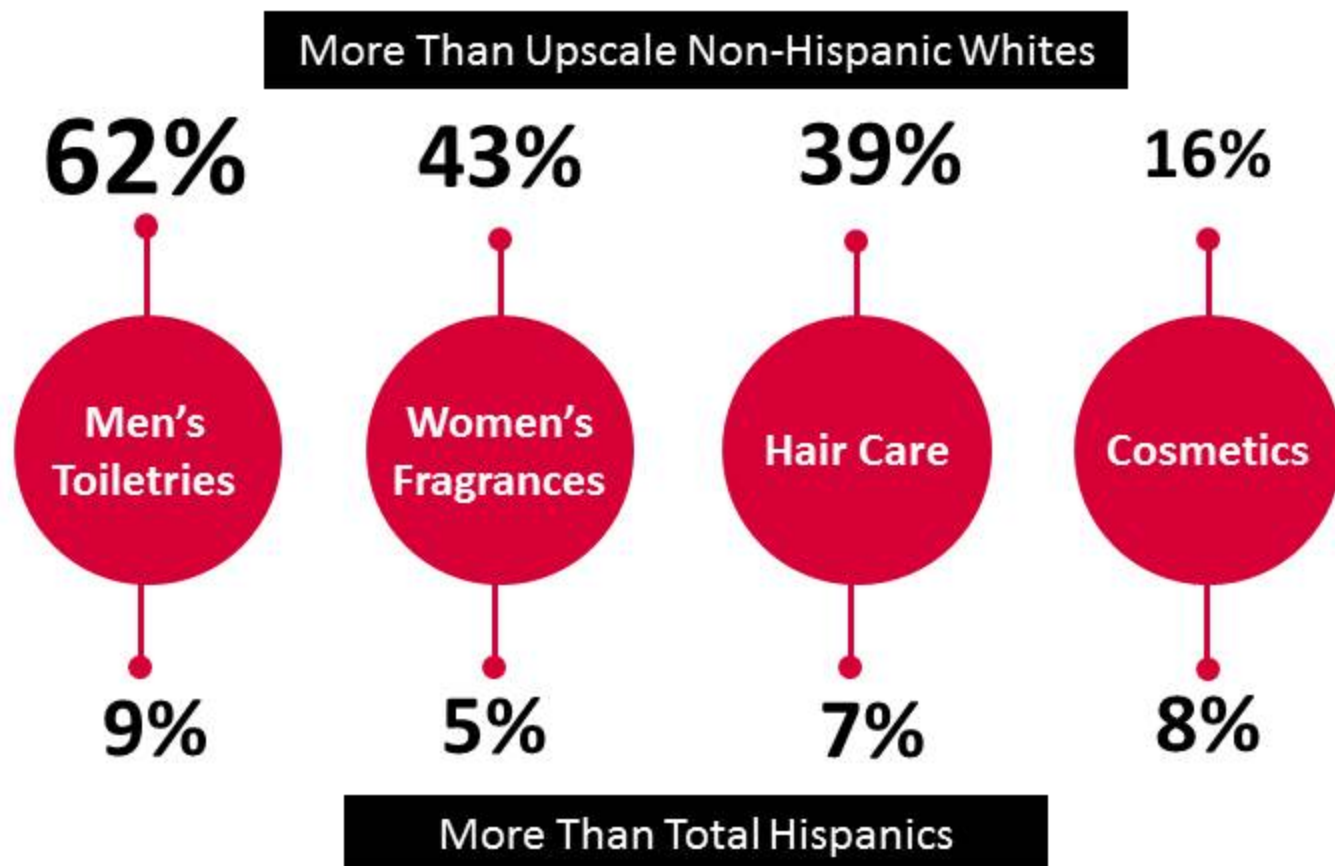
Upscale Hispanics not only **spend more per trip**, but also **shop more frequently** for Health and Beauty items than both Hispanics and Upscale non-Hispanic Whites.

Brand Vs. Store Label Choices



UPSCALE HISPANICS ARE THE HEAVIEST OF PERSONAL CARE CONSUMERS

Health and Beauty products comprise the overwhelming majority of categories where Upscale Hispanics over-index Upscale Non-Hispanic Whites and Hispanics overall.



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Source: Nielsen Homescan Panel, National - 52 weeks ending 12/29/12 - Dollars per Buyer (Hispanics and Non-Hispanic Whites)

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WHAT DO UPSCALE HISPANICS WATCH?

DOCUMENTARY-STYLE PROGRAMMING ATTRACTS UPSCALE HISPANICS

Among English cable, documentary style programs rise to the top for Upscale Hispanics when compared to US Hispanics overall.



41%

More likely to
watch

News Documentary



25%

More likely to
watch

General Documentary

PASSION POINTS OF MUSIC & SPORTS GUIDE

UPSCALE HISPANICS' CHOICES ON SPANISH TV

Concert Music and Sport Event genres drive higher propensities of Upscale Hispanics compared to U.S. Hispanics overall.



25%

More likely to
watch

Concert Music



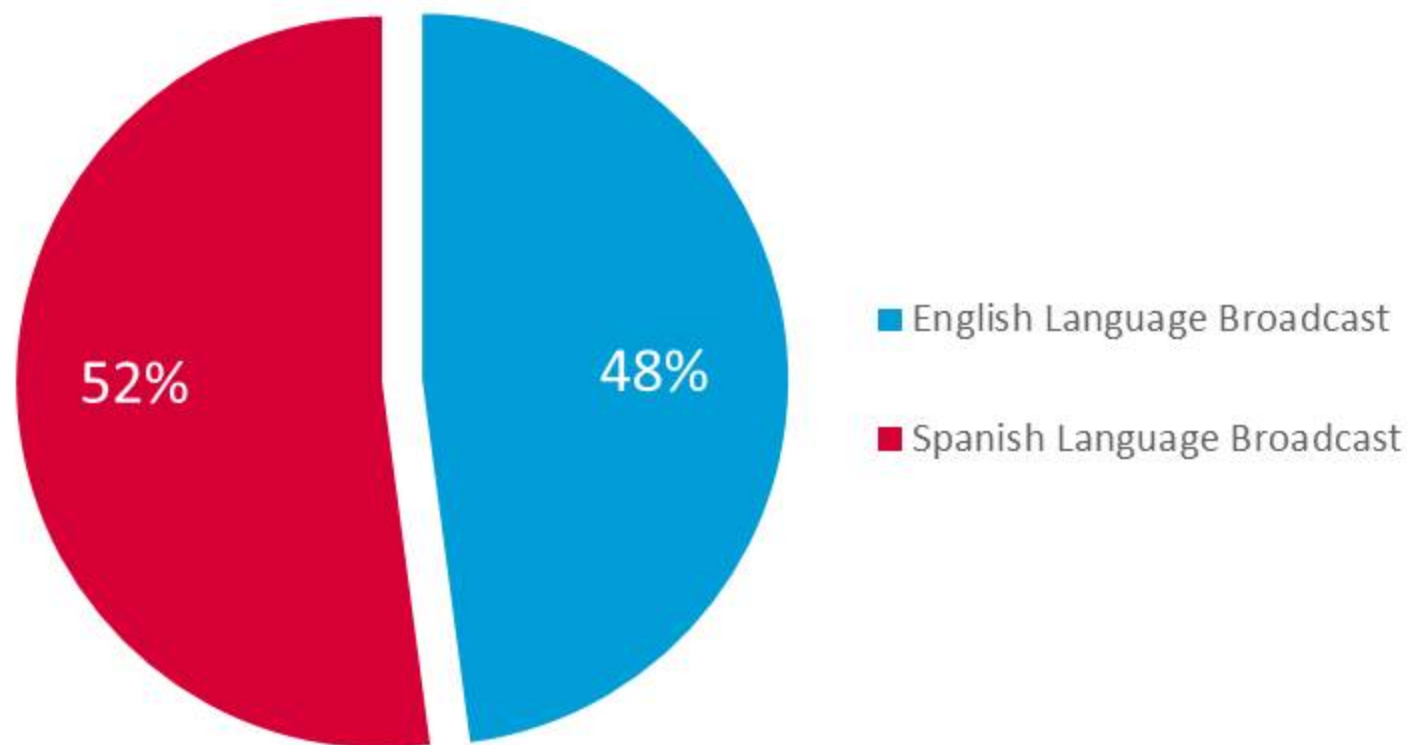
20%

More likely to
watch

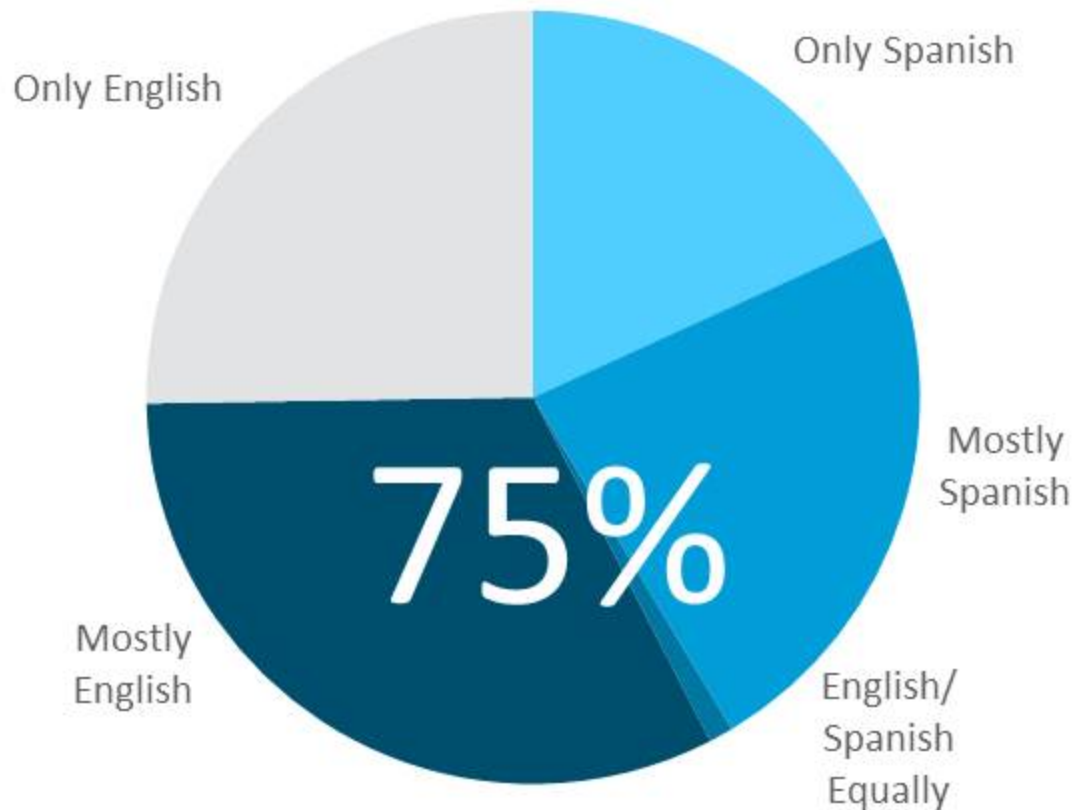
Sport Event

UPSCALE LATINOS GET TO CHOOSE ON TV

Upscale Hispanics spend 52% of their broadcast minutes on Spanish-language broadcast networks and 48% on English-language broadcast networks.

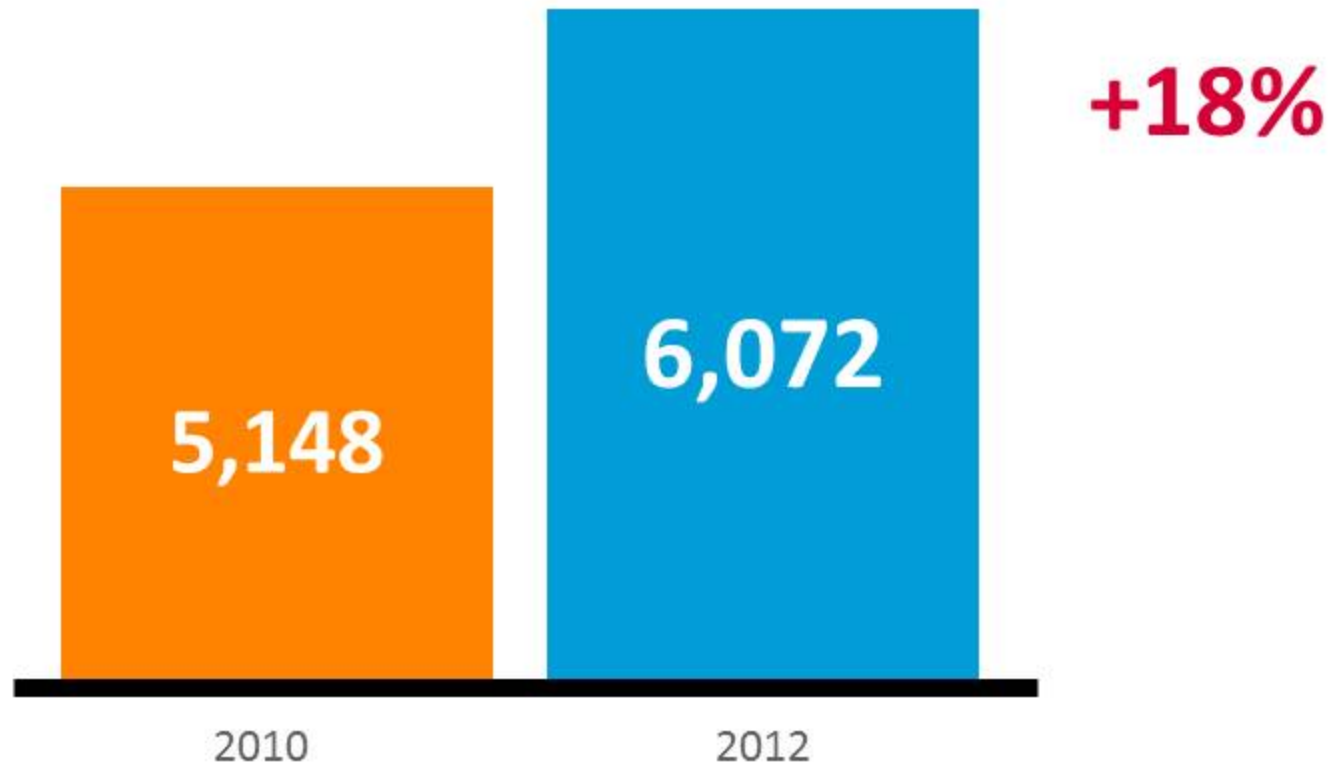


Spoken by a Majority of Upscale Hispanics...



Of Upscale Hispanics speak some Spanish

... AND SPANISH DOMINANCE IS GROWING



The percent of Upscale Hispanics that are Spanish Dominant continues to grow

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CONCLUSIONS & KEY IMPLICATIONS

UPSCALE HISPANICS - THE MOST INFLUENTIAL SEGMENT SINCE THE BABY BOOMERS

Will drive shifts in category consideration, purchasing behavior and brand relationship.

- Viable and sophisticated market of enormous proportion --\$500 Million annually
- Younger in age and larger households provides lifetime value and upside opportunities for many high-end & luxury brands
- A force behind new businesses with higher educational and professional attainment
- Upscale Hispanic over-index other Hispanics in Investments and Personal Care categories
- Expenditures in-line with Non-Hispanic across two-thirds of Food sub-categories, exceeding in one quarter of sub-categories
- Latino identity with one foot in each culture - their fully BILINGUAL tendencies are reflected in their pervasive use of language, and media consumption

KEY IMPLICATIONS

Fast growing Latino Upscale segment reins nearly 40% of Hispanic Spending Power

Marketers have a unique opportunity to identify the needs of an evolving Upscale Hispanic household:

- with an interest in building net worth,
- simplifying their lives,
- while benefiting from a bicultural lifestyle,
- streamlining their multi-generational responsibilities
- and enriching their American Dream.



THANK YOU

GRACIAS

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IF YOU HAVE QUESTIONS – PLEASE CONTACT THE TEAM
BEHIND THE STUDY THROUGH AHAA'S STAFF

MEMBERS ONLY UPCOMING UPSCALE WEBINAR:

- Nielsen and AHAA will be sharing the complete Upscale study in an in-depth webinar in June -STAY TUNED