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

35 Million
Upscale Hispanic HHs

2010  2015  2050

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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

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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%
Young Achievers are young, hip, twentiesomethings who've recently settled in metro neighborhoods. Heavily includes college students living in group quarters.
YOUNG, URBAN & CONNECTED

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 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.

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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®.

- **Los Angeles**: 625K (32%) Upscale Homes
- **Houston**: 200K (28%) Upscale Homes
- **Miami**: 200K (26%) Upscale Homes
- **New York**: 400K (28%) Upscale Homes

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UPSCALE HISPANICS IN SOUTH, CENTRAL FLORIDA...

Occupation
- Blue Collar: 23%
- White Collar: 53%
- Not in Labor Force: 24%

Household Size
- 1: 31%
- 2: 45%
- 3: 18%
- 4+: 6%

Language
- Only English: 6%
- Only Spanish: 5%
- Mostly English: 29%
- Mostly Spanish: 23%
- Spanish English Equally: 37%

Home Ownership
- Renter: 25%
- Home Owner: 75%

Education
- <9th Grade: 2%
- HS Grad: 19%
- Some College: 79%

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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.

- Yakima, WA: +166%
- Baltimore, MD: +178%
- Oklahoma City, OK: +191%
- Raleigh, NC: +175%

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UPSCALE HISPANICS & SPENDING
ASSET CHOICES OF THE AVID INVESTOR

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

- Hispanics: 33%
- Upscale Hispanics: 43%
- Upscale Non-Hispanics: 54%

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.

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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.

- Access Financial Accounts via Mobile Device
  - Upscale Hispanics: 34%
  - Hispanics: 30%
  - Upscale Non Hispanics: 22%

- Receive Financial Alerts via Mobile Device
  - Upscale Hispanics: 30%
  - Hispanics: 28%
  - Upscale Non Hispanics: 15%

- Locate ATM/Branch Via Mobile Device
  - Upscale Hispanics: 27%
  - Hispanics: 24%
  - Upscale Non Hispanics: 13%

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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

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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.

More Than Upscale Non-Hispanic Whites

- Men's Toiletries: 62% vs. 9%
- Women's Fragrances: 43% vs. 5%
- Hair Care: 39% vs. 7%
- Cosmetics: 16% vs. 8%

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

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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

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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...

75%

Of Upscale Hispanics speak some Spanish
... AND SPANISH DOMINANCE IS GROWING

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

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

FOLLOW US ON TWITTER:  @AHAA  @NIELSEN

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

GRACIAS