America Reimagined: New Inter-Cultural Activation Strategies for a New America

Intercultural Affinity Aggregation (ICA)
All Future Population Growth is Driven by Multiculturals

Projected Growth in Population by Race & Ethnicity

- **+2 RACES**
  - 2020: 14.0%
  - 2030: 16.9%
  - 2040: 22.7%
  - 2050: 27.4%

- **ASIAN-AMERICAN**
  - 2020: 15.0%
  - 2030: 16.6%
  - 2040: 19.2%
  - 2050: 19.5%

- **AFRICAN-AMERICAN**
  - 2020: 18.2%
  - 2030: 18.1%
  - 2040: 19.9%
  - 2050: 21.1%

- **HISPANIC**
  - 2020: 53.5%
  - 2030: 63.7%
  - 2040: 79.4%
  - 2050: 85.9%

- **NON HISPANIC WHITE**
  - 2020: 6.9%
  - 2030: -6.1%
  - 2040: -29.0%
  - 2050: -39.4%

2012 was the first year that mortality exceeded births for the U.S. NH White population.

Excluding NH White immigration into the U.S., 100% of U.S. population growth is already multicultural.

Source: U.S. Census Projections 2019
What is Driving the Shift in America?

Foreign Born population has quadrupled since 1960 while Countries of Origin have changed dramatically.
Because of the much younger age of Multicultural consumers and their generally longer life expectancies, the value to product and service providers is greater.

<table>
<thead>
<tr>
<th></th>
<th>NH White</th>
<th>African-American</th>
<th>Asian-American</th>
<th>Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Expectancy</td>
<td>78.7</td>
<td>74.3</td>
<td>87.3</td>
<td>83.5</td>
</tr>
<tr>
<td>Median Age</td>
<td>42</td>
<td>32</td>
<td>35</td>
<td>27</td>
</tr>
<tr>
<td>Years of Effective Buying Power</td>
<td>36.7</td>
<td>42.3</td>
<td>52.3</td>
<td>56.5</td>
</tr>
</tbody>
</table>

Source: CDC NCHS Life Expectancy/ACS Median Age
Visualize America’s 117 million households in three types

- **UnBl NH White** = Unblended NHW
  - All household members are non-Hispanic White
  - 71 million (60.5%)

- **UnBl MC** = Unblended MC
  - All household members are of single Hispanic national origin or single non-White race
  - 28 million (24.0%)

- **Bl** = Blended
  - Household has mix of races, mix of Hispanic origins, Hispanic w/ non-Hispanic or US-born & foreign born
  - 18 million (15.6%)

So, households in the New Mainstream look like

- % Blended Households

And by population, the New Mainstream looks like

- % Blended Population

Multicultural Influence: The Blending of U.S. Households
The Blended Household Population by Generation

Population in Blended Households + MC Households now accounts for the majority (53%) of the under 50 American population.
In 2021, a More Realistic Market View is Necessary as Multicultural Influence is Being Sharply Debated

In this new environment, it should not surprise marketers that consumers will react to Brand communications . . .

**Faster** – instant reaction to both real and hearsay samples of brand voices and advertising across all traditional and new channels

**Louder and broader** – individually and socially, more effective broadcasting of their personal voices on continually expanding channels

**Angrier and more personal** – with shorter fuses of toleration and patience that are more difficult to defuse and respond to

**More collective and combative** – assertive group identity that reinforces and spreads self-interest reactions and “us versus them” discourse

**More likely to “walk their talk”** – consumer actions and reactions will speak much louder than their words, with greater impact on purchasing

Clients need an approach that can serve as both a **strategic planning** and **crisis management** tool
The Ambicultural® Future of America

Old Mainstream

White Non-Hispanic Majority

White Non-Hispanic Ambiculturals®

Ambicultural® Multiculturals

Multicultural Ethnic Minority

New Mainstream

2021
Ambiculturals Take the Lead in the CulturEdge

In this shifting landscape, there is a convergence of cultures led by individuals who seek new experiences across cultures.

CulturEdge® is the...

- expansive cultural, physical, and virtual sharing space where exploration and exchange take place.
- bulls eye target for the changing marketplace.

Ambiculturals take the lead in the CulturEdge®

Many Fortune 500 companies are already applying these EthniFacts concepts
The ICA Model Aggregates ALL Consumers Across Race/Ethnicity To Understand Affinity Outside One’s Root Culture

**INTERCULTURAL AFFINITY MODEL INPUTS**

**MINDSET: How You Feel**
- **Aspirational Identity**: Are you retaining your root culture and do you intend to?
- **Culture/Language Valuation**: How do you feel about diverse cultures?

**BEHAVIOR: How You Act**
- **Dual Culture Competence**: Ability to function in multiple cultures?
- **Dual Language Competence**: Ability to speak multiple languages?
- **Walk the Walk**: Do you participate?

**OPPORTUNITY: Your Ecology**
- **Affinity Space Ecology**: Your physical and virtual associations?
- **Interethnic Proximity (IPI®)**: Are you located where you can easily practice these behaviors?
Intercultural Affinity (ICA) Segment Profiles

**TASTES & PREFERENCES**

- **MONOCULTURALS** (11%)
  - Do not experience or participate in diverse lifestyles or tastes other than root culture. May even avoid diverse tastes.

- **SIDELINERS** (22%)
  - Aware of but generally uninvolved in diverse tastes and preferences. More opportunity and less avoidance of diverse experiences.

- **EXPLORERS** (28%)
  - Experiment with and have tried diverse tastes & preferences on limited basis. Occasionally, situationally engaged.

- **ENTHUSIASTS** (22%)
  - Exposed and embracing diverse tastes & preferences. Practicing, but not leading diverse tastes & preferences.

- **AMBICULTURALS** (17%)
  - Environment & lifestyle leader. Influencer with effortless affinity to diverse tastes, preferences, & high desire to share.

**MINDSET**

- High Root Negative
- Aspirational Identity
- Ambicultural® Positive

**BEHAVIOR**

- Low
- Dual Culture Competence
- High

**OPPORTUNITY**

- Mono Ecology
- Affinity Network (Ecology)
- Multi Ecology
- Low
- Interethnic Proximity Index
- High
Capturing the Potential of the New Blended America

TRADITIONAL NICHE SEGMENTATION

- Multicultural (38% = 121M)
- Hispanics (18% = 57M)
- Foreign Born Hispanics (6% = 19M)
- Spanish Dominant (%) = 10M

ETHNIFACTS AGGREGATION

- Multicultural (+4%) (42% = 134M)
- Multicultural + their spouses/households (+8%) (50% = 159M)

MANY SMALL ACTIVATION BUCKETS COSTLY TO IMPLEMENT

COST EFFECTIVE ACTIVATION TO CULTURALLY ADJACENT CONSUMERS

Source: 2017 U.S. Census ACS
In Today’s Dissonant Marketplace, Brands Must Understand, Quantify, & Predict Risk/Reward

Pepsi Kendall Jenner Ad

Budweiser Super Bowl Water

Cheerios’ Interracial Ad Spiked Its Online Branding by 77%
Rotten apples didn’t spoil spot
By Christopher Heise | June 7, 2013

Coca-Cola’s Super Bowl Ad from 2014 Is Especially Relevant Today
"They just reread the commercials."
A New Way to Grow/Aggregate Business Across ALL Consumers

**UNDERSTAND**
Increase the opportunity to reach the highest influencers by aggregating NH Whites and other races/ethnicities that share high intercultural affinity through diverse consumption, attitudes, behaviors, and opportunity.

**MEASURE**
Track progress of marketing efforts within the highest IC Affinity segments and make ROI decisions about cost/benefit of expanding to more segments while mitigating risks in low IC Affinity segments.

**MAXIMIZE**
Realize the true size of the prize for new and existing products.