



INSIGHTS

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Dear Colleagues:

In this issue of *Insights* we share with you how Minority Growth Represents Marketing Opportunities, some facts on Cinco de Mayo, an update on Latinos and the 2010 Census and some tips for fielding ethnic research.

As always, we would enjoy hearing from you on our newsletter or talking about your next research project.

Que disfruten su verano!

The Multicultural Insights Team



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Minority Growth Represents Marketing Opportunity

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The increasing percentage of the US demographic profile represented by ethnic minorities presents an opportunity to marketers and retailers.

Minority Growth Offers CPG Potential

By 2050, more than half of the U.S. population will be non-white (African-American, Asian, Hispanic). In that same time frame, the economic opportunity for brands in the multicultural CPG space is projected to exceed \$500 billion.

Multicultural CPG Buying Trends

When compared to the general population, on average.

Hispanic Shoppers

- Tend to spend more on categories for babies and children. Hispanic households represent 11.8% of CPG total spending, but 16.6% of disposable diaper sales.
- Tend to spend more in traditional mass merchandise and warehouse clubs.
- Tend to spend more on food consumed at home.

African American Shoppers

- Tend to spend more on health and beauty products, such as fragrance. African Americans represent 11% of CPG total

spending, but 20.3% of dollars spent in beauty supply stores and to spend more in drug and dollar store.

- Tend to spend more on ingredients used to cook from scratch.
- Tend to buy fewer items on deals or with coupons.
- Tend to spend more on food consumed at home.

Asian American Shoppers

- Tend to spend more in club stores. Asian Americans represent 3% of CPG total spending, but 5.5% of dol-

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lars spent in warehouse clubs.

- Tend to spend more on categories for babies and children.
- Are more likely to eat outside of the home.

Multicultural Media Trends

- When compared to the general population, on average.

Hispanic Media Consumers

- Strong following of “telenovelas” – Spanish-language soap operas.
- On average, watch more broadcast and satellite TV.
 - * Display higher usage of mobile internet.

African American Media Consumers

- Have the highest TV usage of any demographic at nearly 80 hours a week per household.

- Have a higher percentage of multi-set households.
- Display higher usage of mobile internet.

Asian American Media Consumers

- More likely to have newer technology (DVD, HD, digital cable).
- Tend to watch less TV.

Hispanic TV Audience Shows Fastest Growth in '09-'10

The Hispanic TV audience in the US is growing faster than

the TV audience for the total population, according to earlier estimates from The Nielsen Company, which show a continued increase of Hispanic TV homes (2.3%) compared with total US TV homes (0.3%) for the 2009-2010 TV season. Nielsen predicts that number of people ages 2 and older in Hispanic TV homes will also grow, with estimates showing a 2.4% increase to a total of 44.3 million.

Source: Nielsen

Cinco de Mayo Facts

US Census Bureau



Cinco de Mayo celebrates the legendary Battle of Puebla on May 5, 1862, in which a Mexican force of 4,500 men faced 6,000 well-trained French soldiers. The battle lasted four hours and ended in a victory for the Mexican army under Gen. Ignacio Zaragoza. Along with Mexican Independence Day on Sept. 16, Cinco de Mayo has become a time to celebrate Mexican heritage and culture.

Source for the following statements: 2008 American Community Survey 1-Year Estimates, Selected Population Profile in the

United States: Mexican

30.7 million

Number of U.S. residents of Mexican origin in 2008. These residents constituted 10 percent of the nation's total population and 66 percent of the Hispanic population.

52.4%

Percent of Mexican-origin people who are male.

19.04 million

Number of people of Mexican origin who lived either in California (11.26 million) or Texas (7.78 million). People of Mexican origin made up nearly one-third of the residents of these two states.

25.7

Median age of people in the United States of Mexican descent. This compares with 36.9 years for the population as a whole.

695,000

Number of Mexican-Americans who are U.S. military veterans.

1.4 million

Number of people of Mexican descent 25 and older with a bachelor's degree or higher. This includes about 395,000 who have a graduate or professional degree.

35%

Among households where a householder was of Mexican origin, the percentage of married-couple families with own children younger than 18. For all households, the corresponding percentage was 21 percent.

4.1

Average size for families with a householder of Mexican origin. The average size of all families is 3.2 people.

16%

Percentage of employed civilians 16 and older of Mexican heritage who worked in managerial, professional or related occupations. In addition, 25 percent worked in service occupations; 21 percent in sales and office occupations; 17 percent in construction, extraction, maintenance and repair occupations; and 19 percent in production, transportation and material moving occupations.

\$40,647

Median income in 2008 for households with a householder of Mexican origin. For the population as a whole, the corresponding amount was \$52,029.

23%

Poverty rate in 2008 for all people of Mexican heritage. For the population as a whole, the corre-

spending rate was 13 percent.

70%

Percentage of civilians 16 and older of Mexican origin in the labor force. The percentage was 66 percent for the population as a whole. There were 14 million people of Mexican

heritage in the labor force, comprising 9 percent of the total.

51%

Percentage of householders of Mexican origin in occupied housing units who owned the home in which they lived. This compares with 67 percent for

the population as a whole.

11.3 million, or 37%

Number and percentage of Mexican-origin people who are foreign-born; 2.5 million of them are naturalized citizens. Among the population as a whole, 12 percent are foreign-born.

76%

Percentage of Mexican-origin people who speak a language other than English at home; among these people, 38 percent speak English less than "very well." Among the population as a whole, the corresponding figures were 20 percent and 9 percent, respectively. ■

Latinos and the 2010 Census: The Foreign Born Are More Positive

The Pew Center

Foreign-born Hispanics are more positive and knowledgeable about the 2010 U.S. Census than are native-born Hispanics, according to a nationwide survey of 1,003 Latino adults conducted March 16-25, 2010, by the Pew Hispanic Center.

Overall, seven-in-ten (70%) Hispanics say the census is good for the Hispanic community. However, foreign-born Hispanics are more likely than native-born Hispanics to feel this way—80% versus 57%.

Foreign-born Hispanics are also more likely than native-born Hispanics to correctly say the census cannot be used to determine whether or not someone is in the country legally—69% versus 57%. And they are more inclined than the native born to trust the Census Bureau to keep their personal information confidential. Eight-in-ten of both groups know that the bureau is required to do so; however, among those who know this, just 66% of the native born say they believe the bureau will abide by this requirement, compared with 80% of the foreign born.

Hispanics are the nation's largest minority ethnic group. They numbered 46.9 million, or 15.4% of the total U.S.

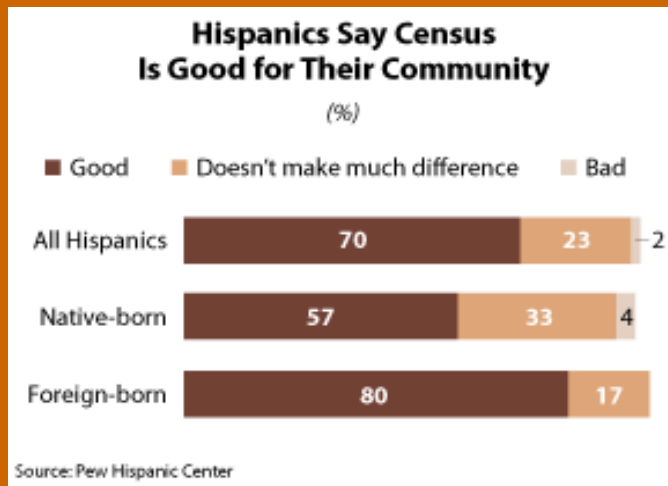
population, in 2008, up from 35.3 million in the 2000 Census. Among all Hispanics living in this country, 62% are native born and 38% are foreign born. Among Hispanic adults, however, just 47% are native born while 53% are foreign born.

Census participation rates among Hispanics have traditionally been lower than those of other groups. In the 2000 Census, the mail return rate among Hispanic households was 69%, while for non-Hispanic households it was 79%. As part of its effort to increase participation rates among groups that have historically had low levels of census participa-

tion, the Census Bureau has spent about 20% of its total advertisement budget this year on paid ads aimed at the Hispanic community, mainly Spanish speakers.

According to the Pew Hispanic survey, nearly half (48%) of all Latinos say they have seen or heard something recently from an organization encouraging them to fill out their census form. But here again, there is a significant difference between the foreign born and the native born in the share who report having seen or heard such messages—56% versus 38%.

The timing of the Pew Hispanic survey coincided with the arrival of 2010 Census forms in the mailboxes of most U.S. households beginning March 15, with reminder postcards arriving March 22-24. The forms ask for basic information about everyone living in the household as of April 1, 2010, Census Day. ■



Fielding Ethnic Research? The Success is in the Details!

By Sylvia Nieto-Vidal

As the U.S. marketplace continues to realize the value and importance of the ethnic markets, we are seeing an increasing number of research firms offering multicultural research services. **Buyer Beware!** Before you select a research partner to conduct research for you in the multicultural marketplace you need to make sure they know the nuances of fielding these projects.

Several market research firms are opening up "ethnic" divisions by hiring one or two multicultural employees to head up their efforts. Keep in mind while a research agency may be top-notch in conducting your general market research projects this does not qualify them for superior performance in handling multicultural research. There are many important operational details that are important and that come with years of experience in intercepting, telephoning and speaking with these multicultural consumers.

Designing the Questionnaire. While many of the same components go into designing a questionnaire for a multicultural project as well as for a general market study, it is important that the research firm be aware of how to define your multicultural target and be aware of the nuances that apply to these segments. Not all consumers process and understand information in the same way, for example, some multicultural consumers tend to be more literal in their interpretation of copy and advertising. If a concept test or copy test is being conducted this needs to be taken into account when designing the battery of questions and appropriate probes.

Sampling Plan. Let's assume the methodology and questionnaire have been designed and finalized for a telephone study and it is now

time to field your multicultural research project. What is the sampling plan for this project? How is your research partner insuring that your sample is random and representative of this multicultural segment? A surname telephone sample is not always appropriate. Density-based samples may not always be the best method to reach this target and truly meet your objectives. Random Digit Dialing can be expensive when researching the multicultural segments.

Questionnaire Translation. Many researchers conducting multicultural research for the first time may not give much thought to the translation of the survey instrument. This is a mistake! Questionnaire translation is a crucial step in making sure that the data you are receiving at the end of the study truly is what you had intended. Numerous times the meaning of questions is altered during this process and when results are presented, the data might be misleading. The implications of such an error can have a tremendous impact on advertising and marketing decisions for your product or service. If the consumer does not understand what you are asking or misinterprets the questions being posed, then in the final analysis your data is skewed and your marketing efforts may be misguided.

Another important point to keep in mind when administering bilingual questionnaires is that both languages should appear on one survey instrument. This will prevent interviewers from making impromptu translations of questions which the respondent may not understand in one language. Clarification can be provided by simply reading the same question in the second language.

Interviewing. Once the field briefings begin clients do not truly get re-involved until the field is completed. It is important during this phase of the research that your research firm uses interviewers that are trained and experienced in researching the multicultural segment you are trying to reach. Using interviewers being of the same ethnicity or from the same country of origin may not suffice. During field briefings it is crucial that the cultural idiosyncrasies of the questionnaire be communicated to your data collection team. In some cases, multiple translations or various pronunciations of the same words can be provided to interviewers as a separate help sheet to assist them in the interviewing process.

Coding. Open-ends are common in most questionnaires. Regardless of the segment being interviewed the response must be recorded verbatim. In multicultural research this would mean in the language used by the respondent. Many research firms leave the translation of open-ended responses to their interviewers. While this may be a timesaving step, since interviewers are not trained translators, you run the risk of respondent feedback being altered and skewed. Code lists should either be developed in the language stated by the respondents or developed once all open-end responses have been properly translated. This is yet another safeguard in insuring that the meaning of responses is not altered during the process.

These are just a few things that you should keep in mind when conducting multicultural research. Use a multicultural research firm that knows these and the many more design and execution details that will insure that your multicultural research is a success. ■

Multicultural Insights

Full-Service Research for Specialized Markets

4130 Aurora Street
Suite F
Coral Gables, FL 33146
Tel: 305-445-2211
Fax: 305-445-8554
info@multicultural-insights.com



Sylvia Nieto-Vidal

Managing Partner, Operations

Marilse Rojas

Managing Partner, Project Mgt.

Rose Becker

Managing Partner, Data Management

Jacqueline Sanchez-Volny

Qualitative Director

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