



INSIGHTS

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Dear Colleagues:

As we begin the new year we look forward to providing you with continued research and analytical tools to assist you in effectively marketing to the multicultural consumer.

In this issue we share with you an article regarding Hispanic Trends for 2008, Population Projection, Factoids on the Hispanic and African American market, we explain Copy Insights (our copy testing methodology), and share some information regarding the online Hispanic consumer.

We hope you enjoy this issue! As always, we would like to hear from you and welcome recommendations on topics you would like to see included. We would also love to discuss your 2008 qualitative and quantitative research plans.



The Multicultural Insights Team

Hispanic Market Trends: 2008

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Conducting research among Hispanic consumers allows us to keep a pulse on the marketplace and identify trends as they begin to develop as well as gauge consumer opinions. Below we discuss several possible trends and opinion that research shows are beginning to form.

#1: Many Hispanics are beginning to view the 'anti-illegal immigration' debate as an 'anti-Hispanic sentiment'. With this being a presidential election year a lot of media coverage has been given to the issue of illegal

immigration in this country and to the candidates' responses. The Hispanic consumer is interpreting much of this coverage as an attack against them and not solely as an illegal immigration issue. Even Puerto Ricans [who are born American citizens] echo this sentiment and feel a need to stand in solidarity with other Hispanics against the racist connotations associated with the illegal immigration issues.

#2: Going 'green' not as 'hip' among Hispanic consumers. Hispanics for the most part do not view going

'green' as trendy and hip as their general market counterparts. Issue with more direct impact on their daily lives tend to be the priority (e.g. education, healthcare). Additionally, going 'green' is not as cumbersome for many Hispanic consumers since many grew up in Latin America and did not have the disposable incomes that allowed for wasteful habits.

#3: Bilingual/Bicultural consumers begin to retro-acculturate when they have families of their own. Many bilingual or Hispanics that are considered acculturated...

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those who live their lives in English, watch English-language television and for the most part are very similar to the general market consumers...go through an interesting metamorphosis when they begin to have their own families. When this segment of the Hispanic population has children they begin to exhibit a strong yearning to pass on their Hispanic heritage to their offspring. Their desire to pass on cultural traditions, Spanish-language and music sees a resurgence. As a result of this "metamorphosis", the Hispanic consumer begins to speak more Spanish in the home in an effort to pass on their native language to their kids, they view Spanish-language programming with their children (i.e., such as Plaza Sesamo, Dora la

Exploradora), as well as show an increased tendency to listen to music from their homeland.

#4: Hispanics more optimistic about the economy than their general market counterparts. Hispanic consumers tend to view the slowing economy as something that will pass. While they may be tightening their belts in order to ride out what they view as a cyclical wave they are much more optimistic about the economy than other consumers.

#5: Hispanics more likely to vote for Hillary than for Obama. For the most part, Hispanics tend to go with what is familiar and known to them. Research shows that Hispanics' view the previous Clinton presidency with fondness and recall it as a positive time. Hillary is described as familiar and

they believe that she will provide the stability that the country is seeking and needs. Ratings for Obama are not negative however the Hispanic voter is not as familiar with the candidate and therefore he is viewed as a more risky vote.



#6: More bicultural male shoppers hitting the stores. Among the bilingual and English dominant, Hispanics males are shopping more for everyday products (i.e., beauty and healthcare,

OTCs) and marketers are beginning to take note. It used to be that Hispanic males were only targeted by automotive and hardware marketers, that is beginning to change as a growing of Hispanic males are shopping for themselves for everyday products.

#7: Hispanic consumers spending more time online. Hispanic consumers [primarily the bilingual/biculturals] are spending more and more time online and have easier web access than in previous years. We should begin to see an increase in online marketing efforts directed at this segment. (See related article titled "Hispanics Online: Who Are They?") ■

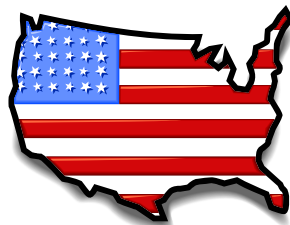
U.S. Population Projections: 2005-2050

Pew Hispanic Center

If current trends continue, the population of the United States will rise to 438 million in 2050, from 296 million in 2005, and 82% of the increase will be due to immigrants arriving from 2005 to 2050 and their U.S.-born descendants, according to new projections developed by the Pew Research Center.

Of the 117 million people

added to the population during this period due to the effect of new immigration, 67 million will be the immigrants themselves and 50 million will be their U.S.-born children or grandchildren.



Among the other key population projections:

- Nearly one in five Americans (19%) will be an immigrant in 2050, compared with one in eight (12%) in 2005. By 2025, the immigrant, or foreign born, share of the population will surpass the peak during the last great wave of immigration a century ago.

- The major role of

immigration in national growth builds on the pattern of recent decades, during which immigrants and their U.S.-born children and grandchildren accounted for most population increase. Immigration's importance increased as the average number of births to U.S.-born women dropped sharply before leveling off.

- The Latino population,

already the nation's largest minority group, will triple in size and will account for most of the nation's population growth from 2005 through 2050. Hispanics will make up 29% of the U.S. population in 2050, compared with 14% in 2005.

- Births in the United States will play a growing role in Hispanic and Asian population growth; as a result, a smaller proportion of both groups will be foreign-born in 2050 than is the case now.

- The non Hispanic white population will increase

more slowly than other racial and ethnic groups; whites will become a minority (47%) by 2050.

- The nation's elderly population will more than double in size from 2005 through 2050, as the baby boom generation enters the traditional retirement years. The number of working age Americans and children will grow more slowly than the elderly population, and will shrink as a share of the total population.

The Center's projections are based on detailed assumptions about births,

deaths and immigration levels--the three key components of population change. All these assumptions are built on recent trends. But it is important to note that these trends can change. All population projections have inherent uncertainties, especially for years further in the future, because they can be affected by changes in behavior, by new immigration policies, or by other events. Nonetheless, projections offer a starting point for understanding and analyzing the parameters of future demographic change.

The Center's report includes an analysis of the nation's future "dependency ratio"--the number of children and elderly compared with the number of working age Americans. There were 59 children and elderly people per 100 adults of working age in 2005. That will rise to 72 dependents per 100 adults of working age in 2050.

The report also offers two alternative population projections, one based on lower immigration assumptions and one based on higher immigration assumptions. ■

Did you know that....

- Sales of mainstream Mexican and authentic Hispanic convenience foods - such as entrees and hand-held items - have more than doubled, rising 103% in the past five years.
- Hispanics are 33 percent more likely to buy toys than non-Hispanics.
- Hispanics are more likely than non-Hispanics to say opportunities to succeed in life are better than their parents (75% vs. 56%) and that the future of the next generation of Americans will be better than life today (75% vs. 39%).
- Hispanic women shop less frequently than other multicultural women and select stores for their convenience rather than price. They are more likely to shop with family members and are least likely to shop alone. They enjoy shopping with children much more than other women.
- After 2020, according to the US Census Bureau, the Hispanic population is projected to add more people to the US population every year than all other race/ethnic groups combined.
- Close to 30 percent of Hispanics--more than 11 million--are uninsured. That is twice the rate of the overall U.S. population.
- Nearly 25 percent of all Hispanics attended a Major League Baseball game, and 32.9 percent of all Hispanics age 18-34 went.
- By 2010, nearly one person out of every six living in the U.S. will be of Hispanic origin.
- By 2050, the Census Bureau estimates that Hispanics will comprise nearly 25% of the U.S. population.



Insights into tomorrow's developing majority...

- Qualitative research: focus groups, mini-groups, in-depth interviews, triads, dyads .
- Quantitative research: phone/CATI, in-person (*intercept, door-to-door, motor home*)
- Ethnography studies
- Hispanic, African American Niche markets & Latin America

Call us at 305-445-2211

Research Corner: Copy Insights

Multicultural Insights offers several copy testing options:

Standard Copy Testing. The commercial is shown using a double forced monadic exposure. Respondents are evaluated for thoughts, feelings, message, believability, attribute ratings and purchase intent.

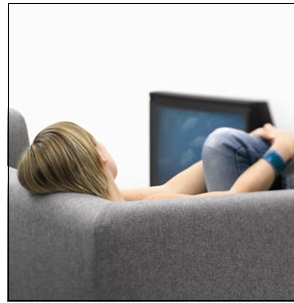
Clutter Reel Copy Testing. A clutter reel with your commercial and four others are shown. After the clutter reel has been shown, a series of recall questions are asked and the results are compared with those of the other commercials in order to get a break through index. The standard copy test questioning is then administered.

Showstopper Copy Testing. This methodology more closely simulates the "real life" television situation to produce more reliable reactions. Carefully screened respondents view a condensed videotaped television show.

Your commercial is inserted into the original broadcast. Afterwards, unaided recall questions are presented and results are compared with other commercials to develop a "breakthrough/persuasion" index. The standard copy test questioning is then administered.

Typical methodologies for conducting personal, copy testing include mall intercept and door-to-door interviewing. However, based on our experience in researching

multicultural consumers, we have discovered that consumers found in shopping malls



may not be representative of the whole range of consumers and with in-home interviewing sample control is seriously jeopardized by the increasing reluctance of interviewers to venture into inner-city neighborhoods. Also, increasing crime rates have made many people cautious about letting a stranger into their home or even opening the

door to a stranger. Therefore, for in-person interviews we recommend using an alternative methodology to the traditional mall intercept or door-to-door interviewing methods: the Motor Home Testing Center.

The Motor Home Testing Center is a fully equipped motor home that has all the conveniences of a central location facility offering a distinct advantage: *mobility*. The testing center can go to consumers in urban and suburban areas. Once at a high-traffic area such as a mall, supermarket, church, community center, park, or any other high-traffic location for Hispanics or African Americans, our professionally trained interviewers carefully screen candidates to determine their eligibility for the survey. ■

Multicultural • Ethnic • Constituency • Minority • Diversity



What do you call it?

No matter what you you call it, multicultural and specialized markets are increasingly key to business strategy. In a rapidly changing America, marketers who hesitate will be left behind. To understand cultural markets, realize potential profit areas and ROI in multicultural segments, you need a research vendor team who has the analytics, institutional knowledge, has followed cultural trends for 20 years and has a staff with proven Fortune 500 project experience.

For value added research and a partnership like no other you have experienced, give us a call for your next research project.

- **Qualitative**
 - Focus Groups
 - Mini Groups
 - Triads
 - Dyads
 - Ethnography
- **Quantitative**
 - Telephone Interviews
 - Motor Home Intercepts
 - Event Intercepts
 - Mall Intercepts
 - In-person Interviewing

Multicultural Insights

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Qualitative • Quantitative • Data Collection • Translations • Data Processing

Did you know...

- That word-of-mouth is the most motivating factor to African American women when making health and beauty purchases.
- That African American women are interested in anti-aging beauty products but have the fewest anti-aging ads directed at them.
- 3.2 million African American adults have diabetes.

Hispanics Online: Who Are They?

There are over 16 million Hispanics online, and increasing at a much larger rate than the general market. While the Hispanic market is very segmented, when it comes to Hispanics online there are just two categories that we can distinguish: the *Proficients* and the *Amateurs*.

The Proficients. The *Proficients* are English dominant Hispanics who have been online for over 5 years and are acculturated. Most were born in the US and are affluent. They range in age from 18-35 and they are the largest Hispanic online segment. *Proficients* are more likely to have web pages, Blogs, conduct financial activities online and use pages such as Facebook to socialize and chat with friends online.

The *Proficient* Hispanic is also more likely than the *Amateur* segment to shop online. The most popular online sites for this group are Amazon, Yahoo, and traditional stores websites such as the Gap, Toys R Us, and Best Buy. Seventy-five percent of this group feels safe when shopping at traditional stores online. They feel

that trustworthy stores will not sell their data or lose their information. They believe that English sites are safer than Spanish sites.



The Amateurs. On the other hand, we have the *Amateurs*. This group is older than the *Proficients* and tend to have been born outside of the US and be Spanish dominant. They have close ties to their countries of origins and use the Internet to keep in touch with their families abroad. The Internet has become an important part of their daily life and they use it to stay in touch with families abroad by sending regular emails and sharing pic-

tures. This group is the fastest growing of the two online segments.

In what language do the *Amateurs* browse? Even though this group is Spanish-Dominant, they use English-language search engines and sites. They search English sites more often than Spanish ones due to a lack of Spanish options. As for their online shopping behavior, they do not shop online yet. Trust is an issue. *Amateurs* do not feel safe sharing personal information online. They are more afraid of becoming victims of identity theft and believe they would be more susceptible to computer viruses, so they tend to use just a few sites when browsing.

The best way to communicate to these two groups via the Internet is in both languages. Even though both groups use English sites the most, a Bilingual approach is the best way to go when targeting Hispanics online. There is a lack of Spanish sites for the *Amateurs* - a large untapped market. As *Amateurs* continue to get online at an increasingly faster pace, websites should include Spanish content and incorporate a Spanish-language purchase process. ■

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Full-Service Research for Specialized Markets

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