Welcome to join in the Generational & Cultural Orientation conversation at:

Twitter: @ahaa @ScarboroughInfo
Facebook: AssociationofHispanicAdvertisingAgencies
Hashtag: #ahaaresearch
## Agenda

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<td>Scott Willoth</td>
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<td>Q&amp;As by Moderator &amp; Live Audience</td>
<td>Gaby Alcantara-Diaz</td>
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AHAA Research Thought Leadership

2010 - 2012

AHAA 2010 Hispanic Ad Spend Trends Report
March 7, 2012
Hispanic Allocation Impact On Revenue Growth Study Series: Part II – CPG Sector

AHAA 2012
July 17, 2012
Hispanic Allocation Impact on Revenue Growth Study Series: Part 3 – Tech, Telecom & Entertainment

2013 - 2014

Upscale Phase 2

Total Market

Hispanic ROI - Finance & Insurance

AHAA Research Thought Leadership

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AARP
Real Possibilities
Research Study Team

- ahaa
  Horacio Gavilan

- AARP
  L. Cortes-Vasquez & team
  Scott Willoth

- Scarborough

- SANTIAGO SOLUTIONS GROUP
  Carlos Santiago

- The Center for Multicultural Science
  Dr. Jake Beniflah

- GfK
  Susan Nuñez

Data Partners:

- ahaa
- Scarborough
- GfK
<table>
<thead>
<tr>
<th>Segment</th>
<th>2011 Total US Pop</th>
<th>% of Total US Pop</th>
<th>2011 US Hispanic Pop</th>
<th>% of Total US H Pop</th>
<th>Hispanic % of Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennial (18-29)</td>
<td>51,775,505</td>
<td>26.6%</td>
<td>10,471,236</td>
<td>34.1%</td>
<td>20.2%</td>
</tr>
<tr>
<td>Gen X (30-44)</td>
<td>61,324,756</td>
<td>31.5%</td>
<td>11,533,357</td>
<td>37.5%</td>
<td>18.8%</td>
</tr>
<tr>
<td>Boomer (45-64)</td>
<td>81,667,688</td>
<td>41.9%</td>
<td>8,733,235</td>
<td>28.4%</td>
<td>10.6%</td>
</tr>
<tr>
<td>Adults (18-64)</td>
<td>194,767,949</td>
<td>100.0%</td>
<td>30,737,828</td>
<td>100.0%</td>
<td>15.8%</td>
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</table>
Context

Regardless of Age & Generation, Hispanics Growing Faster than Non-Hispanics

Population Annual Growth Rate by Generation
2000-2010 CAGR

- 0-17: 3.3% (Hisp), 0.5% (NH)
- 18-29 Gen Y: 2.6% (Hisp), 0.7% (NH)
- 30-44 Gen X: 3.3% (Hisp), -1.4% (NH)
- 45-64 Boomers: 6.0% (Hisp), 2.5% (NH)
- 65+ Silent: 4.8% (Hisp), 1.2% (NH)

Source: U.S. Decennial Census 2000-2010
Methodology

Background
Purpose
Sample Size
Study Design
Background

• We’re living in an era of tremendous demographic change and leading companies view Hispanics as an important segment to drive corporate growth.

• Ongoing need to understand Hispanic consumers cross-culturally. Culture continues to matter – but which one? For which Hispanic consumer? And for which categories?

• AHAA conducted the first study that measures the cultural orientation of Hispanics with implications on category and product usage
Purpose of the Study

• Uncover new insights that may provide marketers with additional tools to mine their Hispanic opportunity by exploring specific category and cultural benefits among Hispanic Millennials, Gen X and Boomers.

• Some of the questions we set out to answer include:
  
  – Where are the business opportunities by generational segment?
  – Is there an Hispanic “best” customer in key product categories?
  – How does cultural orientation vary across generational segments?
  – How are Hispanics culturally different from each other?
Methodology

Phase 1

Phase 2
Fielded a primary re-contact study incorporating acculturation and cultural orientation questionnaire tying back to Scarborough and MRI responder bases.

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# Phase 2 Sample Design

<table>
<thead>
<tr>
<th></th>
<th>Base Total</th>
<th>(18-29) Millennial</th>
<th>(30-44) Gen X</th>
<th>(45-64) Boomer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hispanic by Acculturation Level</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lesser</td>
<td>352</td>
<td>82</td>
<td>148</td>
<td>122</td>
</tr>
<tr>
<td>Moderate</td>
<td>227</td>
<td>101</td>
<td>64</td>
<td>62</td>
</tr>
<tr>
<td>High</td>
<td>348</td>
<td>122</td>
<td>100</td>
<td>126</td>
</tr>
<tr>
<td><strong>Total - Hispanic</strong></td>
<td>927</td>
<td>305</td>
<td>312</td>
<td>310</td>
</tr>
<tr>
<td><strong>Total Non-Hispanic</strong></td>
<td>335</td>
<td>124</td>
<td>105</td>
<td>106</td>
</tr>
<tr>
<td><strong>Total Market</strong></td>
<td>1,262</td>
<td>429</td>
<td>417</td>
<td>416</td>
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</table>
Cultural Orientation

What is it?
How did we measure it?
Findings
What is Cultural Orientation?

• Cultural orientation is the degree to which individuals actively engage in certain parts of culture (food, music, language, media, celebrations, etc.)

• Provides marketers with concrete measures on how Hispanics are adopting the American culture relative to their native culture

• Cultural orientation is different from acculturation, which relies on proxy variables (i.e., language) – and should not replace it
How Was Cultural Orientation Measured?

- Used the Bicultural Involvement Questionnaire* (BIQ) comprised of two subscales (37 items), independently measuring the cultural orientation toward the Hispanic and Anglo cultures.

*Szapocznik, Kurtines, & Fernandez (1980)

Reliability scores were high: .93 (Hispanicism); .89 (Americanism)

LANGUAGE – comfort across at home, at school, at work, with friends, in general; CULTURE - Food, music, dances, stores, celebrations, TV programs, radio stations, books and magazines, websites, volunteering in community organizations.
Cultural Orientation by Generational Level

• Hispanic Millennials showed a high Anglo Cultural Orientation
• Hispanic Gen X showed similar scores across HCOS and ACOS
• Surprisingly, Hispanic Boomers had a higher Anglo Cultural Orientation

Sig differences were found between 90% and 99% confidence levels for ACOS across the three groups; and between Mill and Gen X and Gen X and Boomer

No stat sig differences between Millennial and Boomers in HCOS

ACOS = Anglo Cultural Orientation Scale
HCOS = Hispanic Cultural Orientation Scale
Cultural Orientation by Acculturation Level

- Low acculturated Hispanics scored the highest Hispanic Cultural Orientation
- High acculturated Hispanics showed the highest Anglo Cultural Orientation

NOTE:
Statistically significant differences were found at 95% confidence level

ACOS = Anglo Cultural Orientation Scale
HCOS = Hispanic Cultural Orientation Scale
Cultural Orientation by Nativity and Gen Level

<table>
<thead>
<tr>
<th></th>
<th>Foreign Born</th>
<th>U.S. Born</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gen Y</strong></td>
<td>3.542</td>
<td>3.315</td>
</tr>
<tr>
<td><strong>Gen X</strong></td>
<td>3.984</td>
<td>3.264</td>
</tr>
<tr>
<td><strong>Boomer</strong></td>
<td>3.863</td>
<td>3.452</td>
</tr>
</tbody>
</table>

NOTES:
- Statistically significant differences were found at 95% confidence level
- U.S. Nativity levels: Gen Y (65% USb / 35% Fb); Gen X (43%/57%); Boomer (46%/54%)
- Study Nativity levels: Gen Y (60% Usb / 40% Fb); Gen X (39%/61%); Boomer (46%/54%)

ACOS = Anglo Cultural Orientation Scale
HCOS = Hispanic Cultural Orientation Scale
Main Cultural Orientation Findings - Summary

- This study found that the cultural orientation varied across Hispanic Millennials, Gen X and Boomers.

- This study found a higher incidence of ‘cultural duality’ across the board than expected (this may be due to the fact this study measured cultural orientation across two cultures instead of one).

- Changes to cultural orientation were most pronounced across “place of birth” and “acculturation,” as expected.
Media Behavior Highlights
By Generational Segment & Cultural Orientation

Findings – TV, Radio, Print, Internet
Heaviest TV Viewers
Percent in First (heaviest) Quintile for TV viewership

- Boomer Latinos are by far the most likely Generational cohort (Hispanic or Non-Hispanic) to be heavy TV viewers, more than doubling Gen X Hispanics

Cultural Orientation Highlights by Generation
Heaviest Hispanic TV viewers gradually become less HCO over the generations.

Data Partners: ahaa
Sponsored by: AARP®
Real Possibilities
Heaviest Radio Listeners
Percent in First (heaviest) Quintile for radio listening

- Hispanics in Gens Y and X are heavier radio listeners than their Non Hispanic counterparts.

<table>
<thead>
<tr>
<th>Generation</th>
<th>Total</th>
<th>Gen Y</th>
<th>Gen X</th>
<th>Boomers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Hispanic</td>
<td>20.0%</td>
<td>10.2%</td>
<td>17.1%</td>
<td>17.7%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>20.2%</td>
<td>17.4%</td>
<td>25.5%</td>
<td>28.4%</td>
</tr>
</tbody>
</table>

Cultural Orientation Highlights by Generation
Heaviest Latino radio listeners are ACO among Millennials, but shift to BCO in older generations.
Heaviest Newspaper Readers
Percent in First (heaviest) Quintile for newspapers reading

Among both Hispanics and Non-Hispanics, Boomers are far-and-away heaviest newspaper readers.

- Total
  - Non Hispanic: 21.0%
  - Hispanic: 15.7%
- Gen Y
  - Non Hispanic: 9.2%
  - Hispanic: 12.7%
- Gen X
  - Non Hispanic: 14.4%
  - Hispanic: 10.3%
- Boomers
  - Non Hispanic: 21.4%
  - Hispanic: 33.5%

Cultural Orientation Highlights by Generation:
Youngest heavy readers are ACO, switches to BCO among older generations.

Data Partners:

Sponsored by:

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Scarborough

GRK Group
Heaviest Internet Users
Percent in First (heaviest) Quintile for Internet usage

• Not surprisingly, younger generations are heaviest Internet users. However, drop-off not nearly as precipitous among Hispanics.

![Graph showing Internet usage by generation and cultural orientation]
Best Customers Across Categories
By Generational Segment & Cultural Orientation

Findings – Millennials, GenXers, Boomers
Greater Opportunities in Hispanic vs. Non-Hispanics by Generational Segments

**Latino Millennials 18-29 v NH**
- Baby food (164)
- Movies - opening weekend (141)
- Wireless - plan to switch (140)
- Satellite/Pay TV (124)
- Foreign travel (122)
- Children clothing/shoes (125)
- Eco friendly: Save water (115)
- Game/toy stores (108)

**Latino Xers 30-44 v NH**
- Wireless - plan to switch carrier (163)
- Children clothing/baby food (143)
- Computer - plans to buy (139)
- Satellite/Pay TV (117)
- Eco friendly: Save water (116)
- Foreign Travel (113)
- Cold & flu Meds (111)
- Footwear (104)

**Latino Boomers 45-64 v NH**
- Wireless - plan to switch carrier (172)
- Foreign travel (137)
- Cold/flu Meds (123)

Data Partners:

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Latino Boomers: Greater Opportunities vs. Other Hispanic Generational Segments

**Food:** Coffee and nuts

**Auto:** New car, car insurance Own 3+ vehicles

**Coupons:** Newspaper & in-store circulars

**Travel:** Domestic & Foreign trips

**Other Purchases:** Glasses & contacts; dry cleaners

**Demographics:** Married, Full-time job

**Financial:** Own property. Life Insurance. Major Credit & Department store cards, Investments in money market & mutual funds

**Civic:** Registered to vote: Democrats. Contribute $ to religious orgs. Energy efficient devices (windows, light bulbs)

**Health:** Prescription drugs mainly because of high blood pressure, arthritis, diabetes, & digestive disorders. Specialist see more: ophthalmologist, cardiologist, & podiatrist. Health insurance
Auto: New Car Purchasers

Q: Any vehicle new bought/leased (HHLD)

- NH are more likely to buy a new car.
- Latino Boomers show 35% higher incidence than Latino Millennials.

Cultural Orientation Highlights by Generation
40% of H Boomers new car buyers are Bicultural Oriented while 45% for H Xers, 43% for Millennials

H Boomers 35% More likely to have bought new car v. H Millennials

Data Partners:

Sponsored by:
Financial: Life Insurance

Q: Life insurance coverage: Yes

- Life insurance coverage is 73% more likely among Latino Boomers than Latino Millennials although incidence remains lower than NH.

Cultural Orientation Highlights by Generation
Hispanics with Life Insurance policyholders’ Cultural Orientation skews Anglo Oriented among Millennials and fairly balanced between Anglo & Bilingual Oriented among Boomers.
Travel: Foreign Trips

Q: Any trip outside continental U.S. past 3 years

- Hispanics are more likely to travel abroad than NH
- Latino Boomer generation 22% more likely than Latino Millennials

40% More likely to v. NH Boomers

26% More likely to travel abroad v. NH

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Hispanic Gen Xers:
Greater Opportunities vs. Other Hispanic Generational Segments

Food:
QSR & C-stores. Yogurt, tortillas, coffee, baby food, energy/nutrition bars, & ready to eat cereal.

Auto:
2 vehicles

Tech/Entertainment:

Demographics:
Blue Collar, married. FT job. Dual Earners.

Other Purchases:
Children clothing, game/toy, cosmetics/perfume/skin care, furniture, shoes, sport attire/equipment, home accessories.

Civic:
Not as registered to vote.

Travel:
Airline & lodging reservations online

Financial:
Credit Cards or debit card

Health:
Rx drugs. cold/flu, allergies, children meds. Maternity care & pediatrics.
Tech/Entertainment: Satellite TV

Q: Any Satellite TV (HHLD)

- Overall Hispanic show higher incidence of Satellite TV subscription, Latino Xers 68% more likely than Latino Millennials.

**Cultural Orientation Highlights by Generation**

Hispanics satellite TV subscribers' Cultural Orientation is fairly even among Xers and skew more Bicultural Oriented across Millennials and Boomers.

- 34% HCO, 33% BCO, 36% ACO
- Total n=27
- Millennial n=80
- Xer n=105
- Boomer n=92

**14% More likely to subscribe v. NH**

**68% More likely to subscribe v. H Gen Y**
Children’s clothing

Q: Bought Children’s clothing past 12 months

- Xers surpass other Generational segments in purchases of children’s clothing.
- Overall, Hispanics show 32% higher incidence than NH

32% More likely to buy v. NH

Data Partners:

Sponsored by:

Cultural Orientation Highlights by Generation
Children’s clothing buyers Cultural Orientation skew varies: Anglo Oriented among Millennials, fairly distributed among Xers and Bicultural Oriented among Boomers
Hispanic Millennials: Greater Opportunities vs. Other Hispanic Generational Segments

Food: C-stores, Candy, frozen pizza, spirits, packaged meat, QSR, ice cream, yogurt

Auto: Used car

Coupons: E-mail & internet

Tech/Entertainment:
Hight tech devices; plan to buy more blue ray, HDTV, tablets. Avid users of internet, smartphone & apps

Demographics:

Other Purchases:
Infant, music/video, furniture, sport equipment, office supplies. Online purchases.

Civic:
Rechargeable batteries

Financial:
Debit card, check cashing & checking account

Health:
Health club. Maternity care, OB/GYN. ER user.
Tech/Entertainment: Movies

Q: Usually seen movies in opening weekend at a theater past

- Hispanics are nearly twice as likely as NH to go to movies on opening weekend.
- Hispanic Millennials are twice as likely as Latino Boomers

84% More likely to attend v. NH

40% More likely to attend v. NH Y

96% More likely to attend v. NH Boomers

Cultural Orientation Highlights by Generation
Hispanics heavy movie goers’ Cultural Orientation skew more Bicultural Oriented across Millennials and Xers but evenly balanced between Anglo & Bilingual Oriented among Boomers

Non Hispanic

Hispanic

Total

Gen Y

Gen X

Boomers

More likely to attend v. NH Y

More likely to attend v. NH Y

More likely to attend v. NH Y

Data Partners:

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Furniture

Q: HHLD plans to buy Furniture in next 12 months

- Hispanics Millennials are 41% more likely to plan to buy furniture than Hispanic Boomers

Cultural Orientation Highlights by Generation

Furniture shoppers Cultural Orientation skews Anglo Oriented among Millennials, Hispanic Oriented among Xers and Bicultural Oriented among Boomers
Conclusions

Conclusions
Implications
Opportunities
What’s Next?
Conclusions

• Cultural orientation varied across Hispanic Millennials, Gen Xers, and Boomers; in other words, study showed that Hispanics are culturally diverse

• Surprisingly, the study found a level of cultural duality across all Hispanics – not just Millennials

• The “best” Hispanic customer varied by category, suggesting that the best opportunity for each category can be found in different generational segments and specific Cultural Orientation
Implications

• Hispanics already lead in incidence and growth in many categories where they could effectively lead Total Market efforts for marketers, i.e.:
  – Maternity & Baby/infant/children: food, meds, clothing, footwear, toys, games, OTC and Rx, etc.
  – Tech & entertainments: wireless, Pay TV, smartphones, computers, tablets
  – Leisure: Foreign travel

• Understanding Hispanic generational differences and product usage can help define targeting priorities for product and service marketers

• Understanding Cultural Orientation and media usage among target category users by generational segments and cross-culturally may allow marketers to increase conversions and deepen engagement with their most promising Hispanic niche
Opportunities for Hispanic Marketers

• Expand the “one-size-fits-all” (i.e., homogeneous) cultural view of Hispanics and target the specific category cultural orientation consumer profile – not just the segment that is culturally ‘Hispanic’

• Use generational marketing to understand the diversity among Hispanics and drive marketing effectiveness

  – This study can help pave the way for deeper analysis by marketers for their specific categories and should be used as a starting point

Data Partners:

a/haa
the voice of hispanic marketing

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Real Possibilities
Q&A
What’s Next on AHAA’s Generational & Cultural Orientation Calendar?

AHAA will:

• Publish an in-depth full-version of this study for AHAA Members-only in August

• Host a webinar for Members-only that would uncover additional study findings and insights in August

If you’re not a member of AHAA, please contact info@ahaa.org
Deck available at AHAA Research page: http://ahaa.org/default.asp?contentID=27

Continue the Generational & Cultural Orientation conversation at:

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