



REPORT



State of the Hispanic Consumer: The Hispanic Market Imperative

Quarter 2, 2012



TABLE OF CONTENTS

Executive Summary.....	1
Section One: Latinos are vital to America's future.....	2
Hispanics are big business now.....	2
Hispanics account for most of U.S. future growth.....	4
Hispanic culture in the U.S. is enduring and sustainable.....	7
Section Two: Latinos are at the intersection of language, technology and media.....	8
Multiple platforms for television and online viewing.....	8
Technology adaption and adoption.....	10
Section Three: Latinos have differentiated consumption.....	11
Latino brand loyalty fact check.....	13
Ad spending.....	13
Conclusion.....	15

ABOUT THIS REPORT

In over 100 countries around the world, Nielsen provides the most complete understanding of what consumers watch and buy. In the U.S., Nielsen has delivered insights about consumers for almost 90 years. **The Hispanic Market Imperative** offers a fresh perspective on the Hispanic consumer segment of the U.S. economy. This report highlights the importance of the Latino market and provides insights to help marketers succeed in the opportunities that lie ahead.

“If it were a standalone country, the U.S. Hispanic market buying power would make it one of the top twenty economies in the world.”

EXECUTIVE SUMMARY

The U.S. Hispanic population is the largest minority segment and is growing at a dramatic rate towards ethnic plurality, which has already occurred in the most populous states and is beginning to occur among the U.S. baby population. Ethnic plurality refers to the coexistence of numerous ethnicities and races with no one segment in the majority. If the present U.S. economy substantially benefits from Hispanics, the future U.S. economy will depend on Hispanics by virtue of demographic change and the social and cultural shifts expected to accompany their continued growth.

It has become increasingly important to challenge commonly held misconceptions about the Latino market that undermine the importance of its size, uniqueness, and value. The topics that follow are fully addressed in the report and draw on compelling evidence of market change and the perspective of marketers who have proven success in the Latino marketplace.

- Latinos are a fundamental component to business success, and not a passing niche on the sidelines.
- Rapid Latino population growth will persist, even if immigration is completely halted.
- Latinos have amassed significant buying power, despite perceptions to the contrary.
- Hispanics are the largest immigrant group to exhibit significant culture sustainability and are not disappearing into the American melting pot.
- Technology and media use do not mirror the general market but have distinct patterns due to language, culture, and ownership dynamics.
- Latinos exhibit distinct product consumption patterns and are not buying in ways that are the same as the total market.

The information in this report confirms what many marketers have known for some time, and yet, for some this is a wake-up call about change that is here to stay.

SECTION ONE: LATINOS ARE VITAL TO AMERICA'S FUTURE

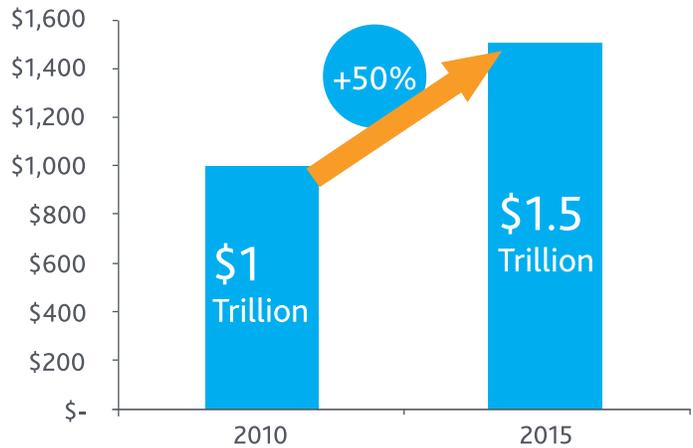
Hispanics are big business now

The United States is on a path to ethnic plurality, which is largely driven by remarkable Latino consumer market growth. The country's vibrant demographic composition, with its healthy multicultural dynamic and youth, are a critical American asset in the global economic competition. At the heart of this asset, both now and over the next several decades, is the Hispanic population.

Over 52 million strong, Latinos are impacting every aspect of the national landscape including popular culture, the workforce, consumerism, politics and American national identity. The Hispanic market's size, growing clout, and buying power of \$1 trillion in 2010 and \$1.5 trillion by 2015 require thoughtful understanding about what the market represents to a company's bottom line.¹ Latinos are no longer just a sub-segment of the economy, but a prominent player in all aspects of American life.

Buying Power

Projected Growth of Hispanic Buying Power



Source: Selig Center for Economic Growth, *The Multicultural Economy*, 2010

2000 to 2011 Hispanic vs Total Market Income Growth

Household Income	2011 Income		2000 to 2011 Percent Income Growth	
	Total	Hispanic	Total	Hispanic
<25K	24%	29%	-17%	-19%
25-34.9K	11%	14%	-13%	-10%
35-49.9K	15%	17%	-6%	0%
50-74.9K	19%	19%	0%	10%
75-99.9K	12%	10%	16%	31%
100K+	18%	11%	49%	71%

Source: U.S. Census Bureau

“The Hispanic market's size, sheer size, growing clout, and buying power of \$1 trillion in 2010 and \$1.5 trillion by 2015 require thoughtful understanding about what the market represents to a company's bottom line.”¹

¹Selig Center for Economic Growth, *The Multicultural Economy*, Athens, GA 2010.

Many companies believe that significant growth opportunities come from outside the U.S., but the Hispanic market offers unique growth prospects within our borders. If it were a standalone country, the U.S. Hispanic market buying power would make it one of the top twenty economies in the world.² What's more, the per capita income of U.S. Hispanics is higher than any one of the highly coveted BRIC countries (Brazil, Russia, India, China).³ Despite the recession, U.S. Latino households that earn \$50,000 or more are growing at a faster rate than total households.

Companies like Procter & Gamble, General Mills, Unilever, Coca Cola, and Walmart have made the Latino market an imperative for growth. Many have recognized that the American marketplace has changed and Latinos are a primary driver of growth, essential to future success. Similarly, major political candidates are specifically targeting Hispanics who are critical to the vote when considering Latino driven change in the electoral map and the sizeable

presence of Latinos in swing states like Florida, Nevada, and Colorado. In politics or business, Hispanics can be the difference between winning and losing the battle.

Based on above average consumption of many consumer products and their continued demographic growth, Hispanics will be the dominant and in many cases the only driver of domestic CPG sales growth to be illustrated in Section Three.



The per capita income of U.S. Hispanics is higher than any one of the highly coveted BRIC countries (Brazil, Russia, India, China).³

Latino Marketplace Insights

Hispanics are the cornerstone of future growth:

- Make Hispanic brand growth a measured priority for company leaders and agencies
- Devote adequate resources to identify and define Hispanic market opportunities
- Understand the role of language and culture among the Latino target consumer

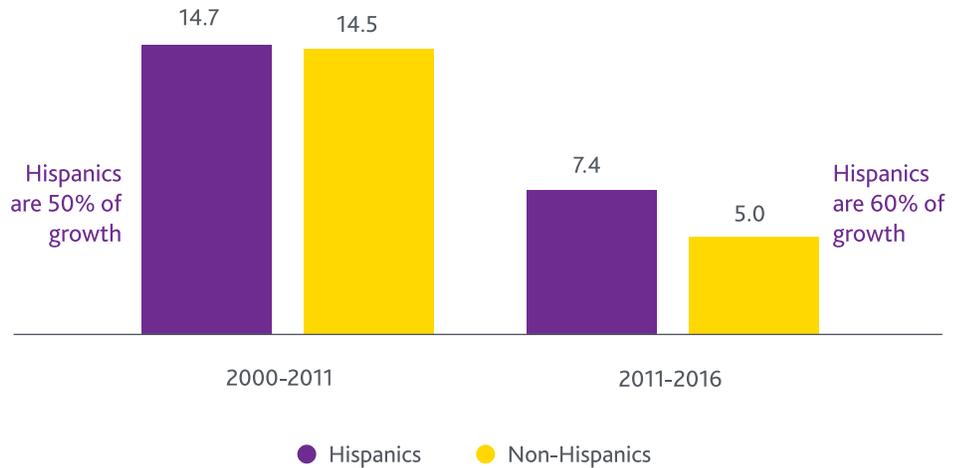
²CIA World Fact Book, Estimates Online, 2011. U.S. Hispanic buying power was \$1.1 billion in 2011, and would be 14th on the list of G20 countries, ahead of Turkey, Australia, Argentina, Saudi Arabia, and South Africa.

³Goldman 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.

Hispanics account for most of U.S. future growth

Between 2000 and 2011, Hispanics accounted for more than half of the U.S. population increase with slightly greater growth than that of all other non-Hispanics combined. Hispanics will contribute an even greater share (60 percent or higher) of all population growth over the next five years. Even though immigration is down sharply, Hispanics continue to experience dynamic growth. In fact, Hispanics are the fastest growing ethnic segment expected to grow 167 percent from 2010 to 2050, compared to 42 percent for the total population.

U.S. Population Growth (millions)

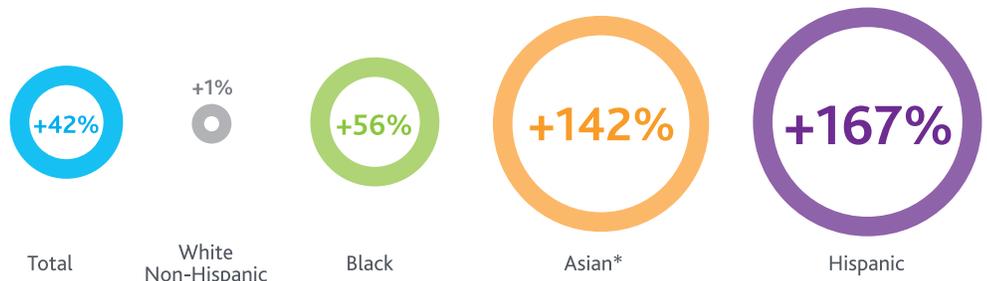


Source: Nielsen Pop-Facts 2011 to 2016, Population by Ethnicity and Single Race

“Hispanics are the fastest growing ethnic segment expected to grow 167 percent from 2010 to 2050, compared to 42 percent for the total population.”

Even though immigration is down sharply, Hispanics continue to experience dynamic growth.

Projected U.S. Population Growth From 2010 to 2050



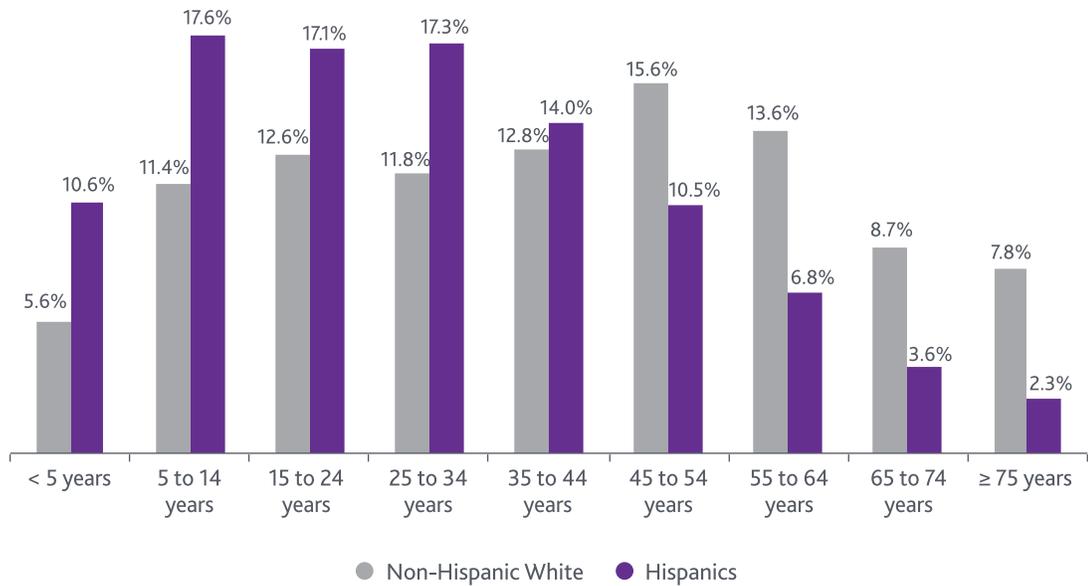
*Excludes American Indian, Alaska Native, Hawaiian & Other Pacific Islander
Source: U.S. Census Bureau Population Projections

The overall U.S. population is graying, but the Latino population remains young and the primary feeder of workforce growth and new consumption. Over 60 percent of the U.S. Hispanic population is under age 35, and 75 percent is under age 45. The 2011 graph demonstrates a reversal of population trends around age 45, where Hispanics are concentrated in younger segments and non-Hispanic Whites in older groups. The median age of the Latino population is 28 years old, nearly ten years younger than the total market median age of 37 years. Given that the age for a new homebuyer is between 26 and 46 years old, Latinos will become a force in residential purchasing over the next ten years.⁴

Because of Latinos' favorable demographics and increasing economic buying power, IBISWorld, producer of Industry Research Reports, has identified seven economic sectors expected to benefit most from Latino demographic change: residential buying, food (grocery and restaurants), retail (especially clothing and electronics), education (higher education and technical schools), financial services, transportation (automotive and airline), and entertainment and media industries.⁵

Given that the age for a new home buyer is between 26 and 46 years old, Latinos will become a force in residential purchasing over the next ten years.⁴

Percent of U.S. Population by Age Group and Ethnicity, 2011



Source: Nielsen Pop-Facts, 2011

⁴National Association of Hispanic Real Estate Professionals, State of Hispanic Homeownership, 2010.

⁵IBIS World, The Growing Hispanic Population Means Big Business for These 7 Sectors, Special Report, August 2011.

The U.S. population map shows continued growth in traditionally Hispanic areas and dramatic dispersal and new growth in areas where Hispanics were recently unknown. The raw growth numbers (represented by dots) show that even with very large established bases, growth persists in California, Texas, the Southwest, most of Florida, New York metro and Chicago metro.

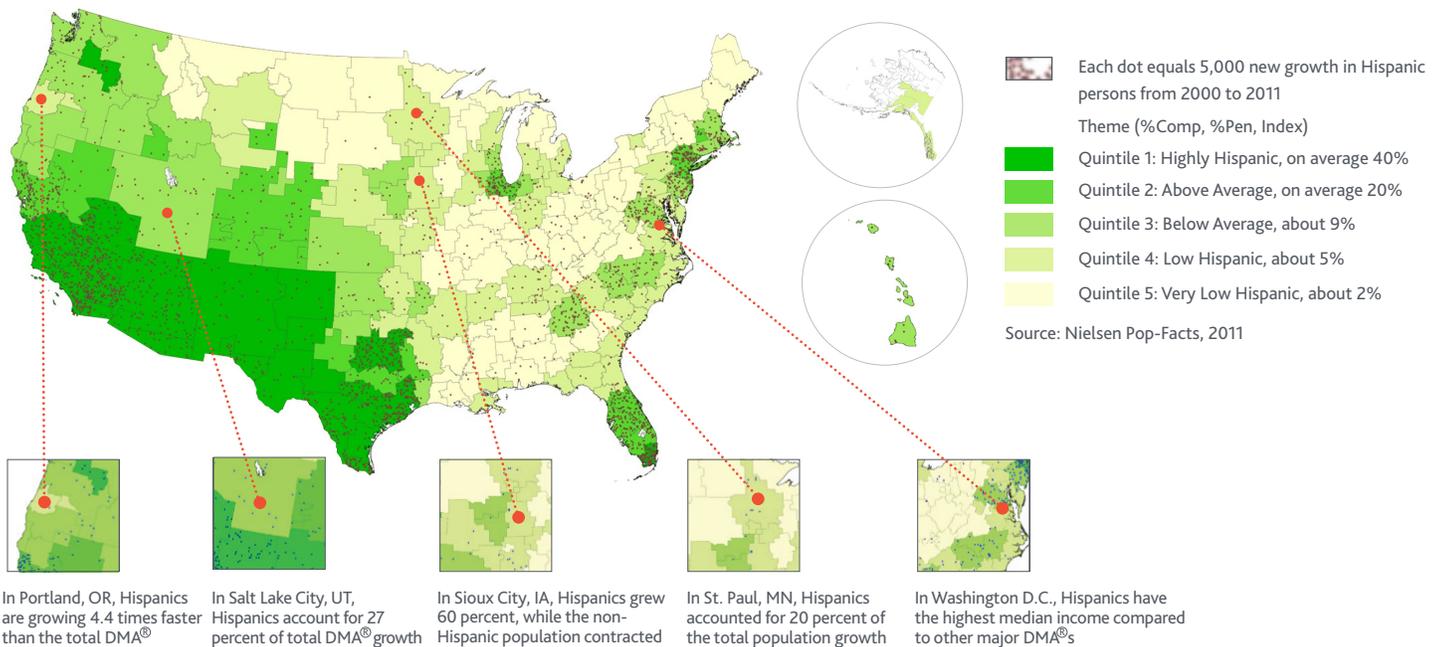
Hispanics are 16 percent of the nation's population, and have much higher concentrations in Texas (38 percent), California (38 percent), Florida (22

percent), Colorado (21 percent), Nevada (27 percent), and New Mexico (46 percent). Areas within these states contain large pockets of Latinos where marketers can analyze communities and anticipate new trends that affect a growing proportion of their business. In a very real sense, Hispanics are a bellwether for the rest of the country's future.

Hispanic growth in the top Hispanic DMA's is approximately two or more times larger than total population growth demonstrating their growing influence across many of the country's major markets.

“The U.S. population map shows continued growth in traditionally Hispanic areas and dramatic dispersal and new growth in areas where Hispanics were recently unknown.”

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.

Top Hispanic DMA® 2011 and 2016

	2011		2016		2011 to 2016	
	2011 Hispanic Population (000)	2011 Total Population (000)	2016 Hispanic Population (000)	2016 Total Population (000)	Percent Hispanic Growth	Percent Total Population Growth
Los Angeles	7,961	17,741	8,839	18,752	11.0%	5.7%
New York	4,466	21,050	4,788	21,369	7.2%	1.5%
Miami	2,051	4,368	2,269	4,531	10.6%	3.7%
Chicago	1,939	9,742	2,157	9,953	11.2%	2.2%
Houston	2,175	6,333	2,560	6,906	17.7%	9.1%
Dallas	1,979	7,283	2,394	7,936	21.0%	9.0%

Source: Nielsen Pop-Facts, 2011

Hispanic culture in the U.S. is enduring and sustainable

The conventional wisdom and expectation – still prevalent in many companies' marketing strategies – is that Hispanics will gradually become part of the melting pot. This paradigm in which immigrants shed their culture and blend in has become increasingly untenable. Several unique circumstances combine to make Hispanics the largest population group to exhibit culture sustainability. Borderless social networking, unprecedented exchange of goods, technology as a facilitator for cultural exchange, retro acculturation, and new culture generation combine to enable Hispanic culture in the U.S. to be sustainable. In other words, it may evolve but will not go away.

To illustrate the dynamics of culture sustainability, a 2011 national survey of Hispanic adults found the following trends:⁶

- 37% of Hispanic adults who spoke English mostly when they were young children indicated that they learned enough Spanish to become bilingual at present age. These bilingual Hispanics have high rates of wanting to read, watch and explore more Spanish language media channels in the next five years.
- Nine out of ten Hispanic parents and parents-to-be want their children to be able to speak Spanish, even though they also want them to become fluent in English.

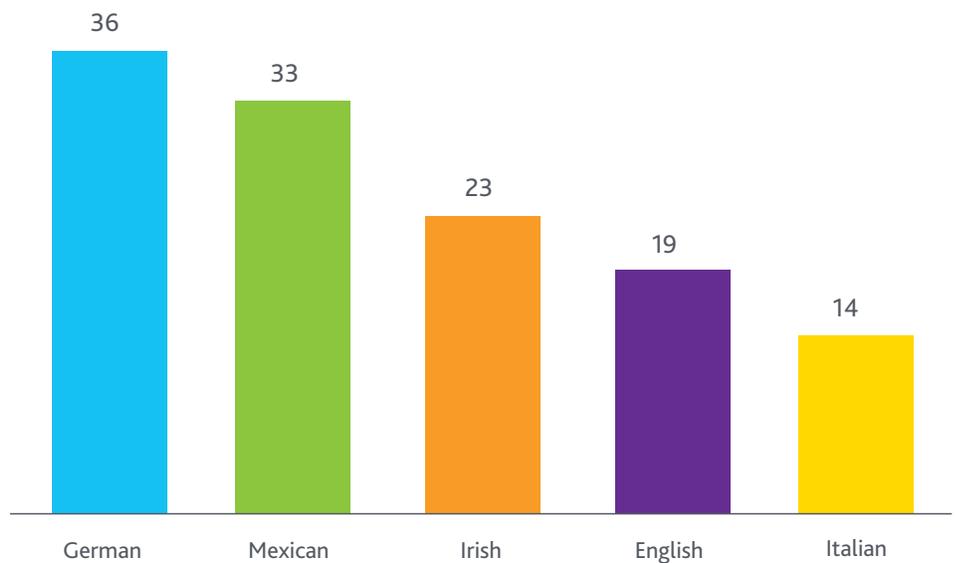
- Hispanic adults say they want to be more Latino (31 percent) or bicultural (60 percent) than they are now, they like telling people from other cultures about Hispanics (75 percent), and they speak to their closest friend in Spanish (51 percent) or both English and Spanish (24 percent).

An analysis of Census data showed that 72 percent of intermarried parents (one Hispanic, the other non-Hispanic) classified their children as Hispanic in 2011; compared to only 35 percent who did so in 1991. This metric more than doubled over the years reflecting increased culture sustainability linked to pride, public acceptance, and retro acculturation.

Although the basic elements of culture sustainability have been identified and some qualitative findings have been reported, these quantitative measures represent much needed efforts to empirically address and anticipate the dynamics of culture change in the U.S.

2011 U.S. Population by Ancestry (millions)

Mexican Ancestry is bigger than Irish, English or Italian ancestry in the U.S.



Source: Nielsen Pop-Facts, 2011

⁶EthniFacts created the culture sustainability model as an alternative to assimilation and acculturation models and it incorporates a suite of behavioral and attitudinal scales, some incorporated into this paper with permission. Survey was conducted with a national panel sample of 4,000 Hispanic adults.

SECTION TWO: LATINOS ARE AT THE INTERSECTION OF LANGUAGE, TECHNOLOGY AND MEDIA

Latino usage rates of television, smart phones, social networking, online video and other forms of entertainment make Latinos one of today's most engaged and dynamic targets. The distinctive combination of relative youth, community, culture and language preference positions Hispanics to become pioneers in new media trends and further accelerate technology uptake.

Multiple platforms for television and online viewing

Due to sheer numbers, Hispanics have wielded significant influence on the media landscape, shaping programming content, dedicated channels and vehicle offerings.

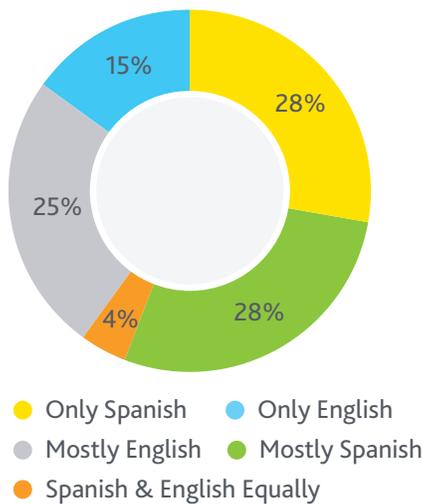
Hispanics access media from every platform available and often lead the general market as early adopters of emerging technologies. Approximately 60 percent of Latino households own at least one video- and Internet-enabled cell phone, compared to 43 percent of the general market. In monthly time,

Hispanics spend 68 percent more time watching video on the Internet and 20 percent more time watching video on their mobile phones compared to non-Hispanic Whites.

Real-time TV viewing still ranks high with the Latino market. Hispanics are less likely to use a DVR player than the average household, with only 31 percent of Hispanic households owning a DVR player versus 41 percent of the general market. Interestingly, Hispanic DVR households are two to three times more likely to timeshift English than Spanish language programming.

Language serves as a cultural constant threading through many of the trends discussed in this report. Nielsen Universe Estimates show that 56 percent of Hispanic adults speak primarily Spanish at home, compared to 40 percent who speak primarily English. These data underscore the importance of using Spanish to reach Latinos.

Language Usage among U.S. Hispanic Adults

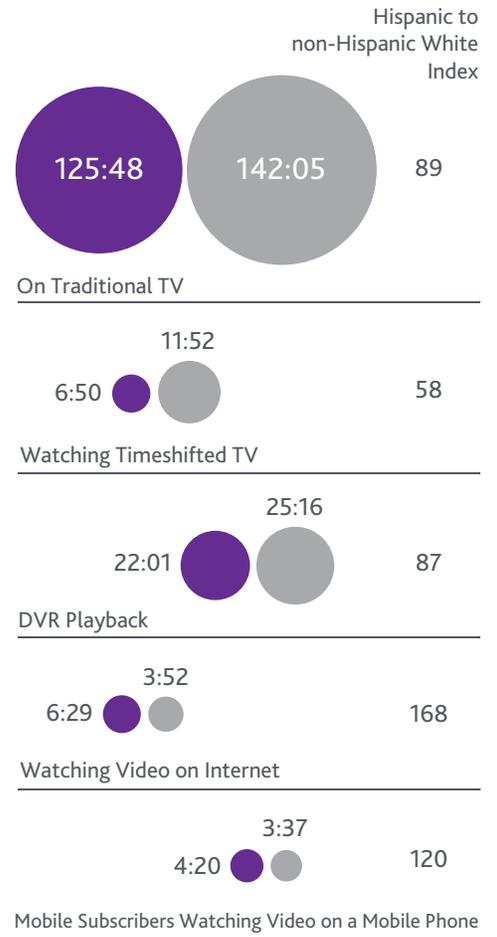


Source: Nielsen universe estimates 2011-2012

Time Spent Watching Video

● Hispanic ● Non-Hispanic White

Monthly Time Spent in Hours: Minutes



Source: Nielsen Q3, 2011

Cultural influences such as family size and presence of children, as well as language aptitude determine TV viewing habits. For example, the co-viewing phenomenon is particularly prominent in the Latino community with parents and children sharing the viewing experience. In May 2011, Hispanics co-viewed 59 percent of all Spanish language broadcast prime time programming. In the same period, the general market co-viewed 48 percent of all English language broadcast prime time programming.

Programming genre reflects culture differences as well. Latinos over-index in certain genres such as talk shows, news documentaries, daytime dramas and sports news. In contrast, general market viewers spend much more time on police dramas, situation comedies, science fiction and evening animation. This difference is tied to Hispanics' focus on engagement in relevant information and culture-related programs more than on pure entertainment.

Media and Technology Insights

- Marketers will need to leverage a mix of media and technology options to engage the Latino market's lifestyle, culture and language preferences.
- Marketers can capitalize on new technologies to reach the young and growing Latino market.

Fútbol/ Football Fans

Sports represent another popular form of family entertainment. Similar to the rest of Americans, Hispanics enjoy sporting events, although their interests straddle both traditional U.S. and Latin American sports. Football and fútbol (soccer) kick-off the list of popular sports among Latino sports enthusiasts, each with an avid following. The 2010 World Cup match between Argentina and Mexico reached 7.9 million Hispanics ages 18 to 49, slightly higher than the 7.3 million reach of the 2012 Super Bowl for the same demographic.



Technology adaption and adoption

Latinos may use the same technology as the rest of the country, but adapt it differently making it more of a culture-focused tool. The following discussion of Internet and mobile phone use addresses similarities and differences when comparing Hispanics and the total market.

Approximately nine out of ten Hispanics have access to the Internet, when extended family, work, school, and other public places are included. Hispanics are less likely to have Internet access at home compared to the U.S. average (62 percent and 76 percent, respectively).

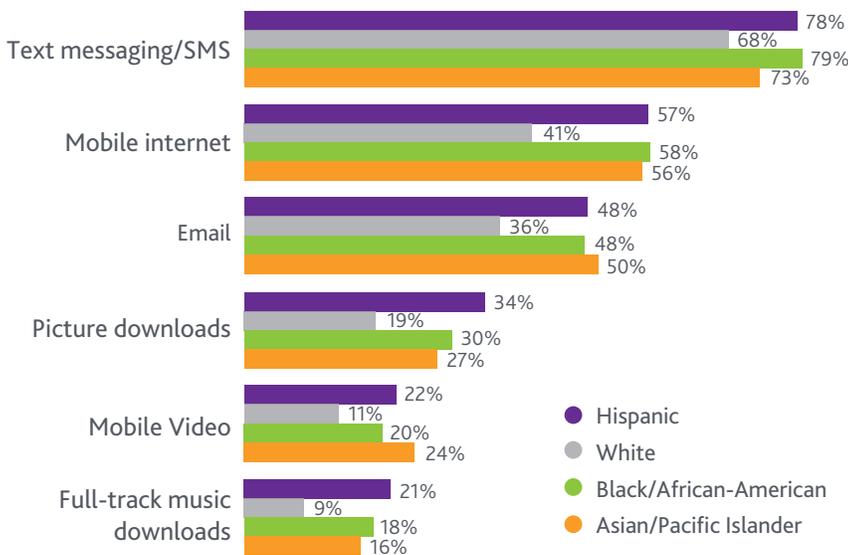
Over the past year, Hispanics increased home broadband use by 14 percent, which is more than double the 6 percent growth of broadband use in the general market.

There is an emerging segment of tech savvy Hispanics who have leapfrogged Internet home access altogether.

Hispanics are three times more likely to have Internet access via a mobile device, but not have Internet at home (9 percent vs 3 percent, respectively). Overall, Hispanics are 28 percent more likely to own a smartphone than non-Hispanic Whites, which is a significant avenue of opportunity for marketers. Hispanics outpace all ethnic groups in mobile data service consumption including music and picture downloads, and at a growing rate. Hispanic dependence on mobile devices for Internet connectivity could explain why their average bill is 8 percent higher than the general market.



Mobile Data Services Used by Hispanics in Past 30 Days



Source: Nielsen Q4, 2011 Mobile Hispanic Insights Report

SECTION THREE: LATINOS HAVE DIFFERENTIATED CONSUMPTION

Evidence from many sources demonstrates that Hispanic product consumption is indeed unique in many respects, and well differentiated in comparison to other U.S. consumers.

Hispanics do not necessarily mirror consumption patterns of all consumers

and therefore it is essential to understand their needs, wants, and shopping tendencies. Across all retail channels, Hispanics tend to shop less often, but spend more per trip, and are less likely to buy products at promotional prices.

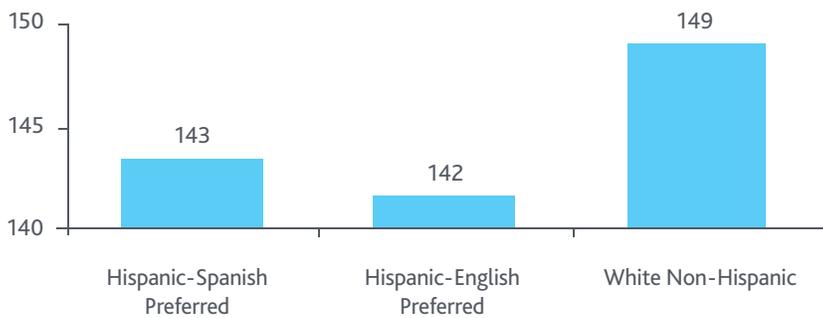
Shopper Insights

- Fewer shopping trips among Hispanics make it critical for retailers to develop a strong connection to become the destination of choice.
- Manufacturers need to collaborate with retailers to develop mutually beneficial strategies to capitalize on larger shopping baskets.

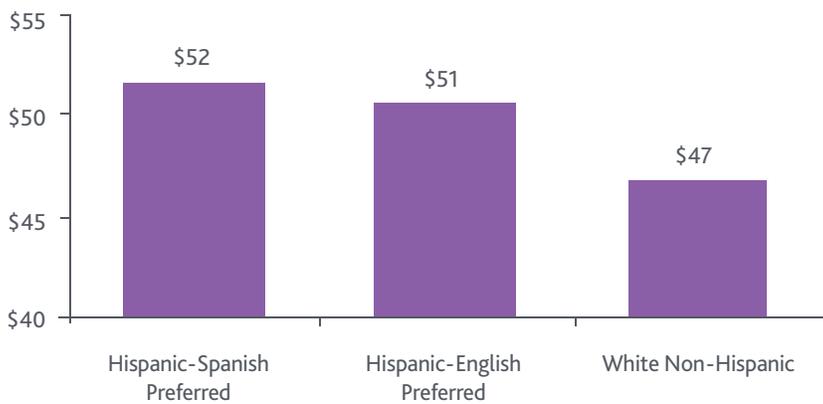
Shopping Trips and Dollars per Trip

Total Retail Channels

Shopping Trips per Household



Dollars per Trip



Source: Nielsen Homescan®, Total U.S.; 52 weeks ending 12/25/2011

In many categories, Hispanics have different consumption growth rates than Non-Hispanics. Beverage sales trends show powerful evidence of Hispanic consumers acting as the accelerators for growing categories and the brakes for declining ones. This can be described as the *Hispanic Advantage* that is found in the projected Compounded Annual Growth Rates (CAGR) from 2010 to 2015 in eight of nine beverage categories, where Hispanic CAGR is equal to, and in many cases higher than the CAGR of non-Hispanics. These projections mirror trends

of the past several years and substantiate Hispanic's growing contribution to future beverage business.

Hispanics spend substantially more than the total market in the top ten Hispanic product use categories which include baby products, hair care, and toiletries. These figures show a small sampling of highly personal and meaningful categories, where marketers benefit from understanding whether Hispanic category consumption differs from the general market.

For instance in the hair care category, Latinas begin dying hair at an earlier age than the total market, and purchase hair color dye more frequently. Hair color is seen as an important and inexpensive path to self-expression and beauty, which can bring light to potent consumer insights for hair care marketers. In baby care, several companies have shifted how they approach the Latino market, no longer relegating them to second tier consideration, but making Latinos a focal driver of business growth.

**Total Sales
Compounded Annual Growth Rate Percentages
Projected 2010 to 2015**

	Overall	Hispanic	Non-Hispanic	Hispanic Advantage*
Tea	3.4	9.5	2.4	7.1
Spirits/Wine	3.3	6.0	3.0	3.0
Coffee	3.2	6.6	2.7	3.9
Beer	2.9	2.9	2.9	0.0
Non Carbonated Drinks	0.9	6.1	0.0	6.1
Carbonated Drinks	0.2	2.8	-0.1	2.9
Juice	-0.7	2.3	-1.3	3.6
Bottled Water	-2.6	-1.1	-2.9	1.8
Milk	-7.0	-3.3	-7.6	4.3

*Hispanic Advantage = Hispanic - non-Hispanic Growth Rate

Source: 2010 Nielsen Beverage Landscape in the U.S.

Beverage sales trends show powerful evidence of Hispanic consumers acting as the accelerators for growing categories and the brakes for declining ones.

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

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



Latino name brand loyalty fact check

Total retail channel data for all CPG categories shows that Hispanics are just as likely to buy name brands and private label as the general market.

That said, Hispanic name brand loyalty prevails in three hotbed CPG categories with significant consumption - hair care, baby products, and health and beauty - where Latinos are more likely to buy name brands than the total market. In hair care, Latino name brand buying is 43 percent higher than the total market, while private label buying levels are comparable.

Latinos spend 15 percent more on branded baby products and 10 percent more on private label making baby care a win-win for all types of products targeting this segment. In health and beauty, Latinos spend 10 percent more on name brands and 9 percent less on private label versus total market. In these very meaningful categories, Latinos say they buy store brands "due to the economy," and not necessarily because of preference.

“In hair care, Latino name brand buying is 43 percent higher than the total market, while private label buying levels are comparable.”

Name Brand vs. Private Label

Annual Dollars per Buying Household

	Name Brand			Private Label		
	Hispanic	Total	Hispanic to Total Index	Hispanic	Total	Hispanic to Total Index
Hair care	\$55	\$39	143	\$7	\$7	99
Baby products	\$26	\$23	115	\$6	\$6	110
Health and beauty	\$326	\$297	110	\$69	\$75	91

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

Ad Spending

Companies spend their dollars where they see the most potential and today they are spending \$5.7 billion on Spanish media, the majority of which is spent on Spanish television. Spending in almost all Spanish advertising mediums increased from 2010 to 2011, further evidence that marketers will continue to invest in this growing marketplace as the economy recovers. While not quantifiable, there is also some Hispanic

media spending allocated to English language initiatives by advertisers mindful of English speaking Latinos.

The top ten list of Spanish advertisers is made up of leaders who have made a serious commitment to this market. Companies who were on the top ten list in both 2010 and 2011 were Procter & Gamble, McDonald's, AT&T, Verizon, Toyota, General Mills and General Motors. McDonald's says they "lead with ethnic insights," reflective of the fact

that 40 percent of their revenue comes from ethnic consumers. McDonald's is the fourth largest Spanish language advertiser spending \$131 million in this arena. Procter & Gamble has also stated the importance of using ethnic insights to lead total market campaigns in certain categories. These marketers, and many others, are intensifying and fine-tuning their Latino strategies to stay competitive in the changing marketplace.

Overall Hispanic Ad Spend Across Media

Media	2011 (000)	% Growth 2010 to 2011
Spanish TV Network	3,268,707	13%
Spanish Spot TV	1,153,639	1%
Spanish Cable TV	452,207	21%
Spot Radio	664,375	1%
National Magazine	136,305	26%
Local Newspaper	61,225	-4%
Total	5,736,458	11%

Source: Nielsen Ad*Views, 2011 Calendar Year

Advertising for Impact

Language influences advertising's ability to connect with the Hispanic audience on a number of levels, from likeability to recall. Four key learnings about language and the Latino market can serve as guidelines for advertisers:

1. Hispanics remember English language commercials as well as the general population.
2. The same commercial shown in Spanish bumps up ad recall by as much as 30 percent.
3. Latinos like ads 51 percent more if viewed in Spanish rather than English.
4. Hiring Spanish-speaking talent to deliver the script resonates 30 percent better with Latinos.

Source: Nielsen TV Brand Effect

Ad Spend by Top 10 Spanish Language Advertisers

Parent Company	Total \$\$\$ (million)	National Magazine % of Total	Spanish Language Cable TV % of Total	Spanish Language Network TV % of Total	Spot Radio % of Total	Spot TV % of Total
PROCTER & GAMBLE	225.6	13%	13%	73%	1%	0%
BANCORP INC	193.1	0%	0%	98%	0%	2%
DISH NETWORK	160	1%	8%	89%	0%	2%
MCDONALD'S	131.2	1%	4%	72%	10%	13%
AT&T	130.5	0%	9%	42%	7%	42%
VERIZON	125.6	0%	10%	67%	4%	18%
TOYOTA	100.5	1%	8%	77%	4%	10%
GENERAL MILLS	94.8	0%	5%	93%	1%	1%
KRAFT FOODS	91.8	3%	15%	77%	4%	2%
GENERAL MOTORS	90.8	3%	9%	71%	8%	8%
TOP 10	1,343.8	3%	8%	76%	3%	9%

Source: Nielsen Ad*Views, Standard Calendar 1.1.11-12.31.11, Includes Spanish Language Distributors Only, Excludes Promos/PSAs and Direct Response

Conclusion

Hispanics already account for an important share of consumer expenditures and given their youth, educational advances, and increasing spending capacity, Hispanics are fast becoming preeminent drivers of growth and likely trend setters in the marketplace. Marketers will need to understand the what, where, how and why of their role in tomorrow's consumption space.

In forecasts of future consumption growth, the Hispanic share is significantly greater than that of non-Hispanics. The evidence for the distinctiveness and sustainability of Hispanic culture is convincing and implies a future American culture with a strong Hispanic flavor.

Finally, it is instructive to recognize that unique and useful vehicles for reaching Hispanics exist around language, media consumption, and technology adoption. Given the total market's dependence on Hispanics for future growth, tapping Hispanic preferences and purchasing behaviors is essential for any strategy or marketing plan to be successful.

This report provides a general foundation for building effective strategies that will increasingly be the primary drivers of growth in virtually all product and service categories. Understanding the distinctive patterns of demographics, culture, and consumption can lead the way to a sizeable and growing impact on total market share.

The State of Hispanic Consumer: Hispanic Market Imperative Report is an initiative spearheaded by Nielsen and the Hispanic/Latino Advisory Council.

Jenny Alonzo – Co-Chair of HLAC
Entrepreneur, Media Consultant

Ernest Bromley – Co-Chair of HLAC
Chief Executive Officer, Bromley Communications

Dr. Juan Andrade, PhD.
President and Executive Director, United States Hispanic Leadership Institute

Guarione M. Diaz
President and CEO, Cuban American National Council

Dr. Henry Flores, PhD.
Professor of Political Science and Dean of the Graduate School, St. Mary's University

Dr. David Hayes-Bautista, PhD.
Center for the Study of Latino Health & Culture, UCLA School of Medicine

Raúl Lomelí-Azoubel
Executive Chairman, SABEResPODER

Lillian Rodríguez López
Director, Latin Affairs, The Cola-Cola Company

Luis Miranda, Jr.
President, MirRam Group

Catherine Pino
Co-Founder & Principal, D&P Creative

Suzanna Valdez
Vice President of Advancement, The Arsht Center Foundation

Adrienne Pulido
EthniFacts

Dr. Carlos Arce, PhD.
EthniFacts

About the Hispanic/Latino Advisory Council:

The Hispanic/Latino Advisory Council was assembled in order to assist our efforts to recruit, measure, and accurately report on U.S. Latino households. The Council consists of industry, community and business leaders from around the country. They advise us as we train our bilingual sample recruiters and translate materials for Latino TV households.

About Nielsen

“In more than 100 countries around the world, Nielsen provides clients with the most complete understanding of what consumers watch and buy.”

Nielsen Holdings N.V. (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and related properties. Nielsen has a presence in approximately 100 countries, with headquarters in New York, USA and Diemen, the Netherlands. For more information, visit www.nielsen.com.



Copyright © 2012 The Nielsen Company. All rights reserved. Nielsen and the Nielsen logo are trademarks or registered trademarks of CZT/ACN Trademarks, L.L.C. Other product and service names are trademarks or registered trademarks of their respective companies.12/4643