THE MULTICULTURAL DIGITAL REPORT 2018

The Center for Multicultural Science

October 15, 2018

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Welcome, About Us, and Acknowledgements

WELCOME

The **Multicultural Digital Report 2018** is a 100+ page resource for the U.S. marketing community—brands, agencies, and media companies—committed to driving growth with the U.S. multicultural population.

This report is unique in that it quantifies digital spend by ethnicity and race (a first for our industry) and provides empirical support for in-culture marketing. It also fills important gaps on digital usage and attitudes across a total market population.

Based on the significant landscape shifts over the last two decades, this report introduces new insights on how to maximize marketing effectiveness with multicultural consumers through digital media.

Future success will require innovation, guided by new methodologies and strategies. We are committed to challenge the existing marketing paradigm and help brands be more effective targeting the New Mainstream in multicultural America.

We are grateful for the overwhelming support, and trust you will join us in future discussions.

Dr. Jake Beniflah
Executive Director
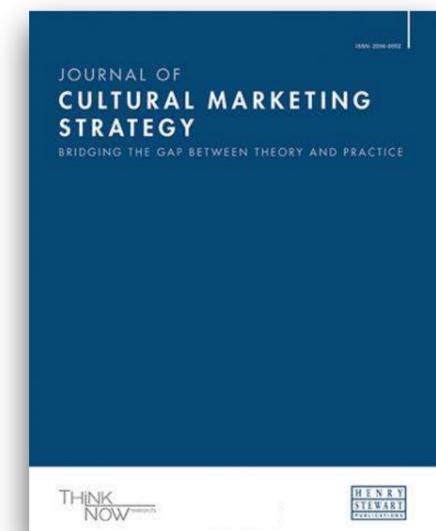Center for Multicultural Science

ABOUT US

Launched in 2010, the Center for Multicultural Science is a leading non-profit, non-partisan think tank in the United States dedicated to bridge the gap between leading corporations and academic researchers in multicultural marketing.

The mission of the Center for Multicultural Science is to provide world-class thought leadership in multicultural marketing with the goals of leading and renewing industry thinking and practice.

The Center for Multicultural Science conducts, supports, and disseminates research on the impact that multicultural consumers have on business growth, today and in the future.

Published by Henry Stewart Publications in 2015, the *Journal of Cultural Marketing Strategy* is a major bi-annual, double-blind peer-reviewed, professional journal dedicated to the advancement of best practices and latest thinking in cultural marketing, incorporating multicultural and cross-cultural marketing. Dr. Jake Beniflah is its founding editor.

JOURNAL OF
CULTURAL MARKETING STRATEGY
BRIDGING THE GAP BETWEEN THEORY AND PRACTICE

THINK NOW

HENRY STEWART

https://www.henrystewartpublications.com/jcms

DATA PARTNERS

The Center for Multicultural Science is indebted
and grateful to the following organizations
for their data and research support:

CORPORATE SUPPORT

The Center for Multicultural Science is grateful for the support and trust by the following brands, ad agencies, publishers, trade associations, and research companies:

In-Culture Marketing and Self-Referencing Effects

SELF-REFERENCING

The Science Behind In-Culture Marketing

Self-referencing occurs when a consumer processes information by relating it to some aspect of the self, such as past experiences, and ethnicity.

When an ethnic consumer is exposed to a message that involves a dimension that is central to the self, self-referencing is activated which influences how the message is processed. Questions that measure self-referencing revert back to the individual.

Self-referencing messages active the frontal lobe of the human brain. fMRIs are used to measure SREs or self-referencing effects.

Why use self-referencing in marketing? Research suggests that relating information to oneself heightens ad recall and can generate more favorable ad evaluations.* Consequently, ads are better remembered and better liked by consumers when self-referencing is activated.**

This section of the report outlines what consumers say about self-referencing content, and secondly, presents the results of an empirical test comparing "in-culture" versus "non in-culture" content.

SELF-REFERENCING

Does Culture Activate Self-Referencing with Multicultural Consumers?

CULTURE MATTERS

"Advertising is Made for Me If It Reflects My Cultural Values"

45%	38%	59%	47%	47%
TOTAL	NL WHITE	LATINO	AFRICAN AMERICAN	ASIAN

CULTURE MATTERS

"Advertising is Made for Me If It Includes People Who Look Like Me"

TOTAL	NL WHITE	LATINO	AFRICAN AMERICAN	ASIAN
39%	32%	52%	40%	47%
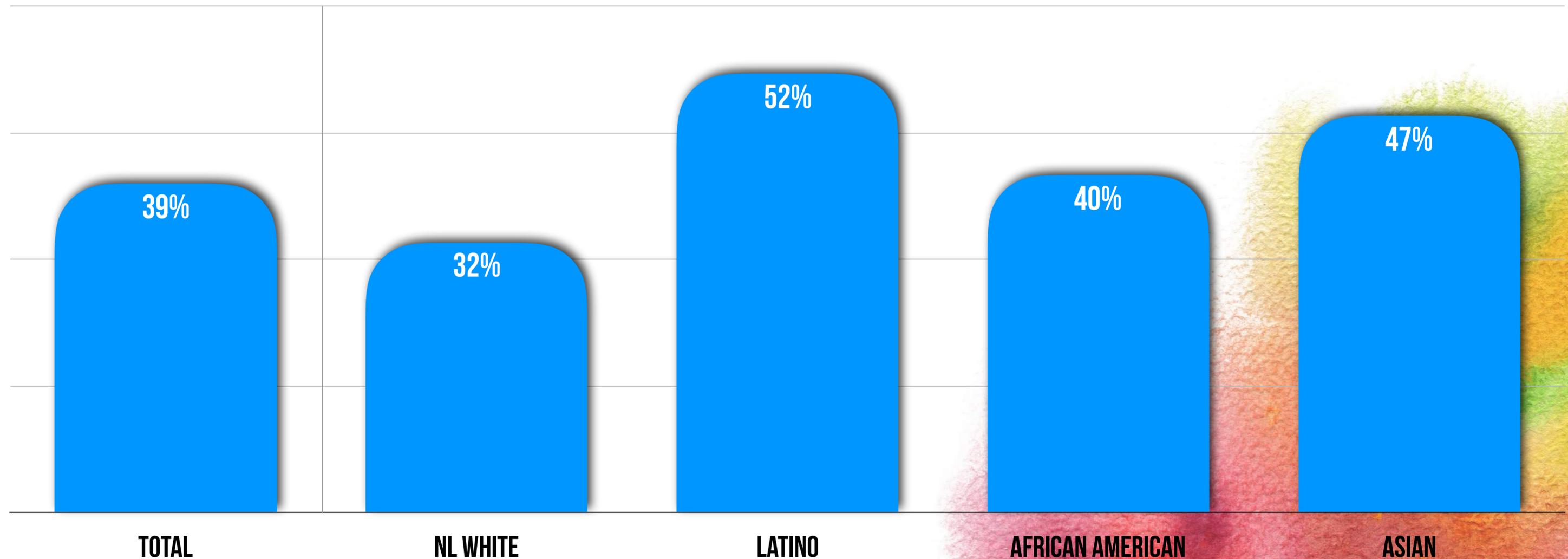
CULTURE MATTERS

"Advertising is Made for Me If It Recognizes My Cultural Background"

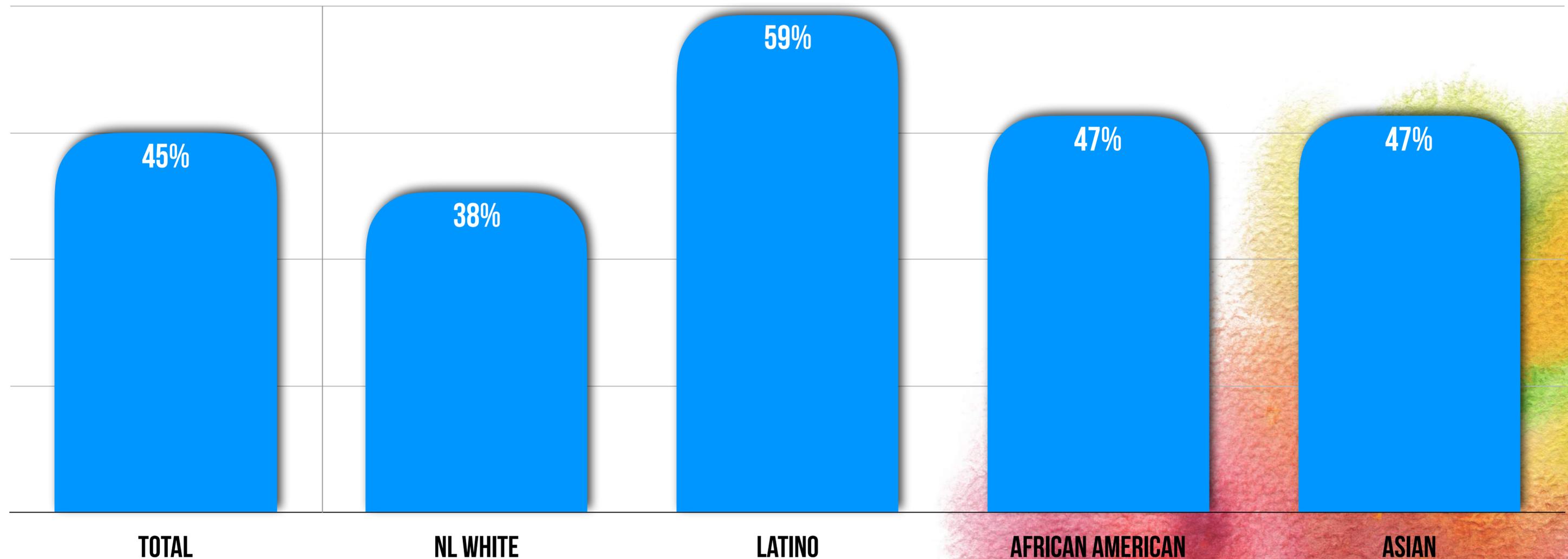|				
47%	38%	61%	56%	58%
TOTAL	NL WHITE	LATINO	AFRICAN AMERICAN	ASIAN
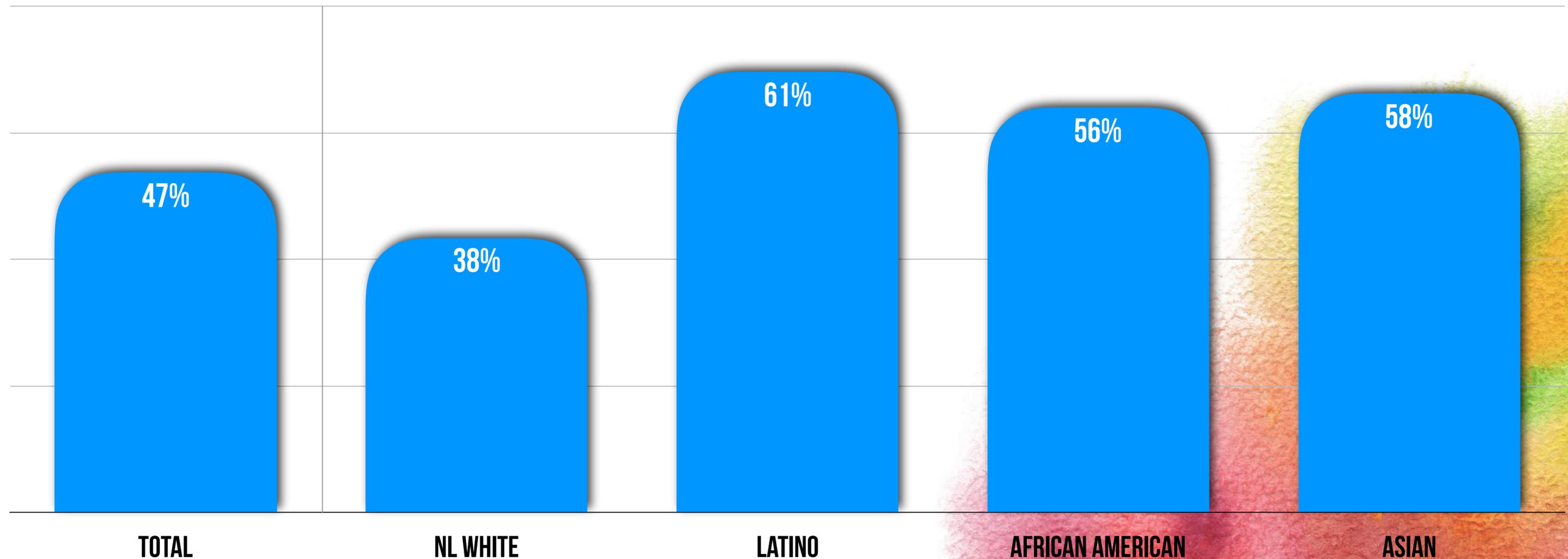
SELF-REFERENCING

Does Language Activate Self-Referencing with Latino Consumers?

LANGUAGE MATTERS

"Advertising is Made for Me if it is in Spanish"

SPAN DOM	66%
BILINGUAL	40%
ENG DOM	20%
U.S. BORN	34%
FOREIGN BORN	57%
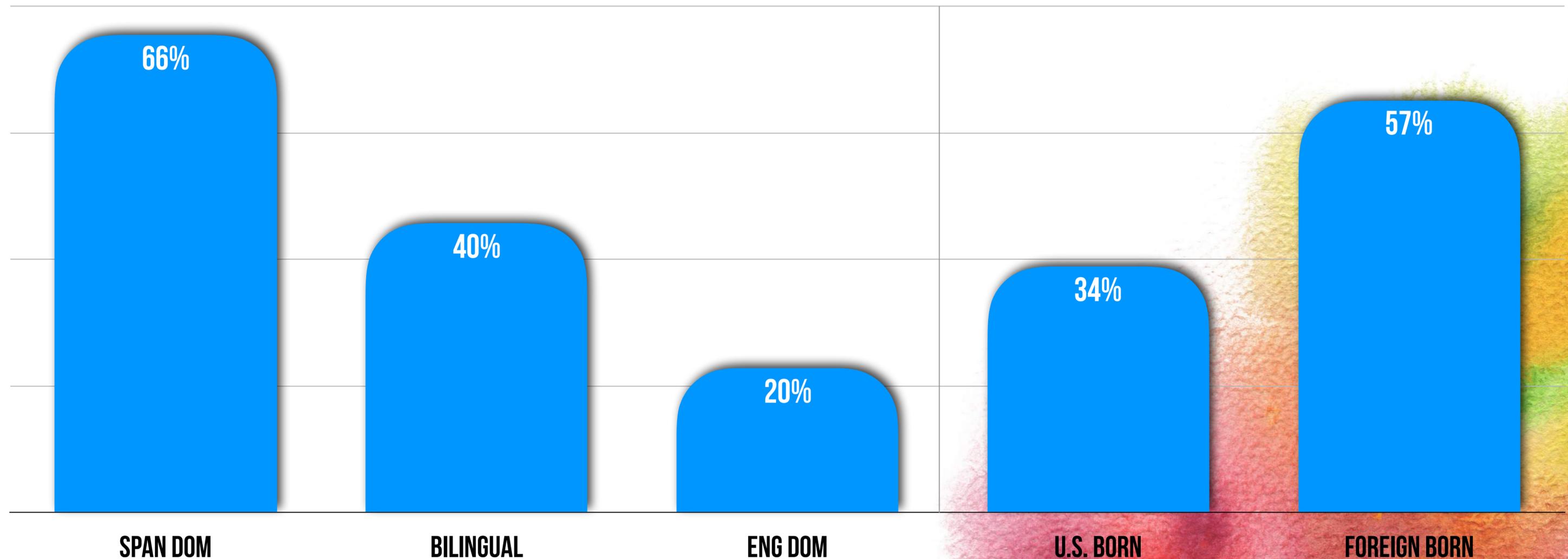
LANGUAGE MATTERS

"Advertising is Made for Me if it is in English"

| SPAN DOM | BILINGUAL | ENG DOM | U.S. BORN | FOREIGN BORN |
| 34% | 44% | 60% | 51% | 37% |
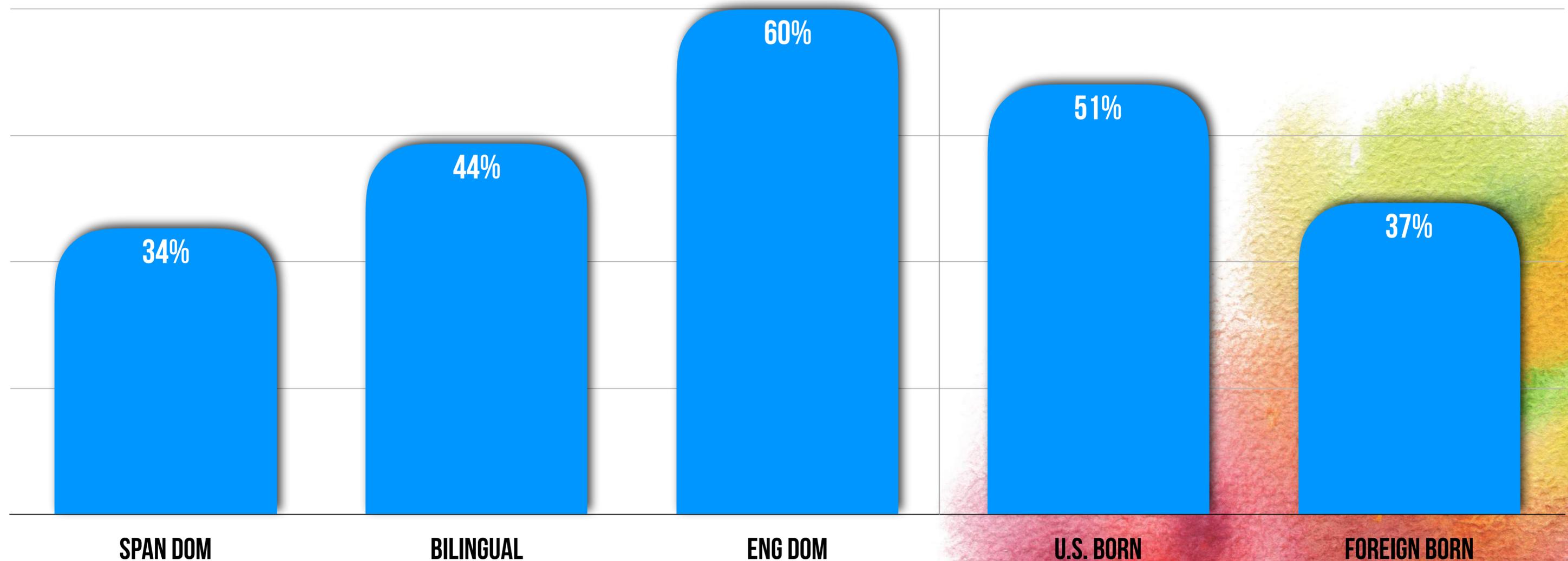
LANGUAGE MATTERS

"Advertising is Made for Me if it is Bilingual (both in Spanish and English)"

69%	56%	37%	51%	60%
SPAN DOM	BILINGUAL	ENG DOM	U.S. BORN	FOREIGN BORN
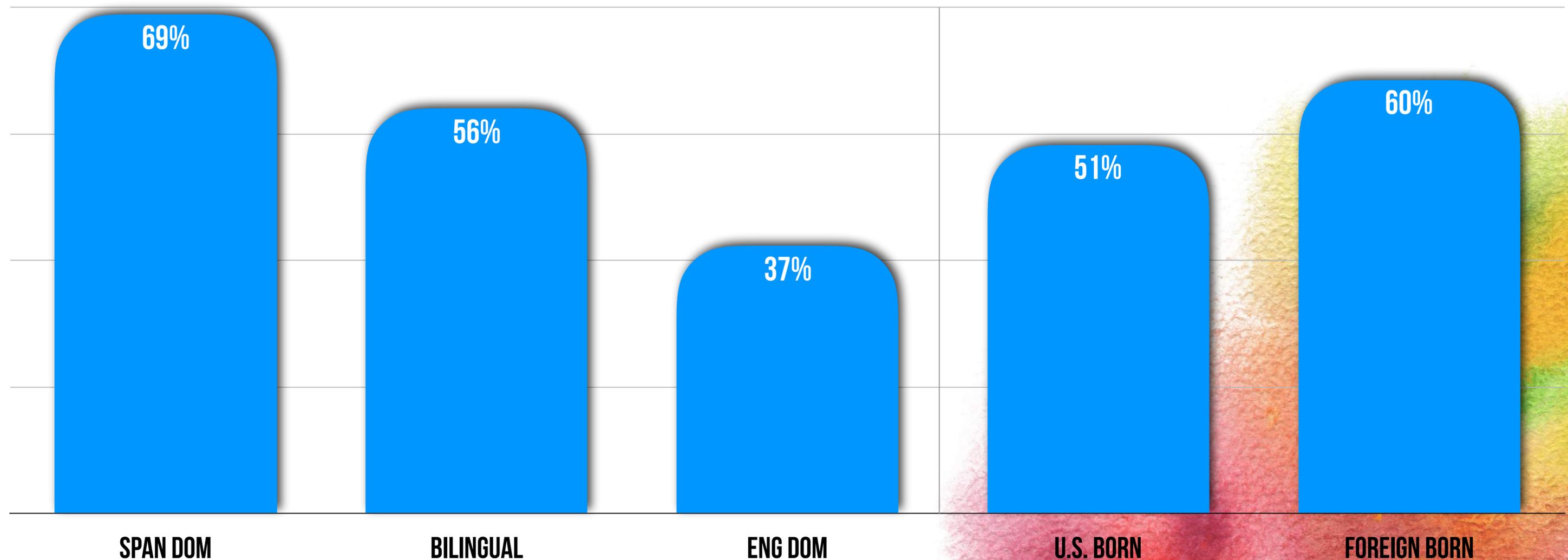
SELF-REFERENCING

Does Self-Referencing Drive Marketing Effectiveness in Social Media?

NIKE TEST
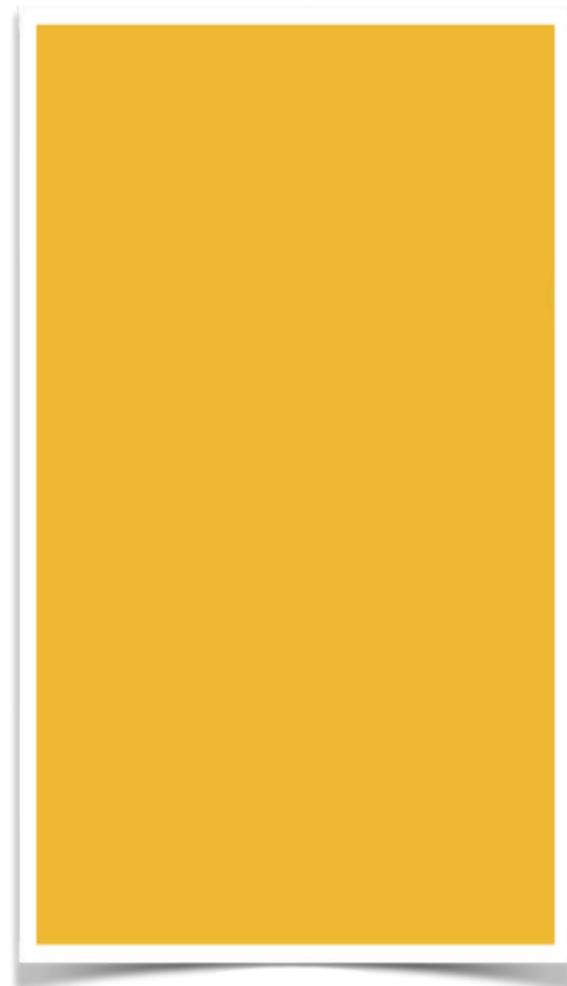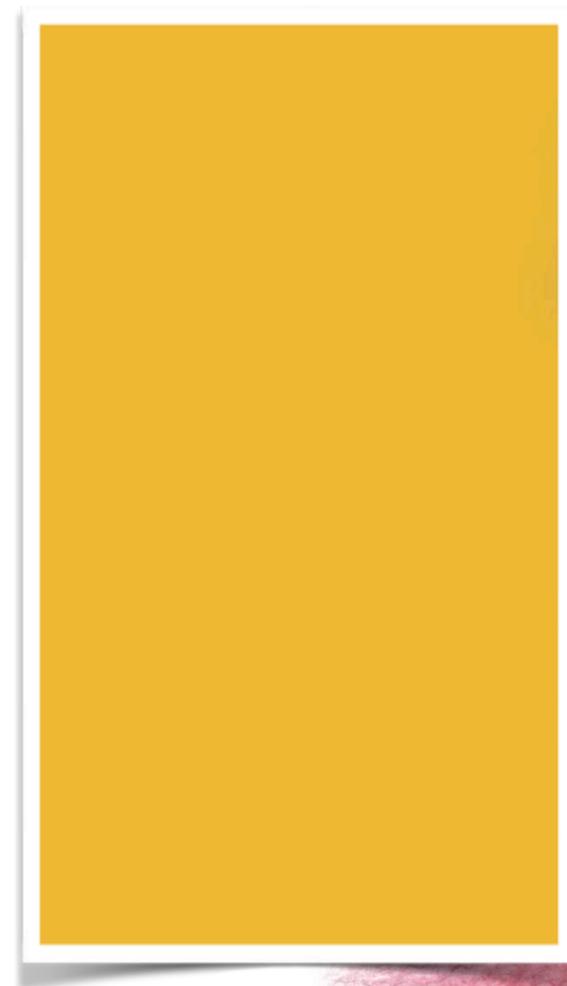
IN-CULTURE (A)   NON IN-CULTURE (B)

SELF-REFERENCING

In-Culture Ad Activated "Self-Referencing" Significantly More with Latinos than w/ NL Whites

+48%

+79%

50%

43%

29%

28%

HISPANIC
NL WHITE

AD WAS MADE FOR ME

AD REFLECTS MY CULTURAL BACKGROUND
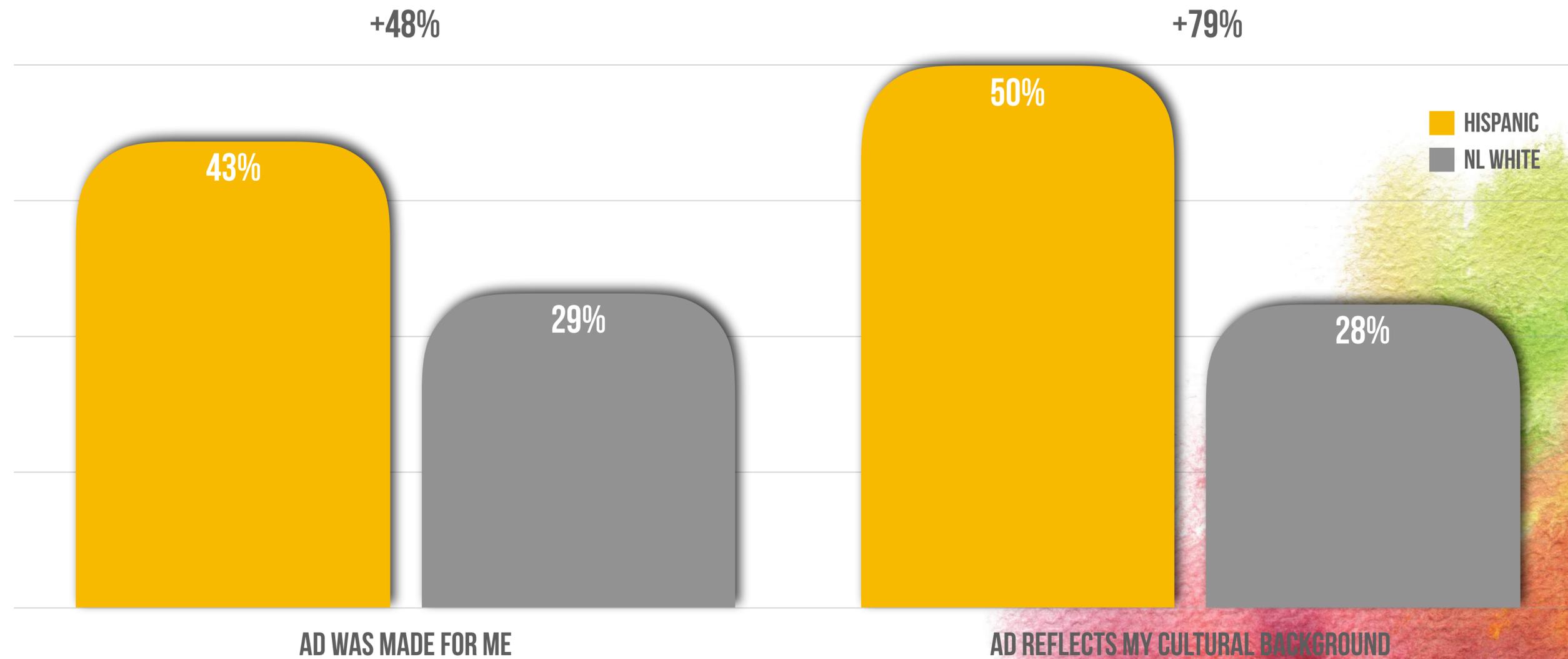
SELF-REFERENCING

In-Culture Ad Generated Higher Affinity with Latinos than with NL Whites

+19%

+23%

49%

41%

54%

44%

HISPANIC

NL WHITE

I LIKE THIS AD

I LIKE THIS PRODUCT
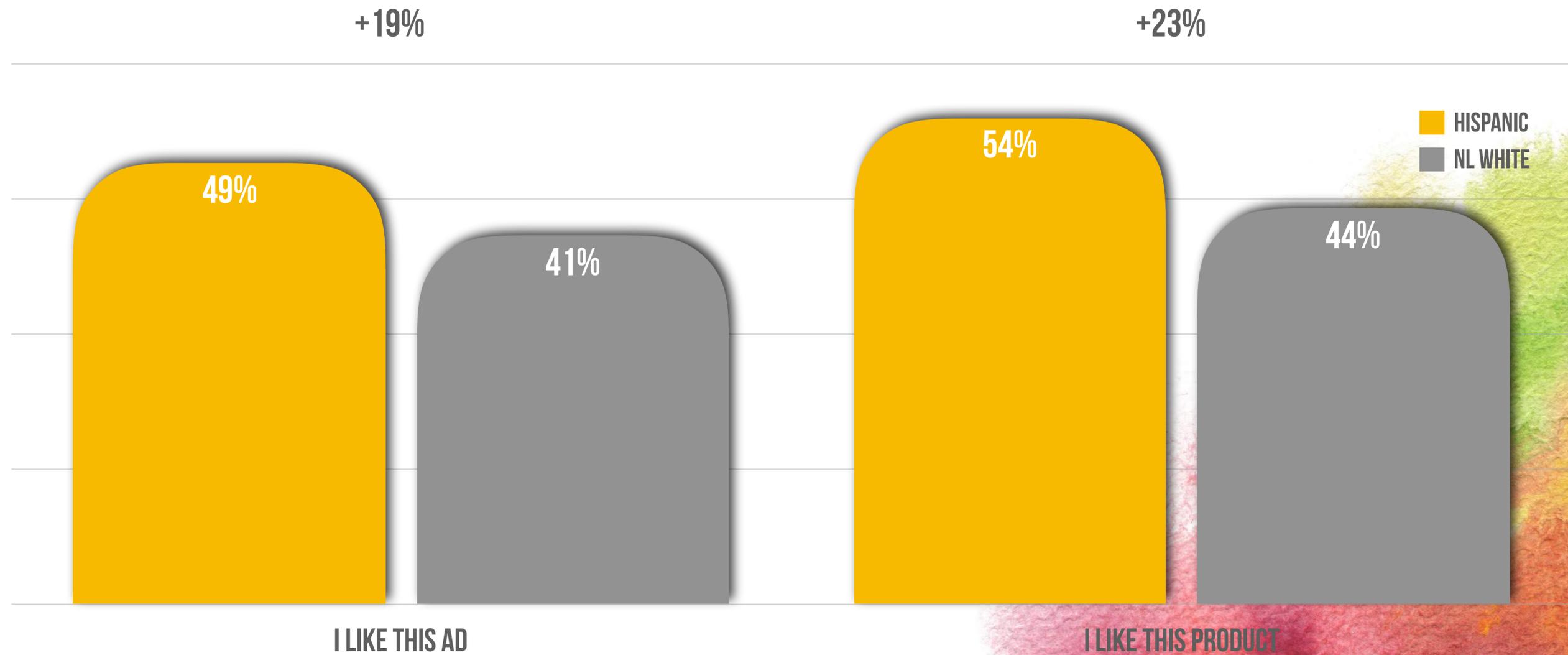
SELF-REFERENCING

In-Culture Ad Outperformed with Latinos compared to NL Whites
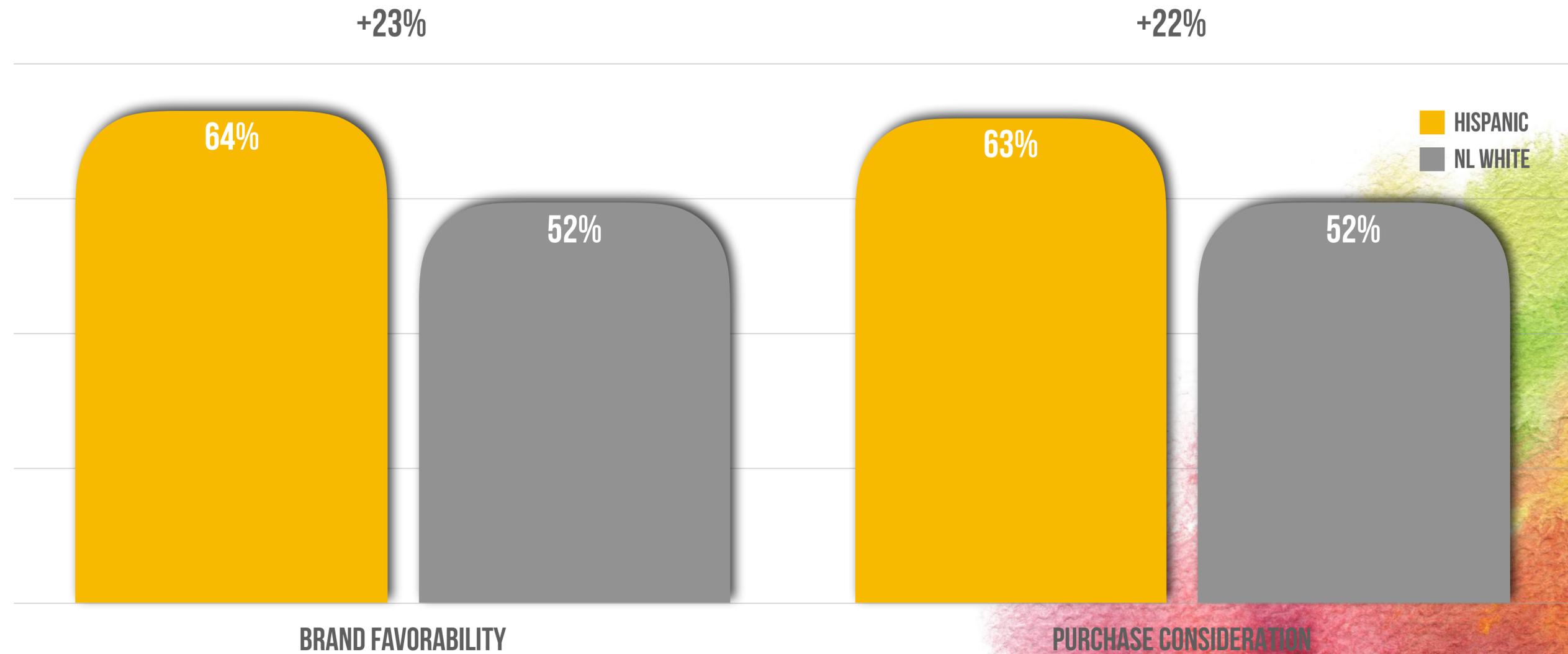
+23%

+22%

HISPANIC
NL WHITE

64%

52%

63%

52%

BRAND FAVORABILITY

PURCHASE CONSIDERATION

SELF-REFERENCING

Non In-Culture Ad Did Not Drive Significant Differences Between Groups

+3%

+6%

41%

40%

37%

35%

HISPANIC
NL WHITE

AD WAS MADE FOR ME

AD REFLECTS MY CULTURAL BACKGROUND

SELF-REFERENCING

Non In-Culture Ad Did Not Drive Significant Differences Between Groups

-2%

+2%

HISPANIC
NH WHITE

58%

57%

50%

49%

I LIKE THIS AD

I LIKE THIS PRODUCT

SELF-REFERENCING

Non In-Culture Ad Did Not Drive Significant Differences Between Groups

+5%

+3%

64%

63%

62%

60%

HISPANIC
NH WHITE

BRAND FAVORABILITY

PURCHASE CONSIDERATION
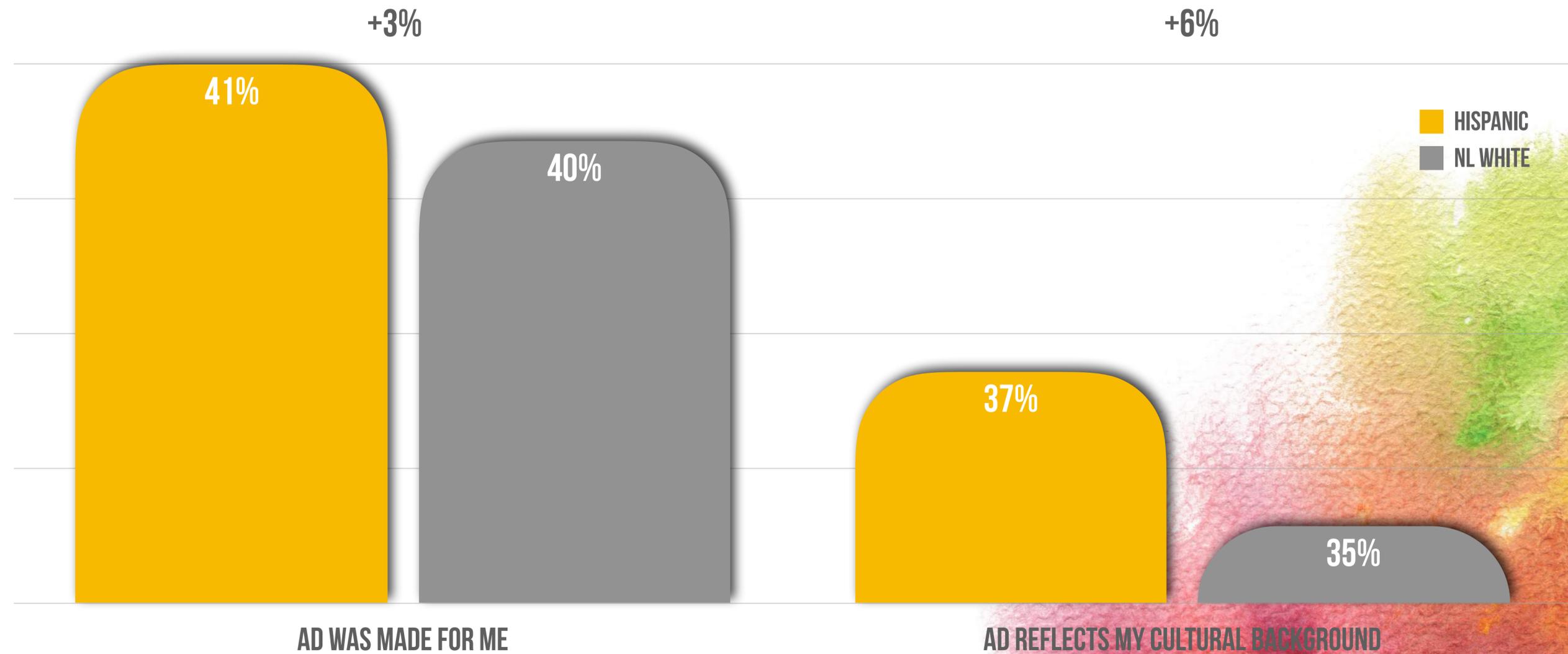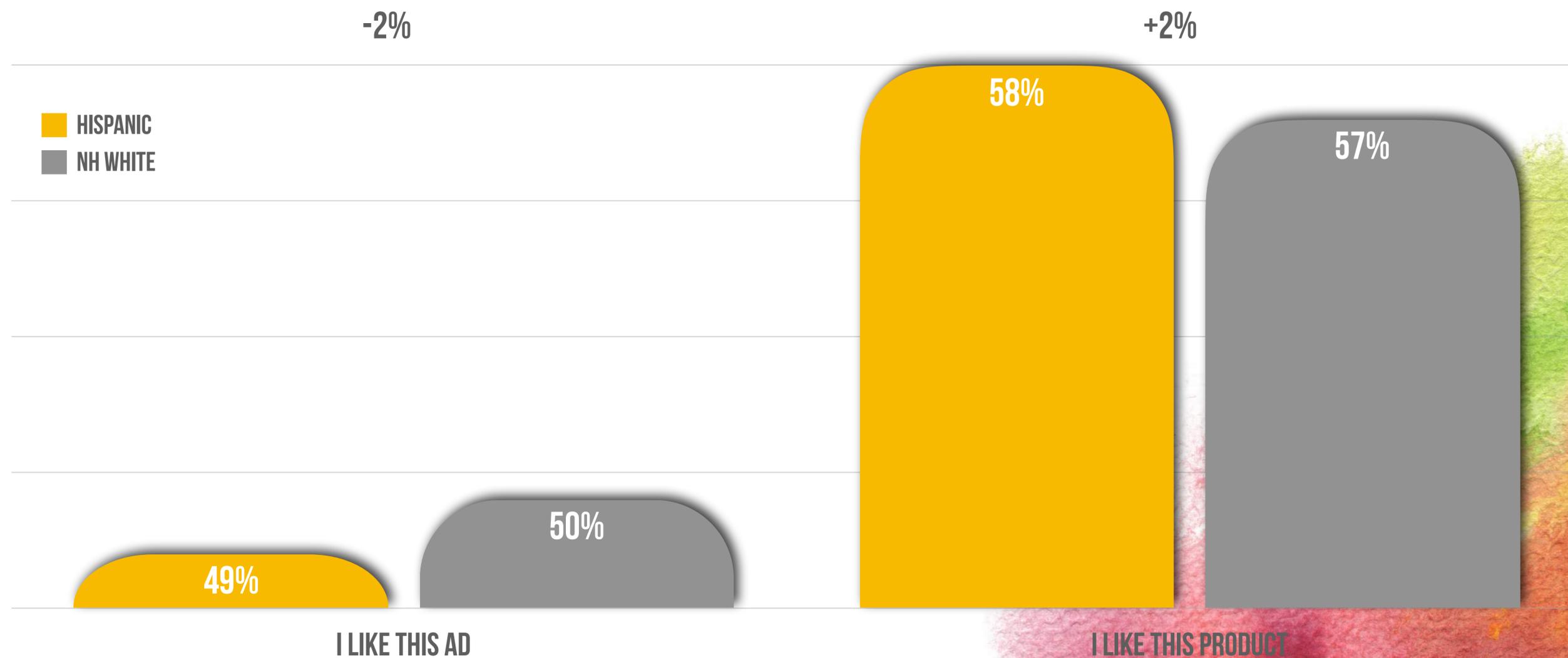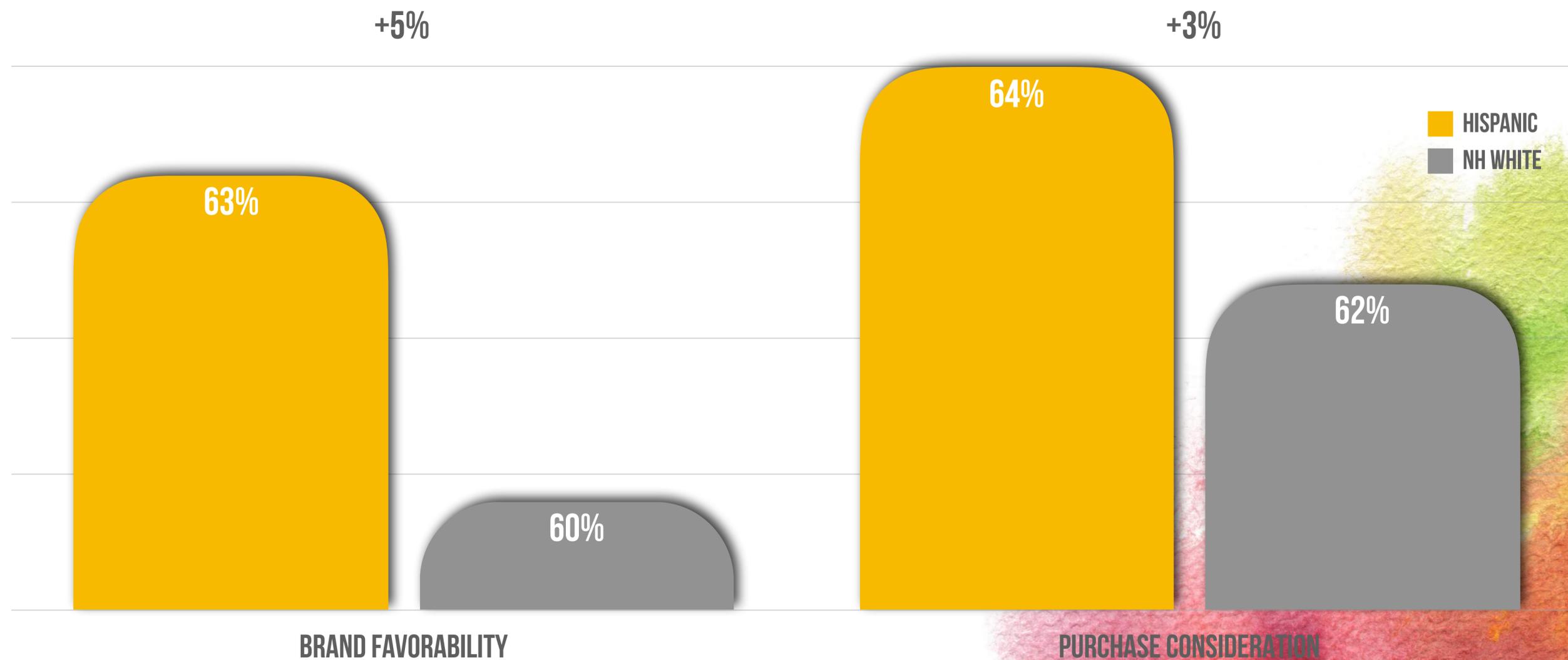
SYNTHESIS

So What Does All of This Mean?

Marketing is fundamentally a consumer-centric discipline in which marketplace success is dictated on the understanding of a target audience.

In-culture marketing has helped marketers drive marketing effectiveness in targeting Latino, African-American and Asian consumers for more than 30-years.

But isn't all marketing culturally-driven? How do brands apply in-culture marketing in a country where the mainstream *is* multicultural?

Segmentation schemes that help uncover shopper, brand, and category insights to drive sales is still the winning formula in marketing in the U.S.

Brands must identify and measure the power of each insight as it relates to their business and target each customer segment based on their economic (topline) contribution.

This section has shown that culture matters in targeting the new mainstream, and that marketing based on cultural insights continues to drive marketing effectiveness.

Meet Sofia. She's 25-years old, college educated, and lives in Los Angeles. She is proud of her mixed Asian heritage and is eager to learn more about her Thai and Vietnamese heritage. She works full-time and likes to travel one to two times a year domestically. She spends two to three hours a day on Youtube and Instagram, drives a Honda Fit, and likes to share memes and funny videos with her friends. She owns an iPad and watches her favorite shows on Netflix on her schedule. She's health conscious, politically engaged, and planning to get her master's degree in a few years.

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2018 and 2019 Digital Media Spend by Ethnicity and Race

2012-2023 U.S. MEDIA LANDSCAPE

Digital Ad Sales Surpasses 50% of Total Ad Sales in 2018

Legend: TV · DIGITAL · PRINT · RADIO · OUT OF HOME

TV: 39%, 39%, 38%, 37%, 34%, 32%, 30%, 28%, 26%, 25%, 23%, 21%

DIGITAL: 25%, 28%, 32%, 37%, 42%, 48%, 52%, 56%, 60%, 63%, 66%, 69%

Years: 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023
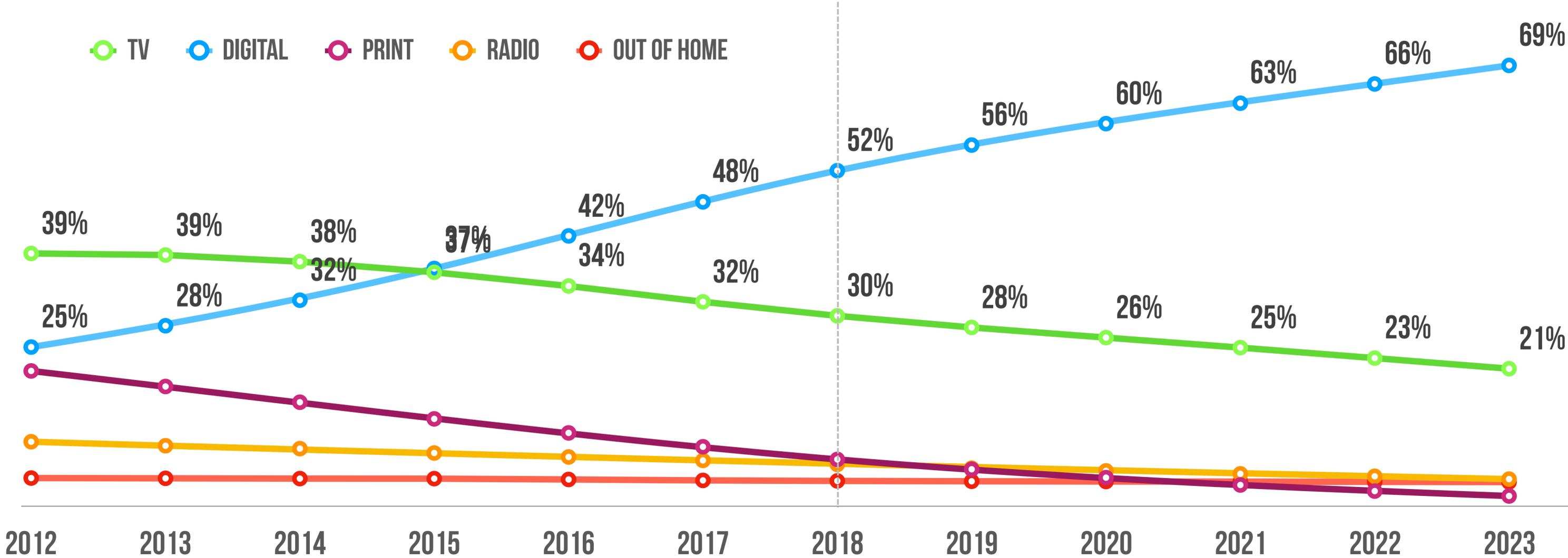
DIGITAL SPEND BY ETHNICITY AND RACE

2018 Total U.S. Digital Spend by Ethnicity and Race

2017 POP %

Category	Digital Spend	2017 POP %
OTHER	1.2%	
ASIAN	6.6%	5.8%
AA	12.1%	13.4%
LATINO	14.3%	18.1%
NL WHITE	65.9%	60.7%
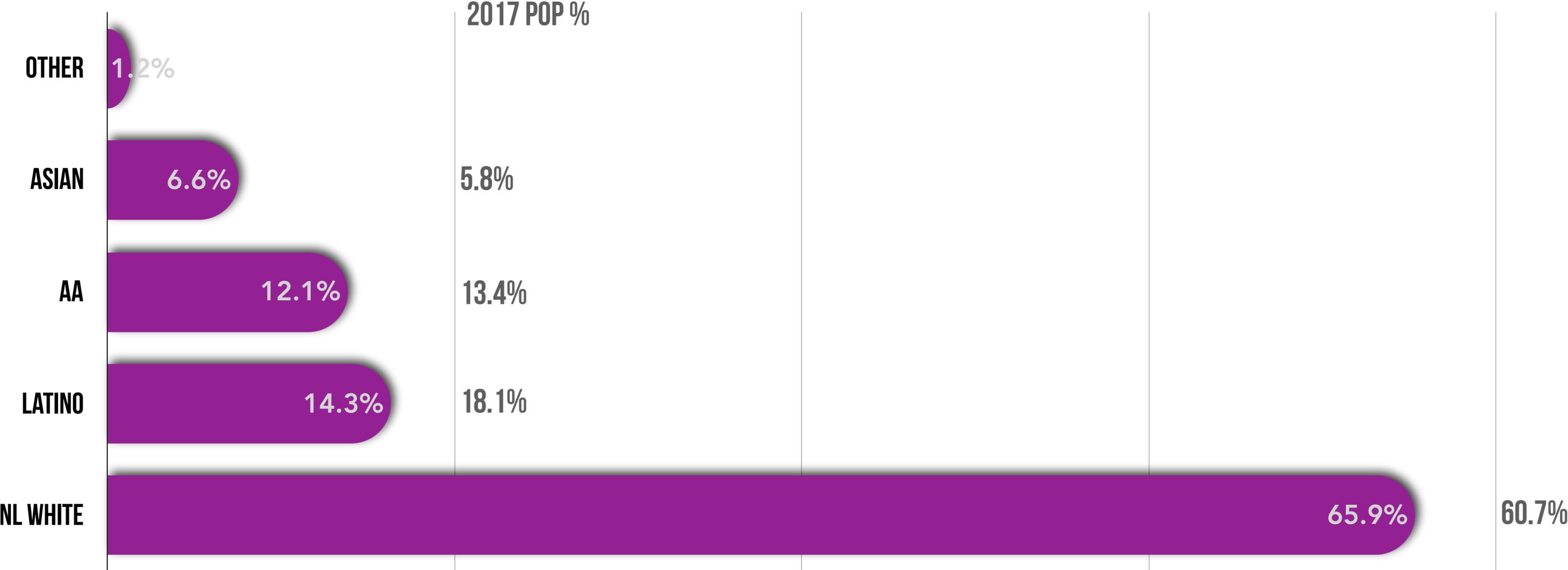
MOBILE VS. DESKTOP AD SPEND

2018 and 2019 (Projected) Percentage of Total U.S. Mobile and Desktop Spend

2018

34%

TOTAL
$106.6 B

66%

2019

29%

TOTAL
$119.2 B

71%
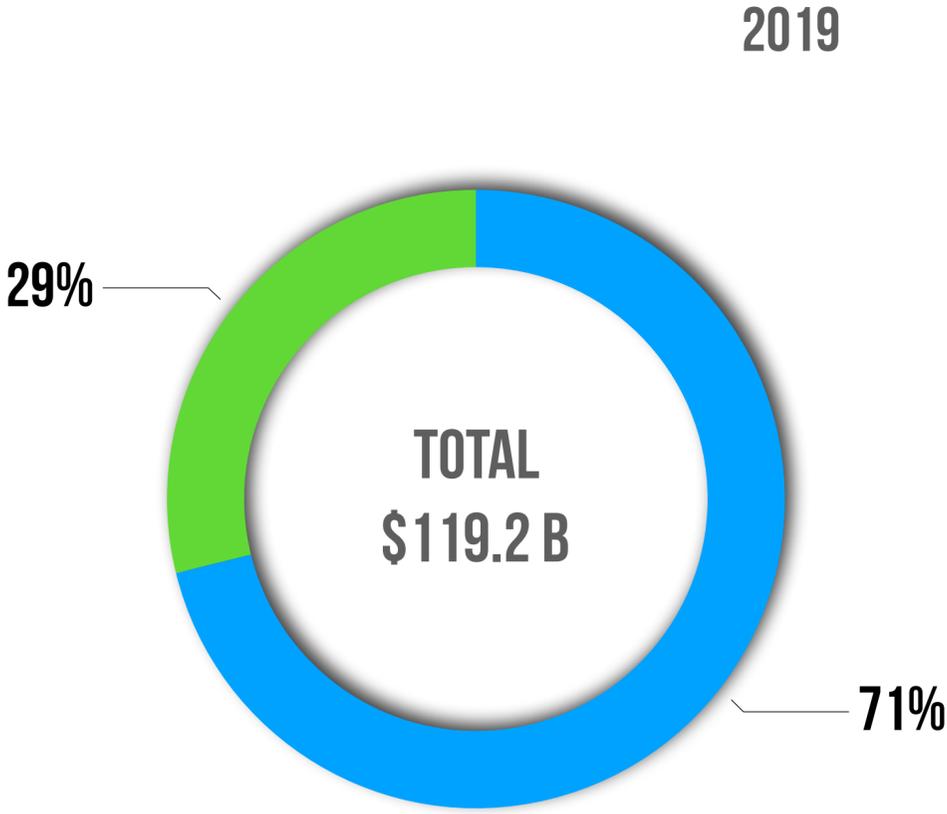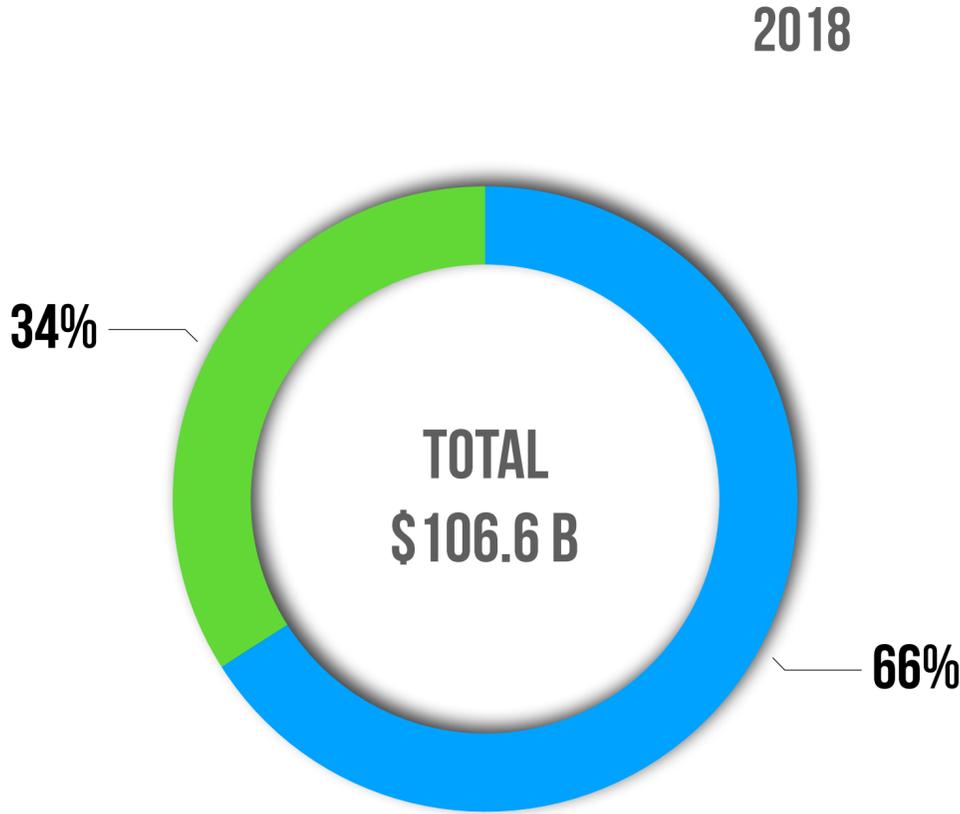
● MOBILE   ● DESKTOP

THE WORLD OF DIGITAL

2018 and 2019 (Projected) Percentage of U.S. Media Spend by Digital Channel

2018

2%
4%
28%
8%
12%
45%

TOTAL
$106.6 B

2019

2%
3%
31%
6%
13%
45%

TOTAL
$119.2 B
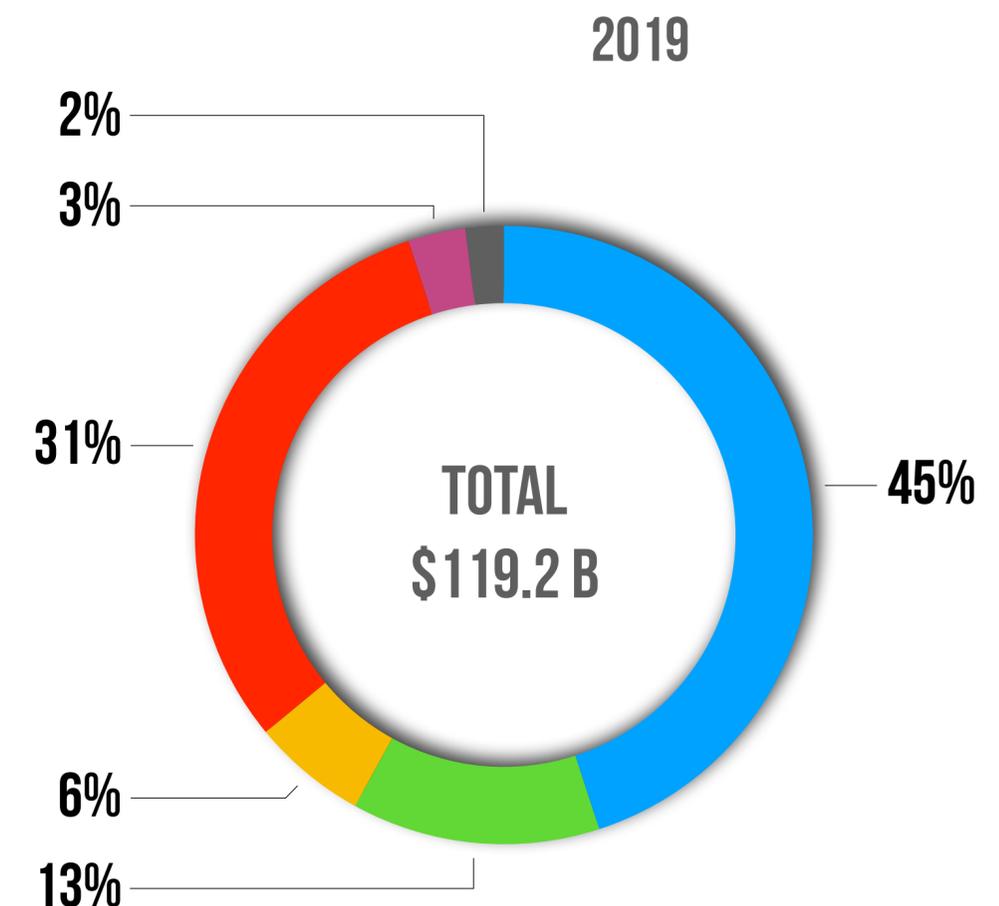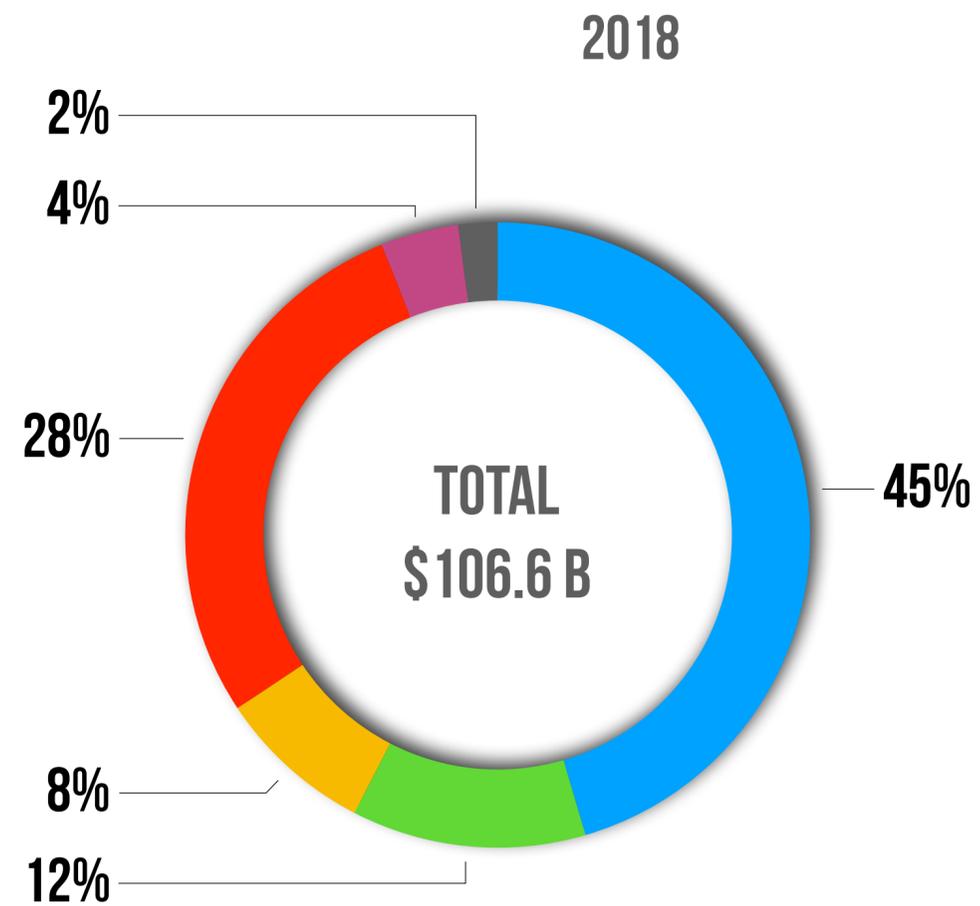
● SEARCH ● VIDEO ● DISPLAY ● SOCIAL ● OTHER ● AUDIO

DIGITAL SPEND BY CHANNEL

2018 Digital Spend by Channel and by Ethnicity and Race

Channel	Latino	NL White	AA	Asian	Other
Search	14.0%	66.9%	11.5%	6.4%	1.2%
Video	14.1%	63.4%	14.1%	7.0%	1.4%
Display	14.4%	65.8%	12.0%	6.6%	1.2%
Social	14.2%	66.0%	11.9%	6.7%	1.2%
Other	17.6%	62.3%	12.1%	6.6%	1.4%
Audio	15.3%	62.4%	14.3%	6.8%	1.3%
Digital Total	**14.3%**	**65.9%**	**12.1%**	**6.6**	**1.2%**

SYNTHESIS

So What Does All of This Mean?

Slightly over 50% of today's total media spend in the U.S. is digital. Over the next five-years, projections put digital media spend close to 70% of all media spend in the U.S. That's significant.

One of the primary reasons in publishing this report was to quantify digital media spend by ethnicity and race, which has never been done before. The reported calculations should be used as a benchmark, as we will continue to measure and publish media spend by ethnicity and race, every year.

The reported digital media spend by ethnicity and race was surprising in that Latino and AA consumers are under invested in digital.

America is is quickly becoming a multicultural majority and measuring digital by ethnicity and race will be the norm.

The implications for brands are significant. It is imperative that digital investment is aligned with specific target segments, and that media decisions are made with the consumer in mind. Follow the customer.

Meet Luis. He's 37 years old, born in the U.S. to Puerto Rican parents who migrated to the United States in the 1990s. He is a small business owner with 10-20 employees living in NYC, and earns $250,000+ a year. He is socially liberal, and fiscally and politically conservative. Luis uses Facebook and WhatsApp daily to stay in touch with family and friends. He streams 15-20 hours of content a week for work and supports a number of causes. For Luis, purchase decisions are based on quality, not price.

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2018 Digital Media Usage and Attitudes by Ethnicity, Race, and Age

CONNECTED

Daily Smartphone Usage By Ethnicity and Race

TOTAL	ASIAN	LATINO	NL WHITE	AA
80%	87%	85%	81%	77%
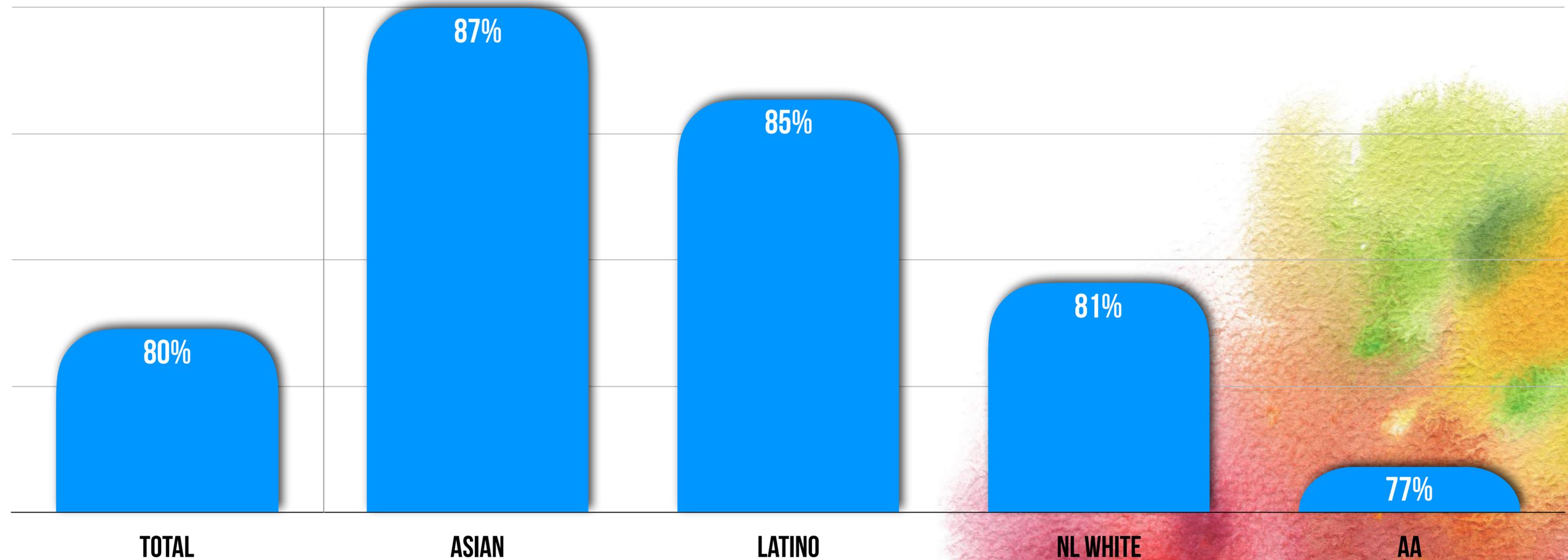
PRODUCTIVE

Daily Desktop Usage By Ethnicity and Race

TOTAL	ASIAN	NL WHITE	AA	LATINO
70%	75%	74%	69%	56%
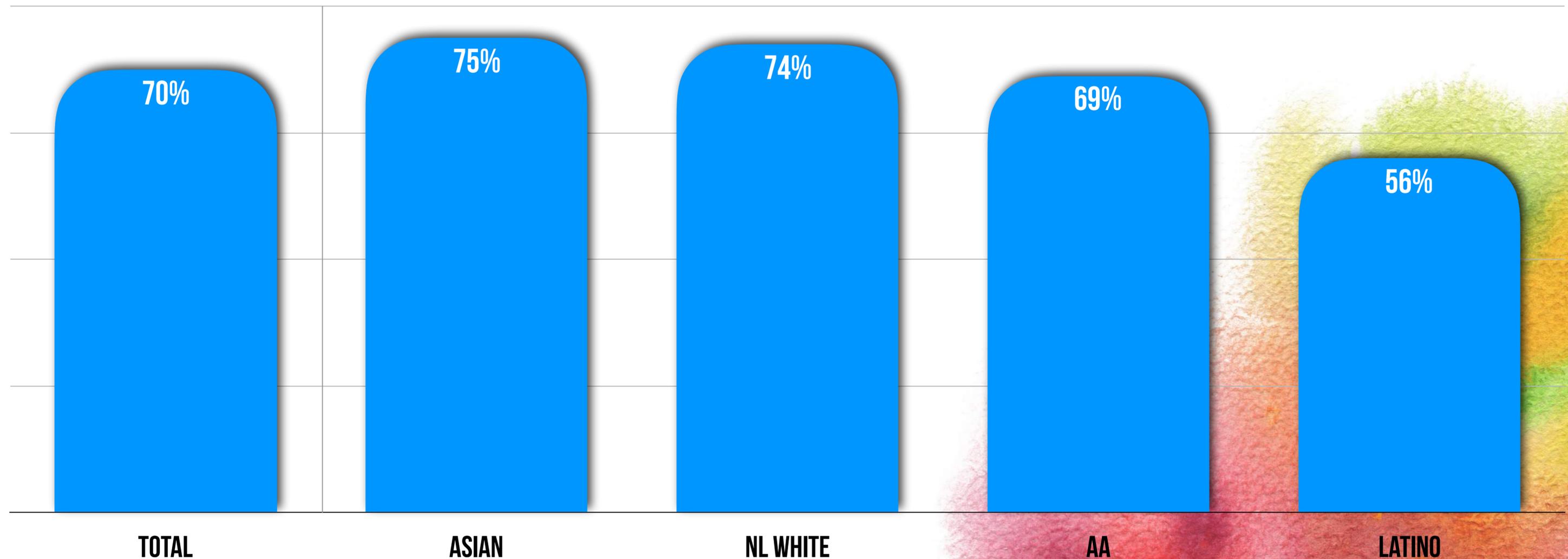
TABLET

Daily Tablet Usage By Ethnicity and Race

TOTAL	ASIAN	AA	NL WHITE	LATINO
43%	51%	42%	42%	41%
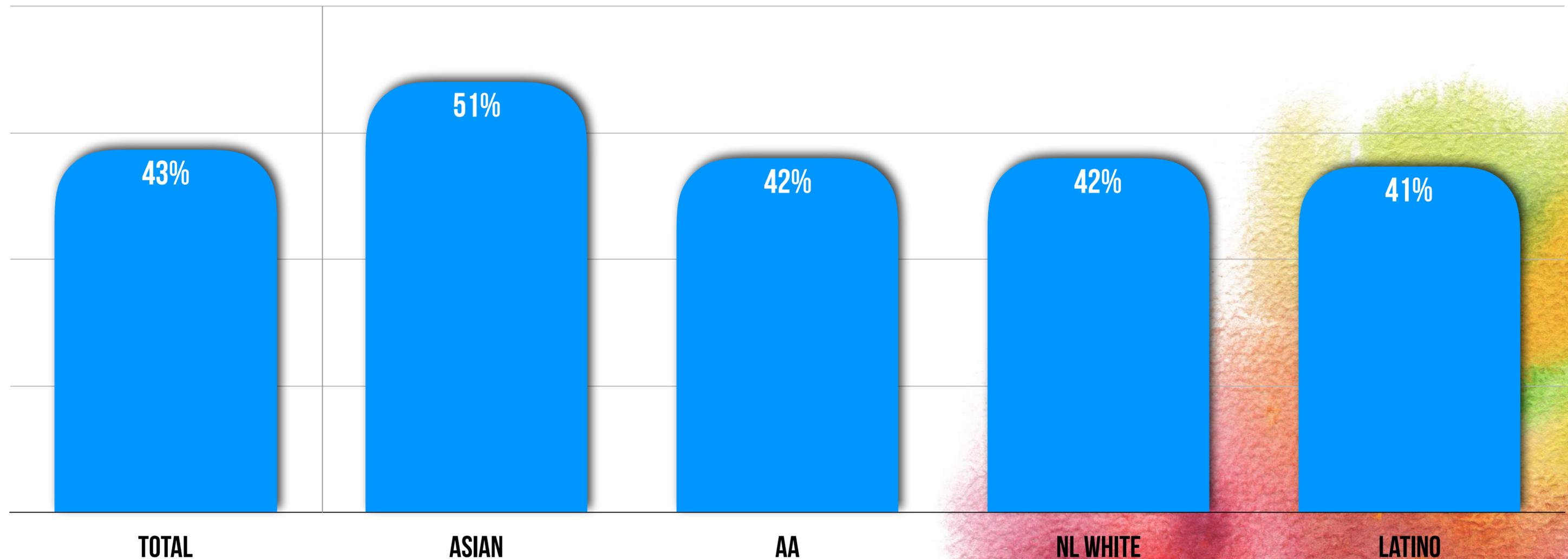
BEING SOCIAL

Top Five Social Media Platforms Daily Usage Across All Groups

67%	49%	35%	30%	29%
FACEBOOK	YOUTUBE	INSTAGRAM	TWITTER	SNAPCHAT
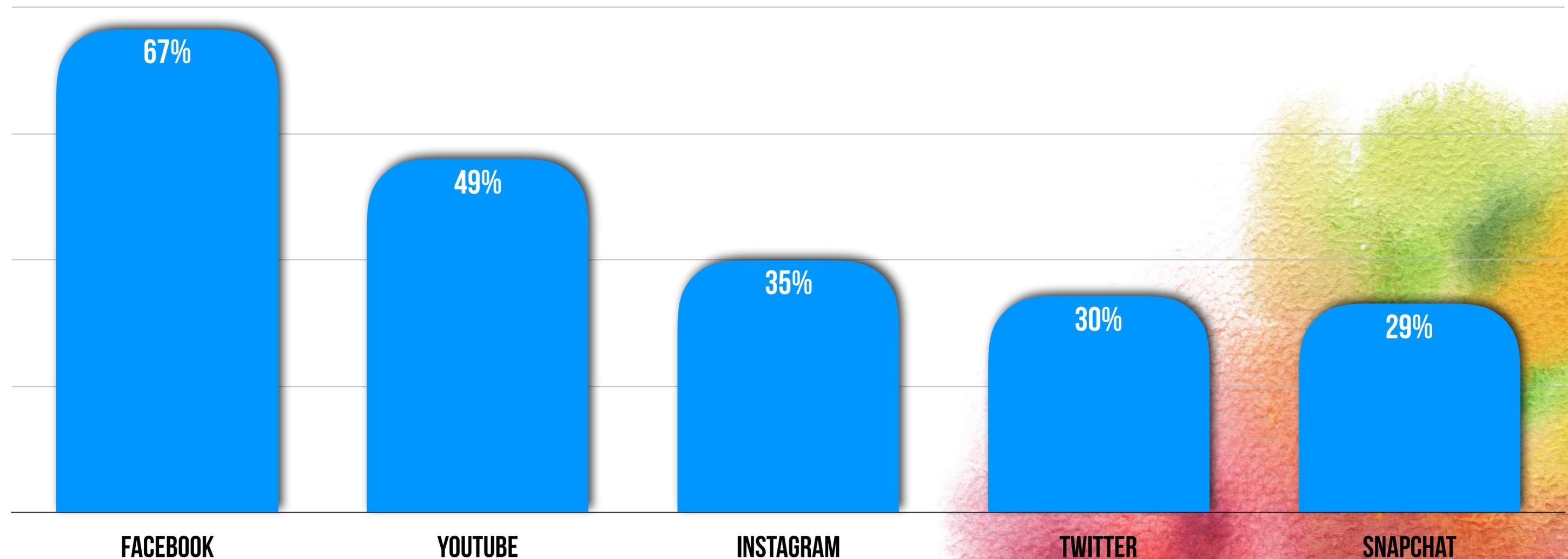
FACEBOOK

Daily Usage By Ethnicity and Race

TOTAL	67%
LATINO	69%
ASIAN	69%
NL WHITE	67%
AA	62%
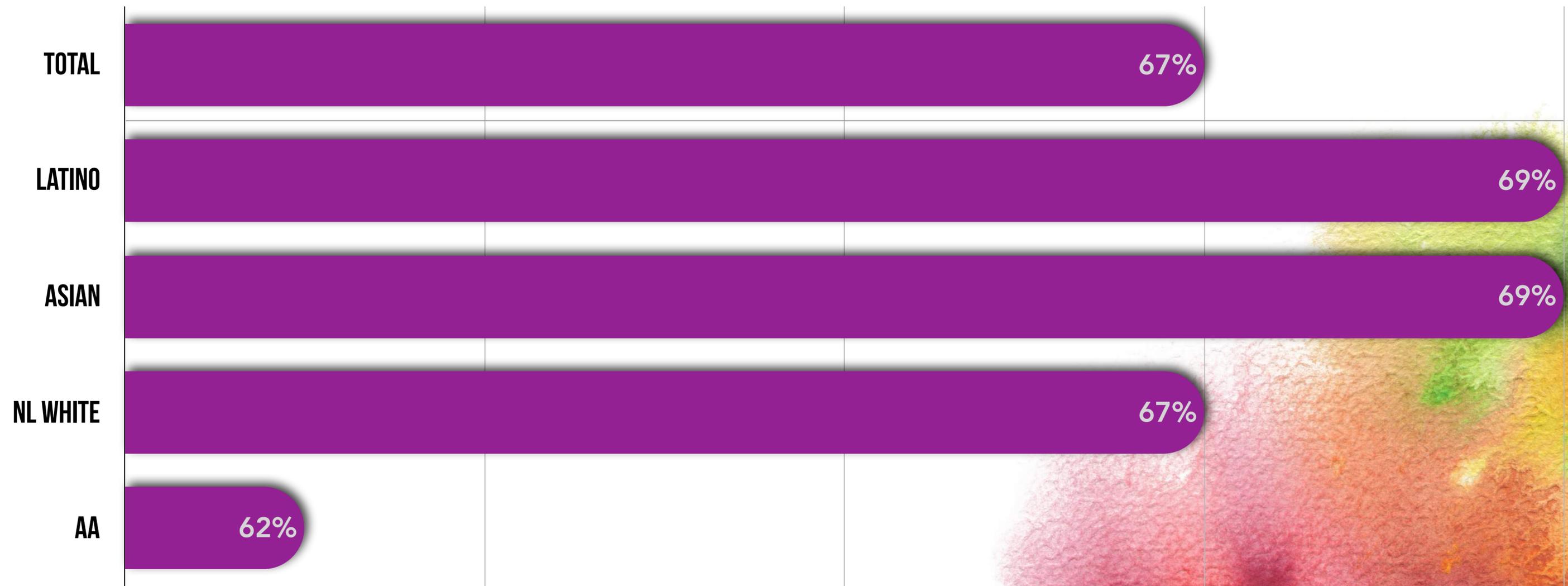
YOUTUBE

Daily Usage By Ethnicity and Race

Category	Percentage
TOTAL	49%
ASIAN	64%
LATINO	60%
AA	57%
NL WHITE	42%
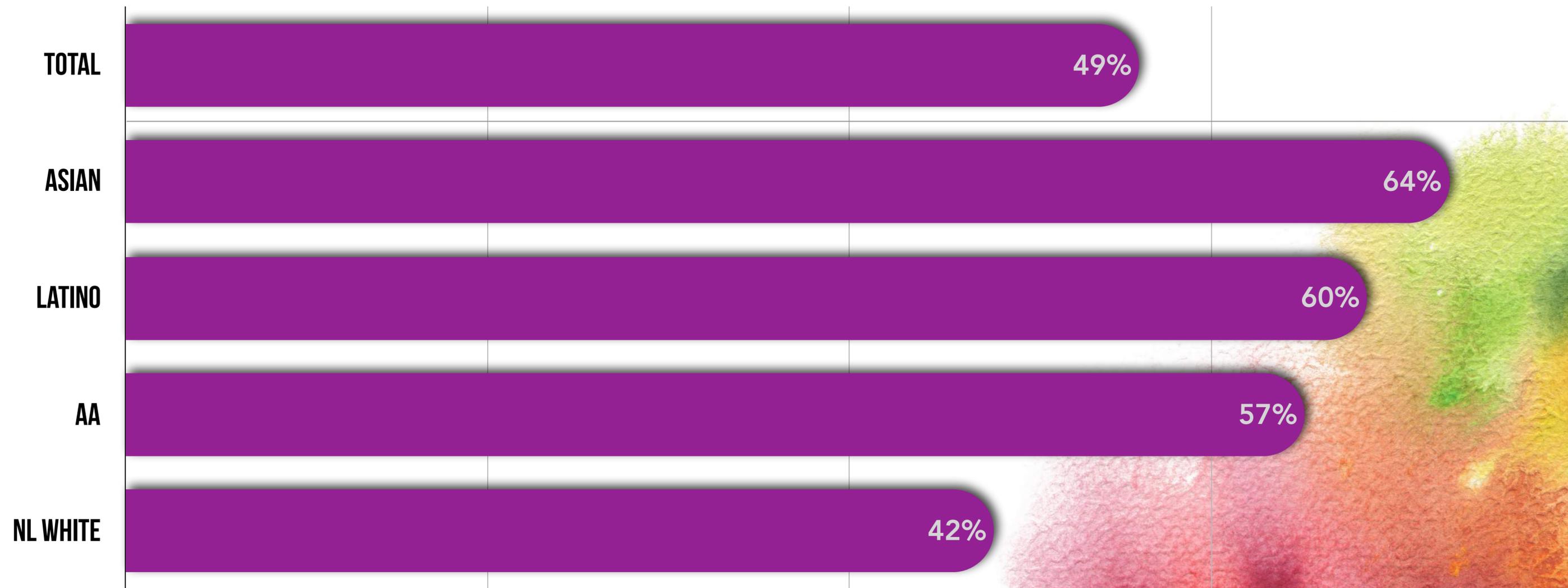
INSTAGRAM

Daily Usage By Ethnicity and Race

Category	Percentage
TOTAL	35%
LATINO	45%
ASIAN	43%
AA	38%
NL WHITE	30%
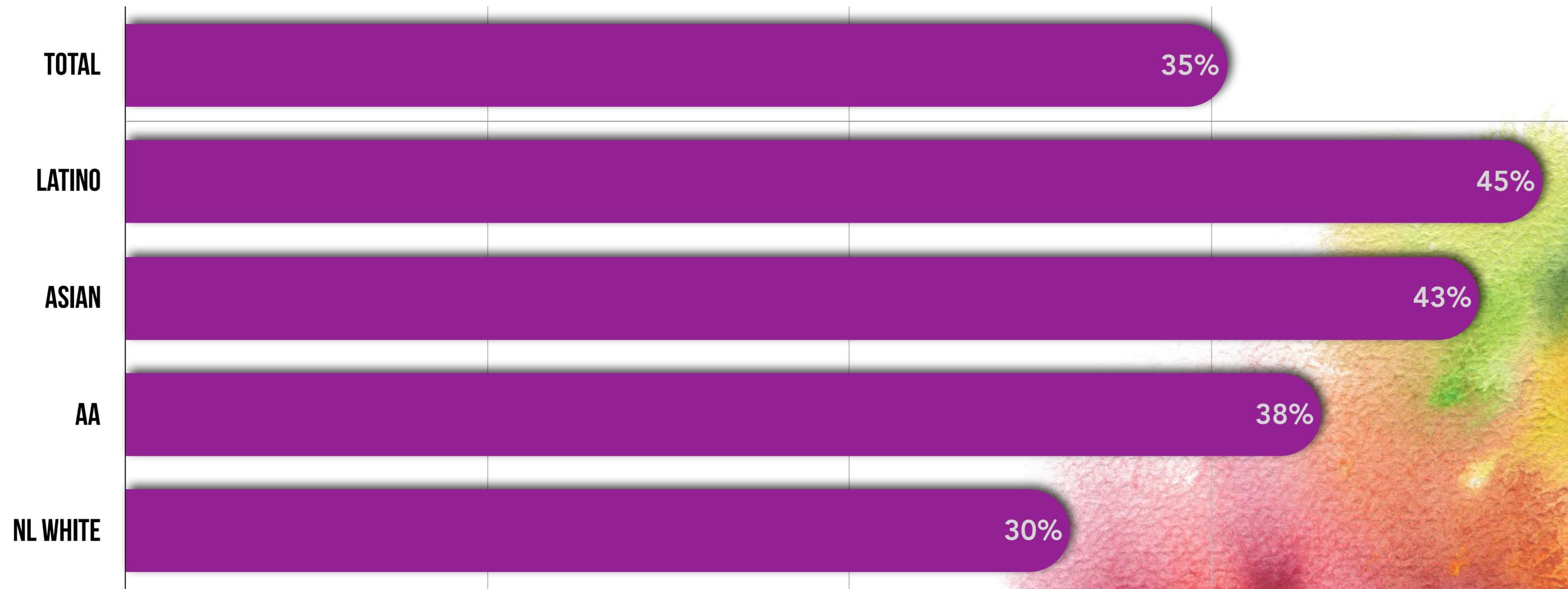
TWITTER

Daily Usage By Ethnicity and Race

TOTAL	30%
ASIAN	35%
LATINO	31%
NL WHITE	30%
AA	28%

SNAPCHAT

Daily Usage By Ethnicity and Race

TOTAL	29%
LATINO	34%
ASIAN	32%
NL WHITE	28%
AA	24%

FROM MORNING TILL DAWN

Latino Social Media Usage by Daypart

35% — IN BED AM
45% — 9-12N
45% — 12-2 PM
53% — 2-6 PM
46% — 6-8 PM
58% — 8 PM +
42% — IN BED PM
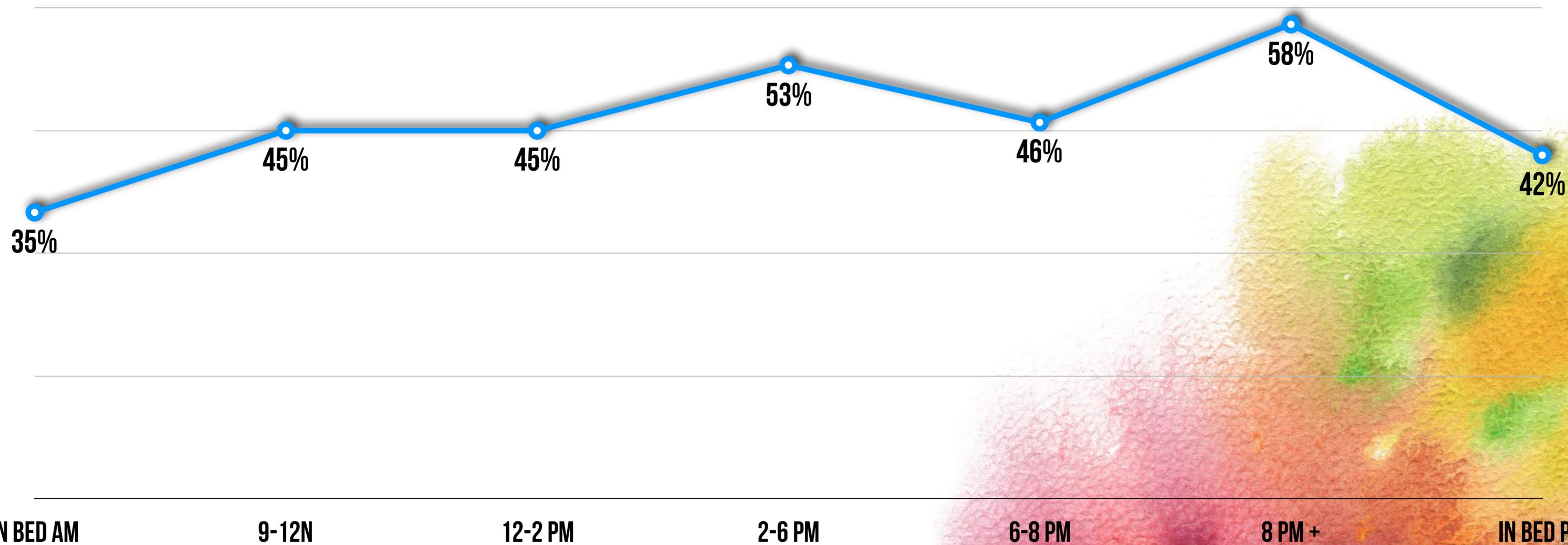
FROM MORNING TILL DAWN

African American Social Media Usage by Daypart

31%
41%
49%
51%
44%
55%
35%

IN BED AM   9-12N   12-2 PM   2-6 PM   6-8 PM   8 PM +   IN BED PM
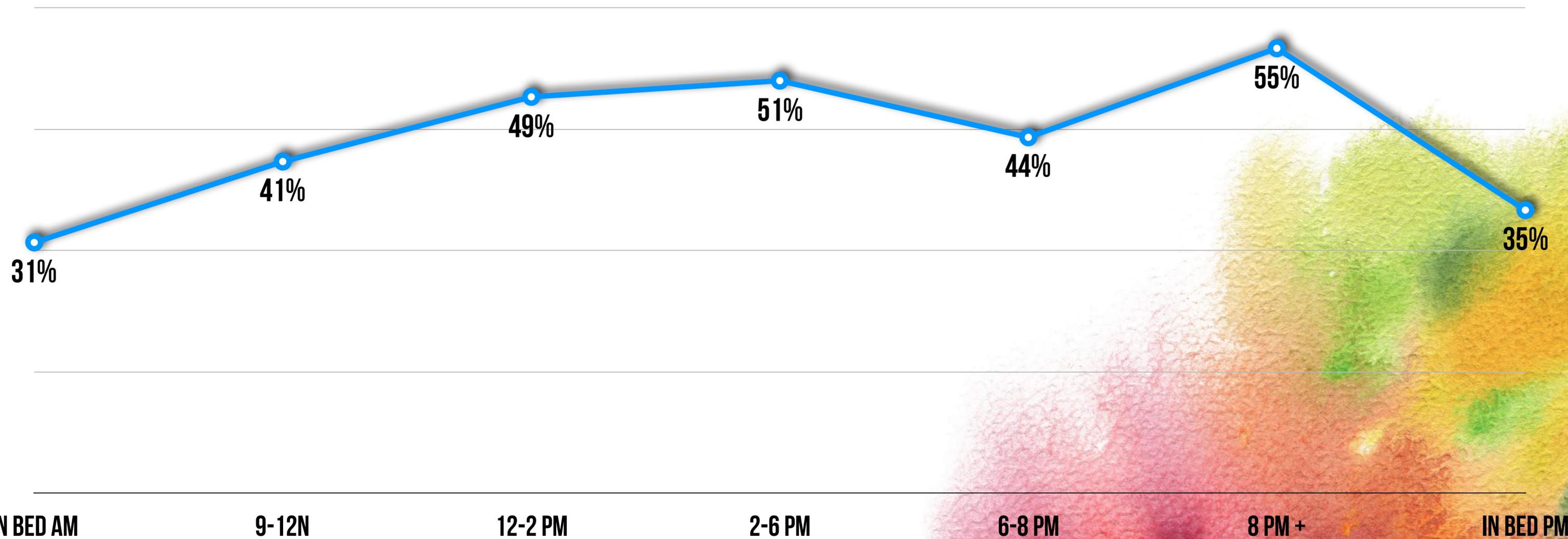
FROM MORNING TILL DAWN

Asian Social Media Usage by Daypart

IN BED AM	9-12N	12-2 PM	2-6 PM	6-8 PM	8 PM +	IN BED PM
38%	49%	43%	48%	42%	56%	42%
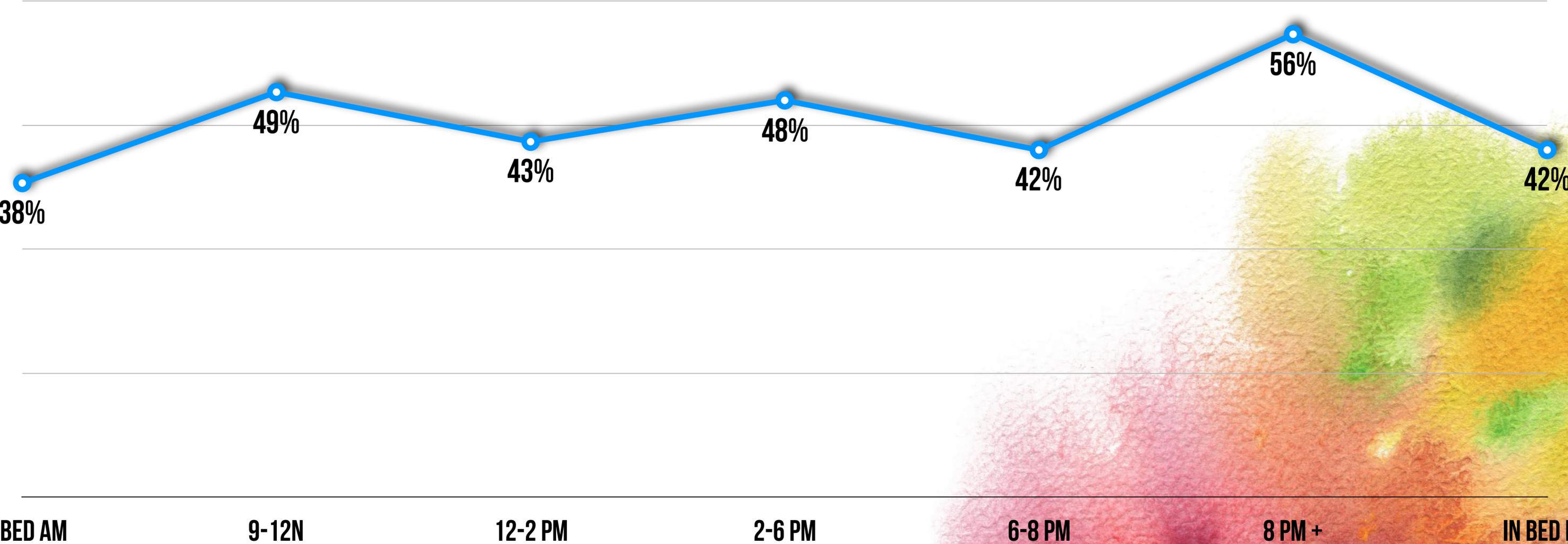
FROM MORNING TILL DAWN

NL White Social Media Usage by Daypart

29% 44% 40% 52% 45% 57% 30%

IN BED AM   9-12N   12-2 PM   2-6 PM   6-8 PM   8 PM +   IN BED PM
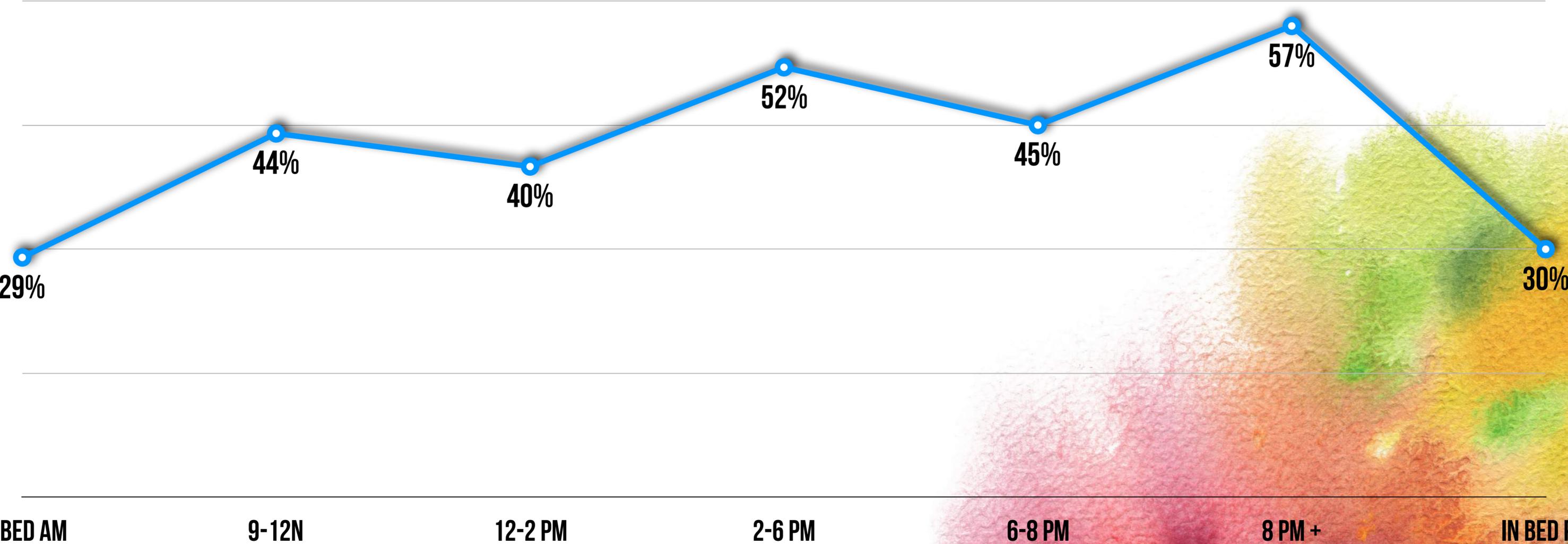
LIVING ONLINE

Top Five Daily Online Behaviors Across Groups

| SOCIAL MEDIA | NEWS | IM | VIDEO | MUSIC |
| 61% | 52% | 52% | 50% | 40% |
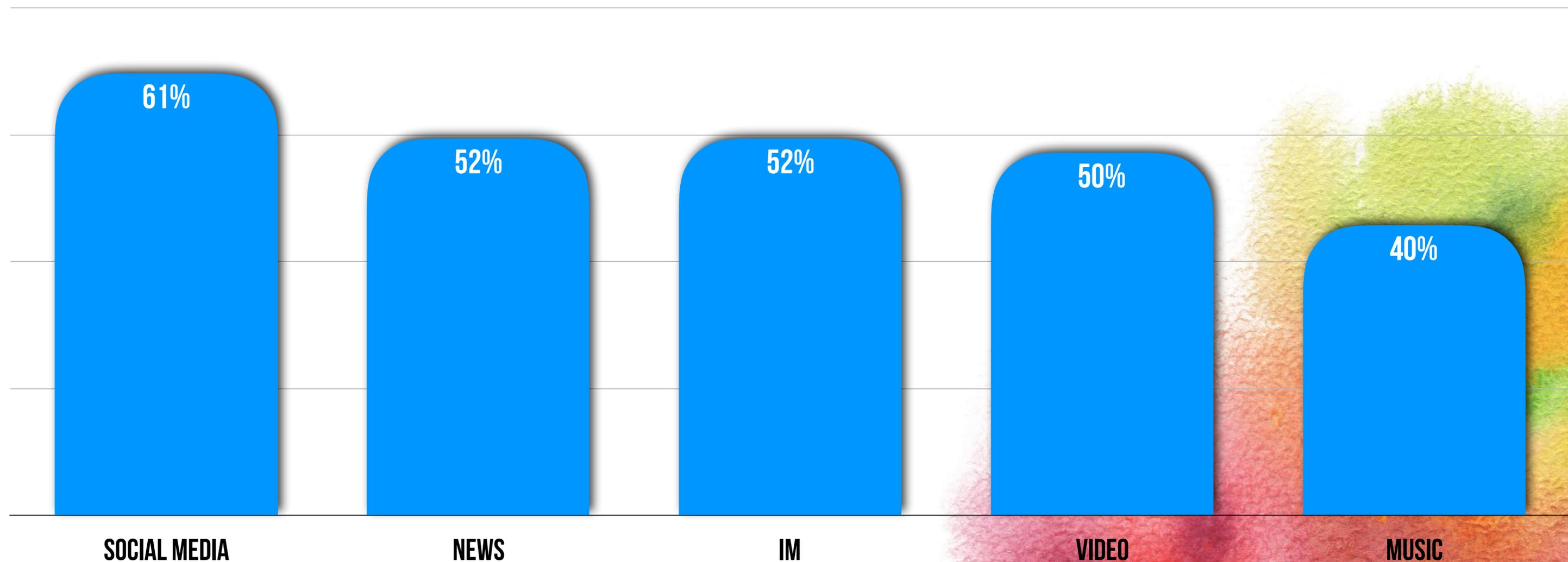
SOCIAL MEDIA

Daily Usage of Social Media by Ethnicity and Race

Category	Percentage
TOTAL	61%
ASIAN	67%
LATINO	62%
NL WHITE	61%
AA	57%

NEWS AND ENTERTAINMENT

Daily Consumption of News and Entertainment Online by Ethnicity and Race

Category	Percentage
TOTAL	52%
ASIAN	64%
NL WHITE	52%
LATINO	51%
AA	49%

INSTANT MESSENGER (IM)

Daily Usage of Instant Messenger by Ethnicity and Race

TOTAL	52%
LATINO	62%
ASIAN	60%
NL WHITE	49%
AA	49%

WATCHING VIDEOS

Daily Consumption of Online Videos by Ethnicity and Race

TOTAL	50%
ASIAN	62%
LATINO	55%
AA	51%
NL WHITE	47%
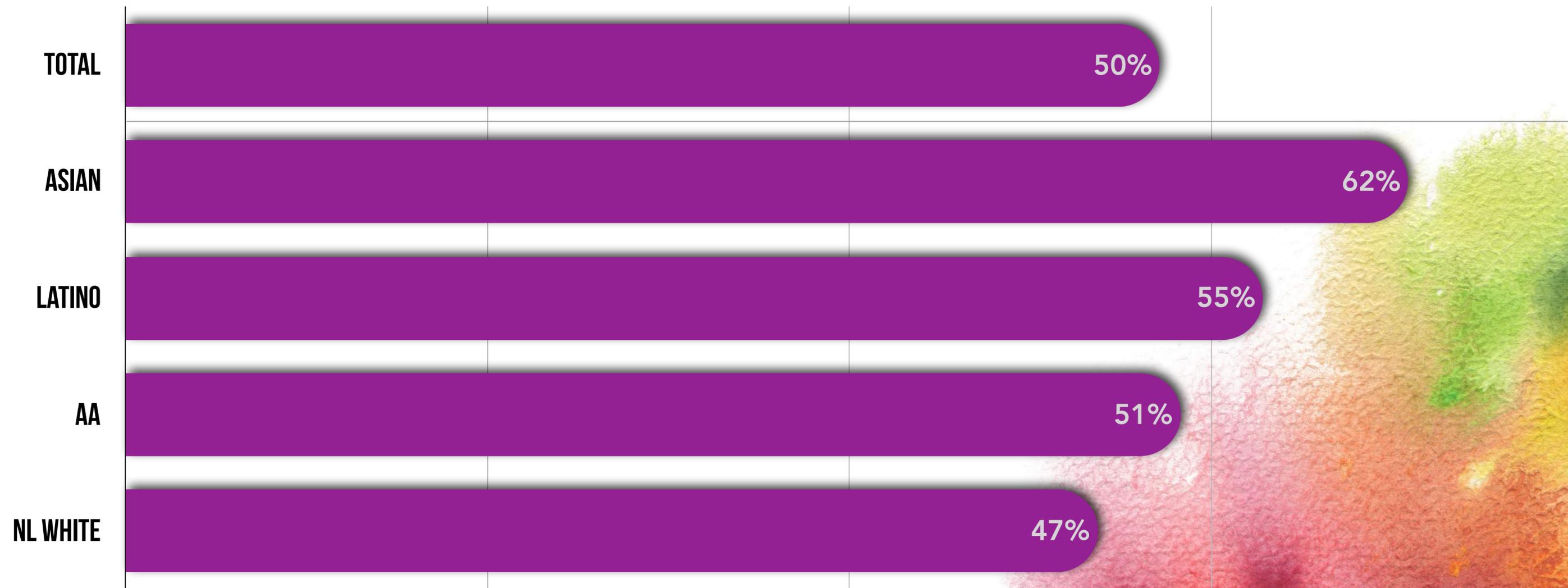
STREAMING MUSIC

Daily Consumption of Music Online by Ethnicity and Race

TOTAL	40%
LATINO	47%
ASIAN	46%
AA	45%
NL WHITE	36%

STREAMING FOR ENTERTAINMENT

Top Ways in Which TV Programming is Consumed Across All Groups

LIVE TV	NETFLIX	DVR	YOUTUBE	AMAZON PRIME
32%	26%	11%	9%	5%
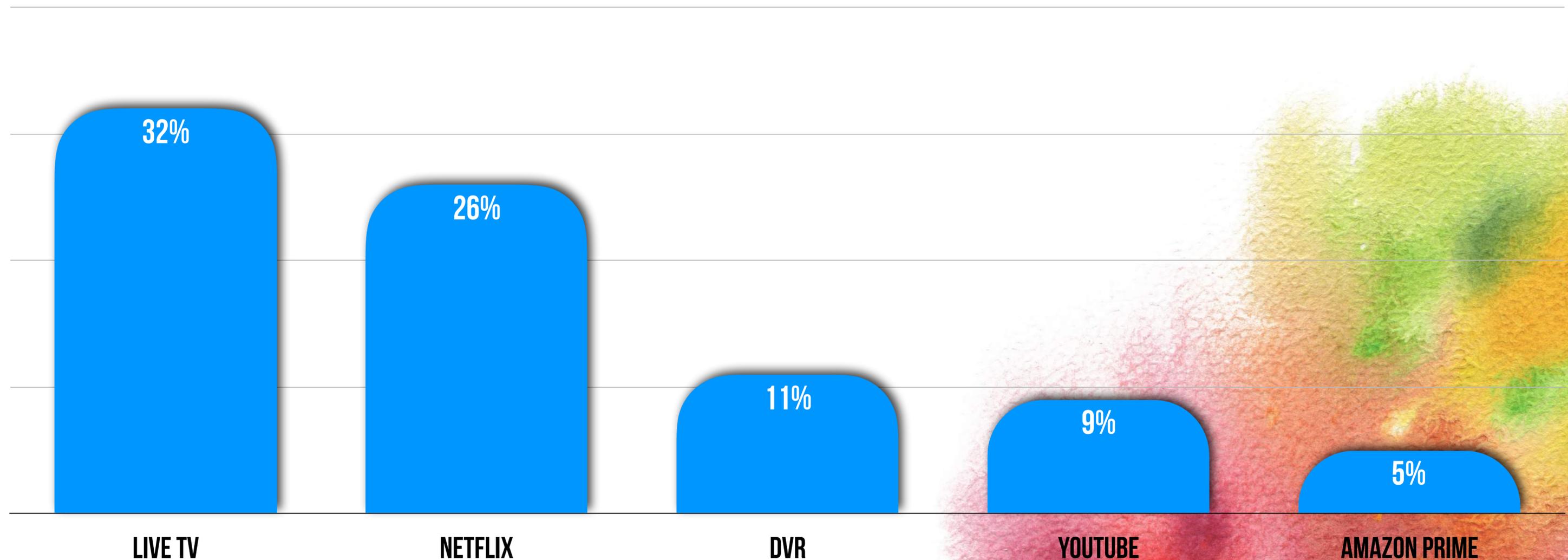
LIVE TV

The Way in Which TV Programming is Consumed by Ethnicity and Race

TOTAL	32%
AA	33%
NL WHITE	32%
ASIAN	31%
LATINO	24%

DVR

The Way in Which TV Programming is Consumed by Ethnicity and Race

Category	Percent
TOTAL	11%
NL WHITE	13%
AA	8%
LATINO	8%
ASIAN	7%
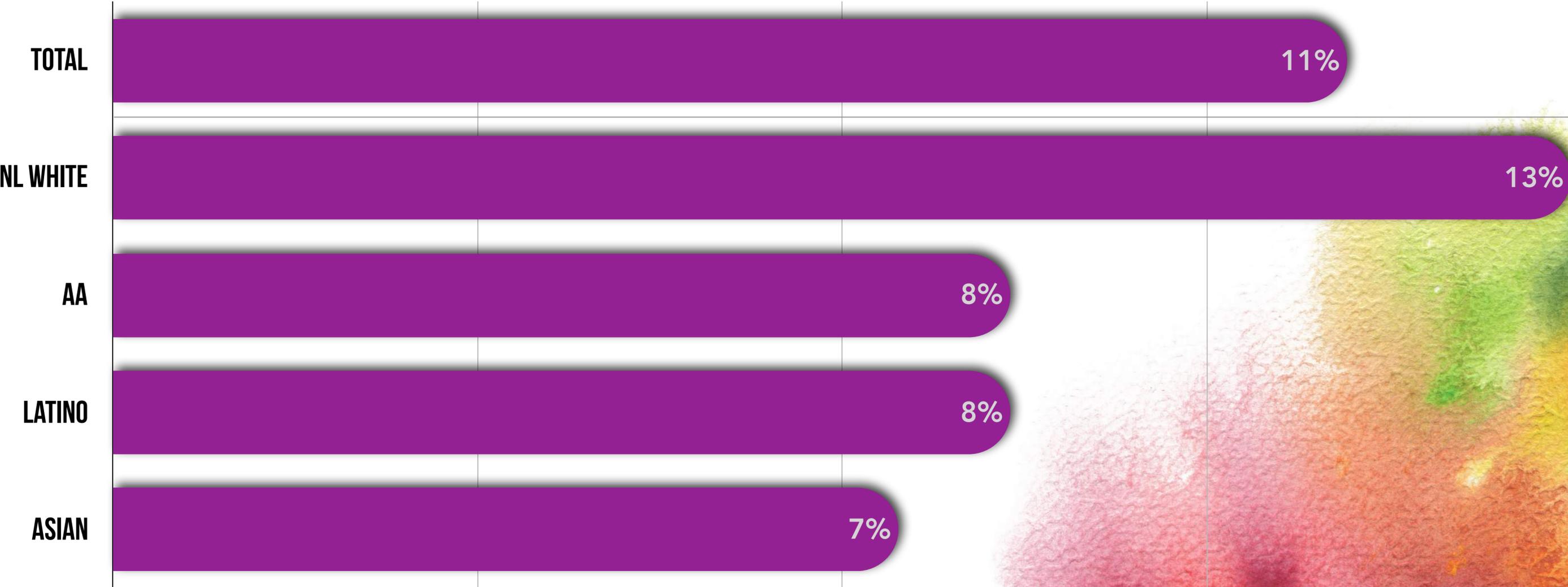
NETFLIX

The Way in Which TV Programming is Consumed by Ethnicity and Race

TOTAL	26%
LATINO	36%
NL WHITE	24%
AA	23%
ASIAN	21%
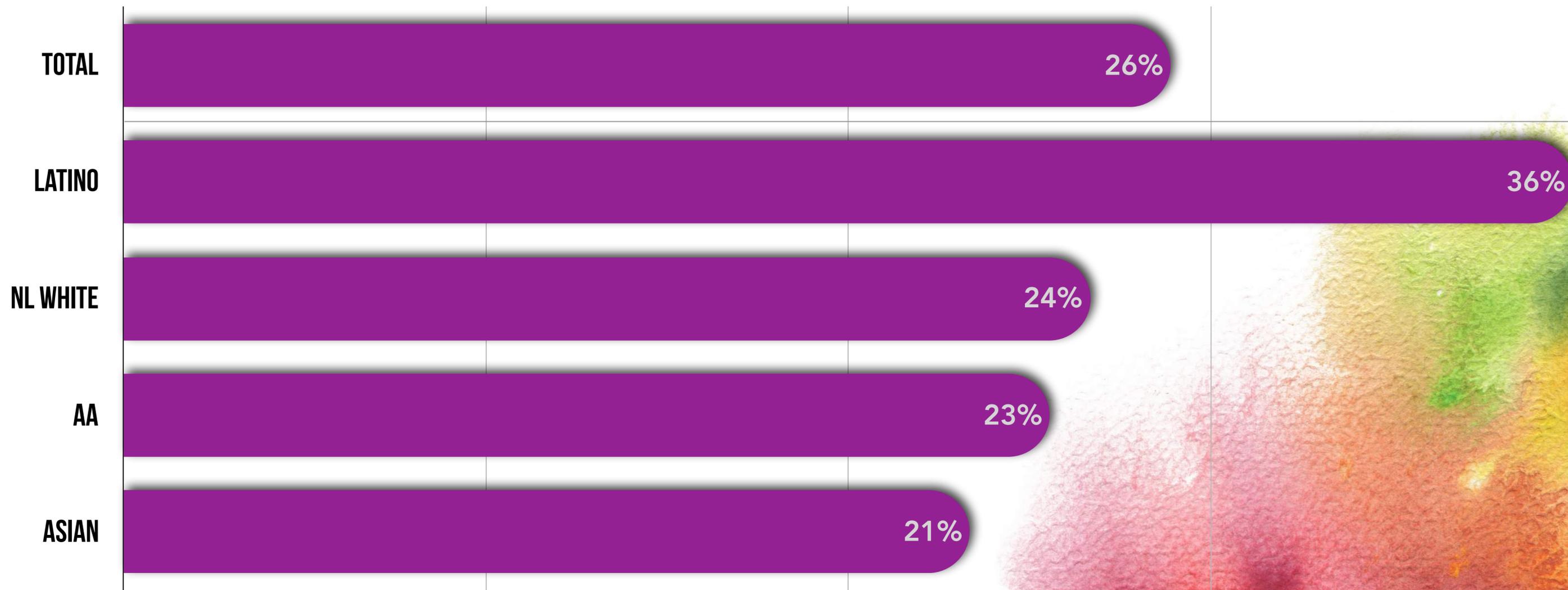
YOUTUBE

The Way in Which TV Programming is Consumed by Ethnicity and Race

Category	Percentage
TOTAL	9%
ASIAN	20%
AA	15%
LATINO	12%
NL WHITE	7%
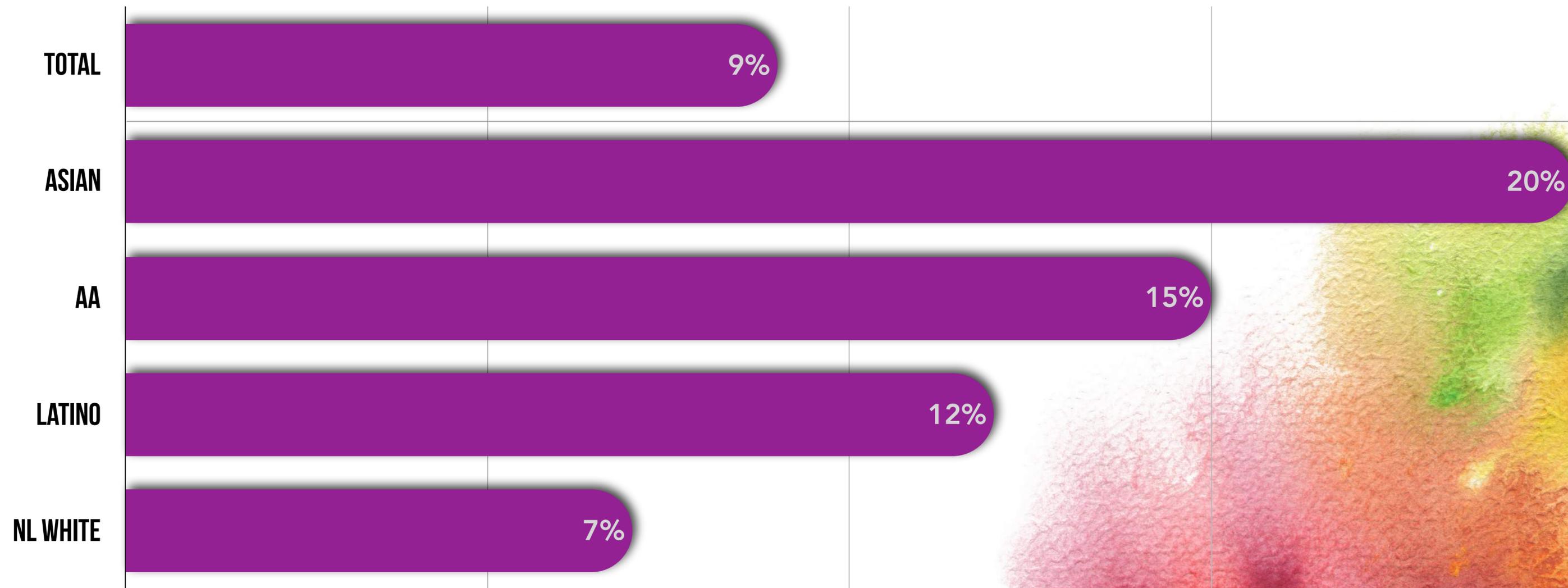
AMAZON PRIME

The Way in Which TV Programming is Consumed by Ethnicity and Race

TOTAL	5% ... 5%
ASIAN	5% ... 5%
NL WHITE	5% ... 5%
LATINO	3%
AA	2%
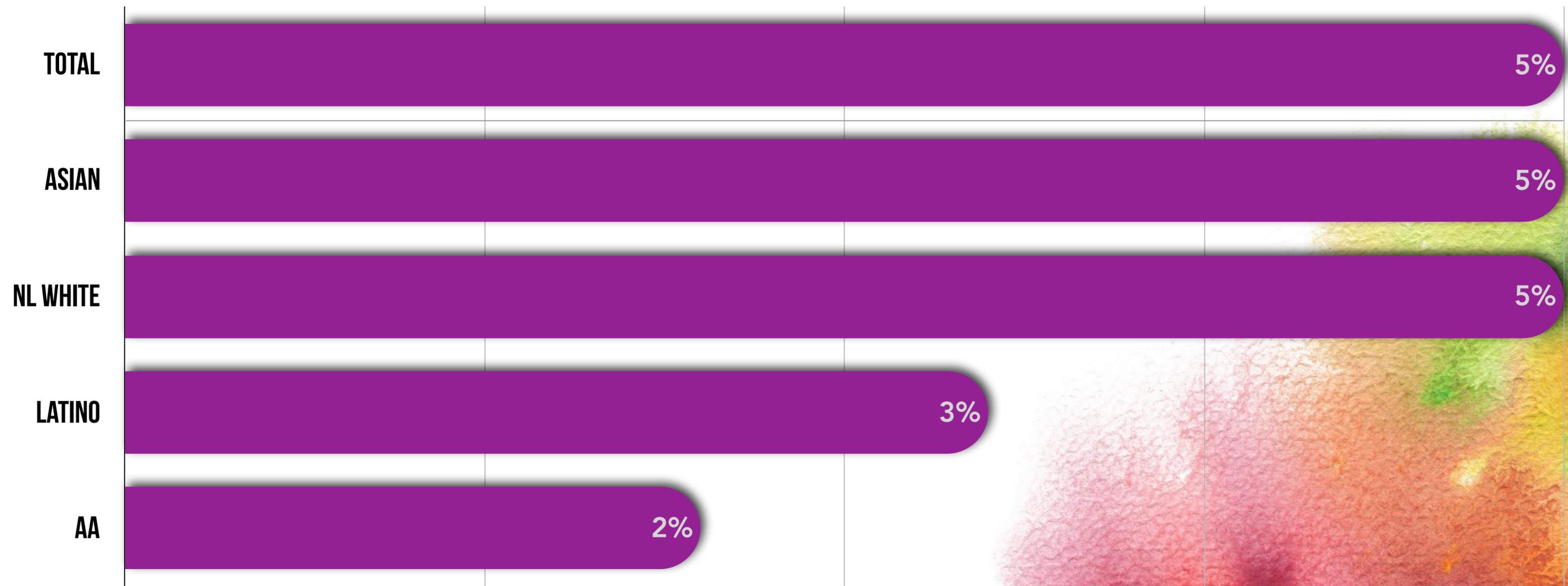
BINGE WATCHING

Watching an Entire Season of a Show in One Week by Ethnicity and Race

TOTAL	LATINO	AA	ASIAN	NL WHITE
69%	79%	75%	69%	67%
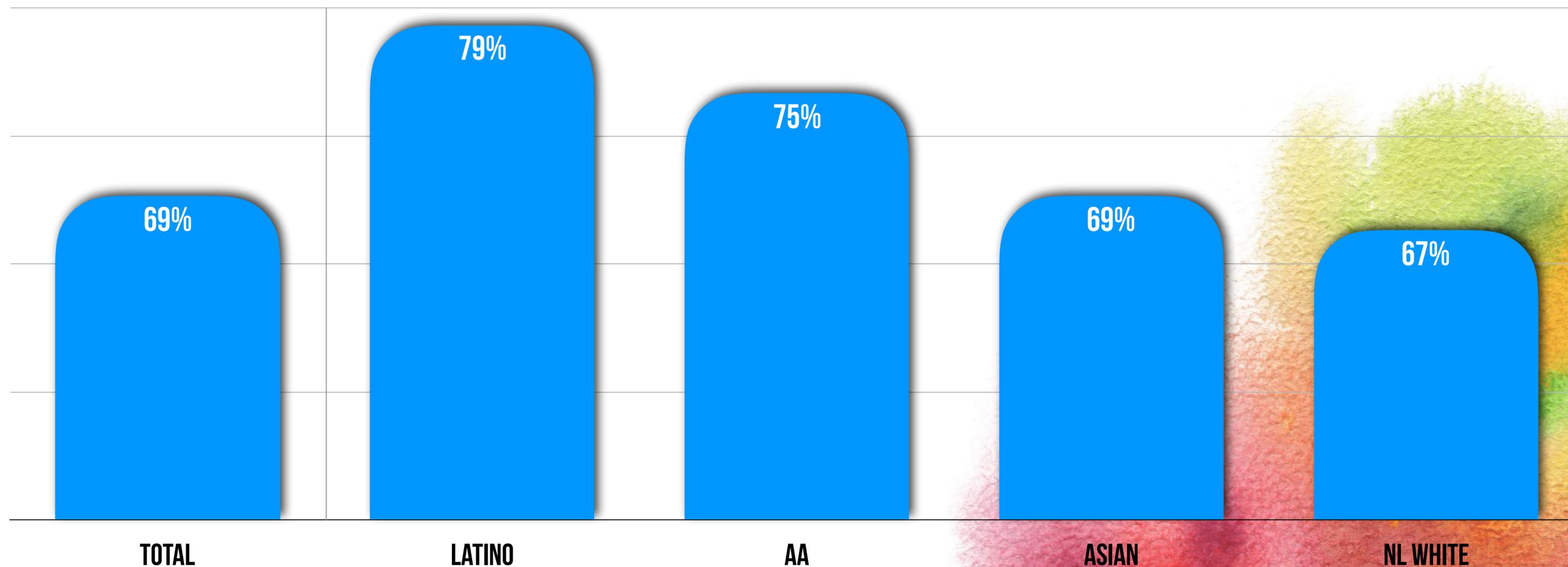
STREAMING EN ESPAÑOL

Streaming TV Programming in Spanish by Total Latino (Yes/No) and Age

47%	53%	55%	43%	20%
YES	NO	18-34	35-49	50-65
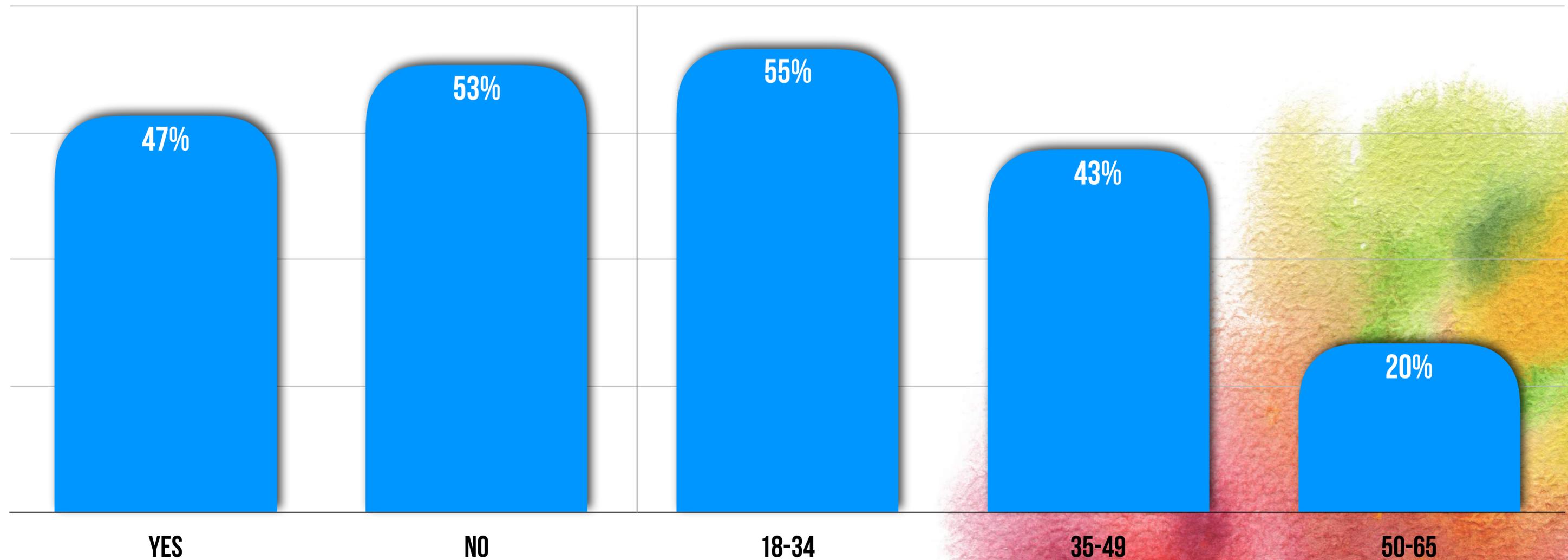
TRENDING ONLINE VIEWING

Where Consumers Expect to Watch TV Programming in the Future Across All Groups

17%	19%	24%	28%	13%
EXCLUSIVELY CABLE	MOSTLY CABLE	CABLE/ONLINE EQUALLY	MOSTLY ONLINE	EXCLUSIVELY ONLINE
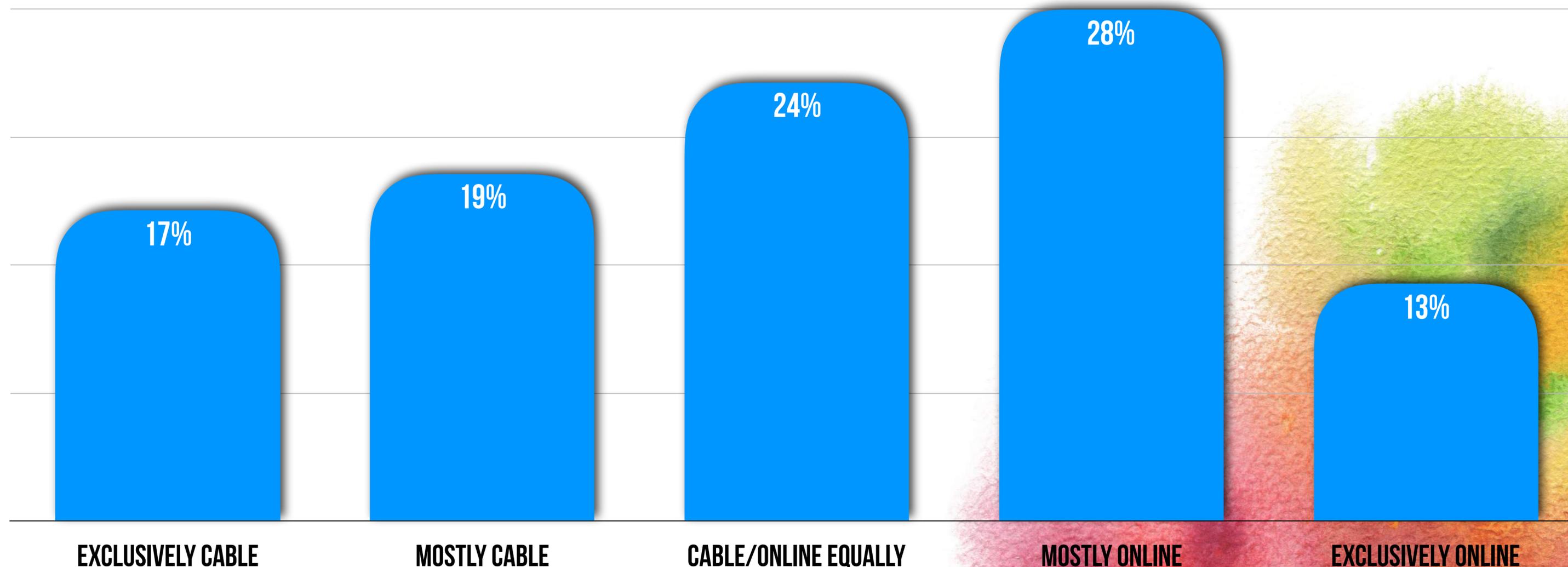
CORD CUTTING

Top Reasons for Watching More TV Programming Online Across All Groups

63%
67%
50%
24%

LESS EXPENSIVE THAN CABLE   I CONTROL WHEN I WATCH   I CONTROL HOW MUCH I WATCH   SHOWS ARE ONLY ONLINE
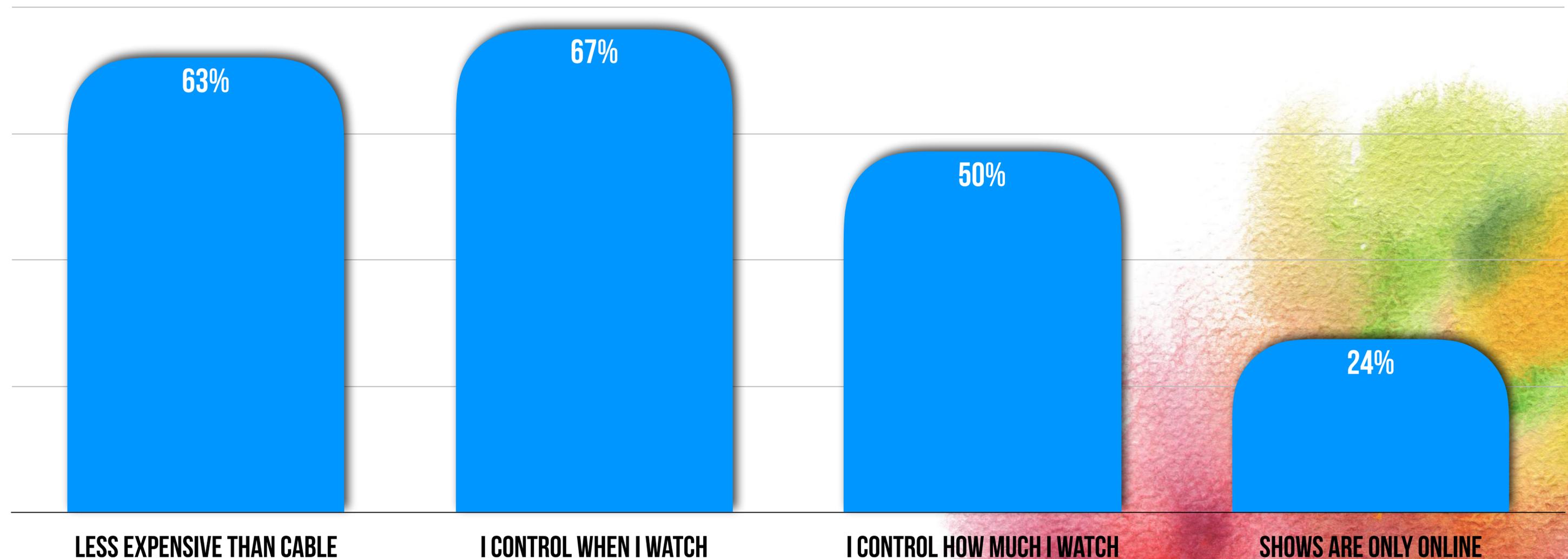
MUSIC TO YOUR EARS

Top Five Music Streaming Companies Across All Segments

32%				
	25%			
		21%		
			16%	14%
PANDORA	**SPOTIFY**	**APPLE MUSIC**	**GOOGLE PLAY**	**IHEART RADIO**
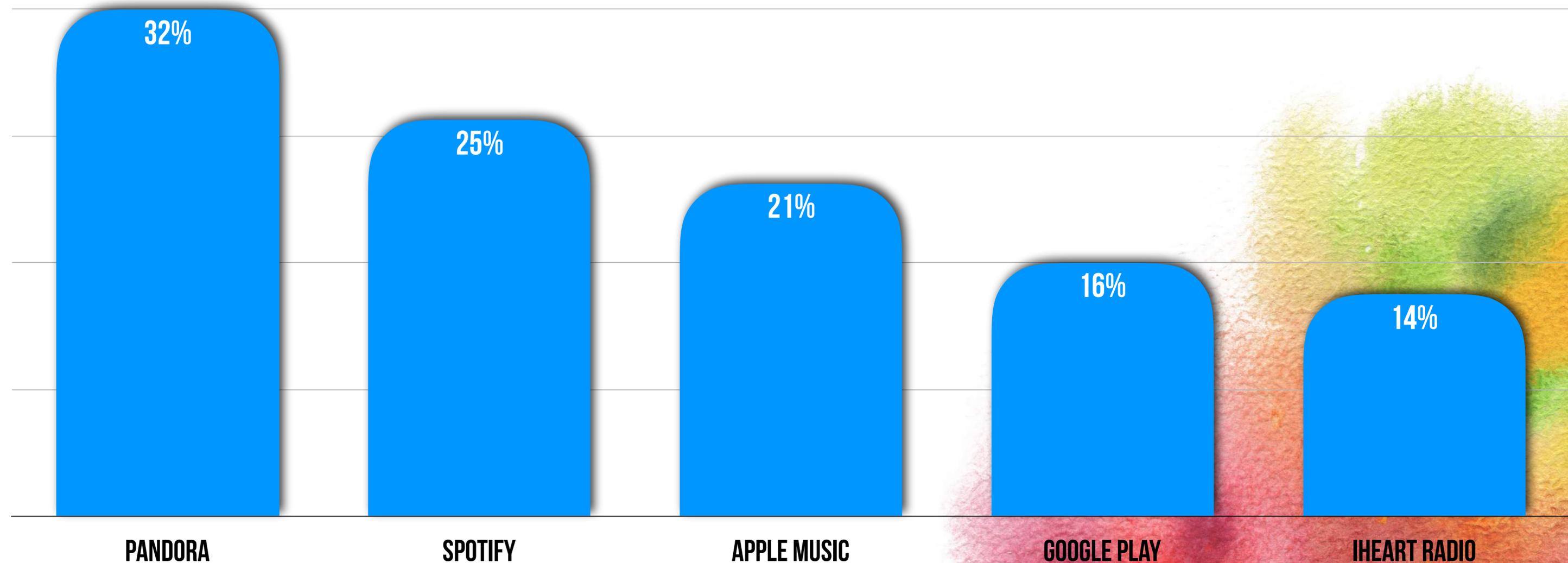
PANDORA

Music App Used in the Last 30-Days by Ethnicity and Race

Category	Percentage
TOTAL	32%
LATINO	39%
AA	38%
ASIAN	31%
NL WHITE	28%

SPOTIFY

Music App Used in the Last 30-Days by Ethnicity and Race

Category	
TOTAL	25%
LATINO	31%
ASIAN	29%
NL WHITE	25%
AA	22%

APPLE MUSIC

Music App Used in the Last 30-Days by Ethnicity and Race

Category	Percentage
TOTAL	21%
NL WHITE	22%
ASIAN	21%
LATINO	20%
AA	16%

GOOGLE PLAY

Music App Used in the Last 30-Days by Ethnicity and Race

TOTAL	16%
AA	21%
LATINO	20%
NL WHITE	16%
ASIAN	14%
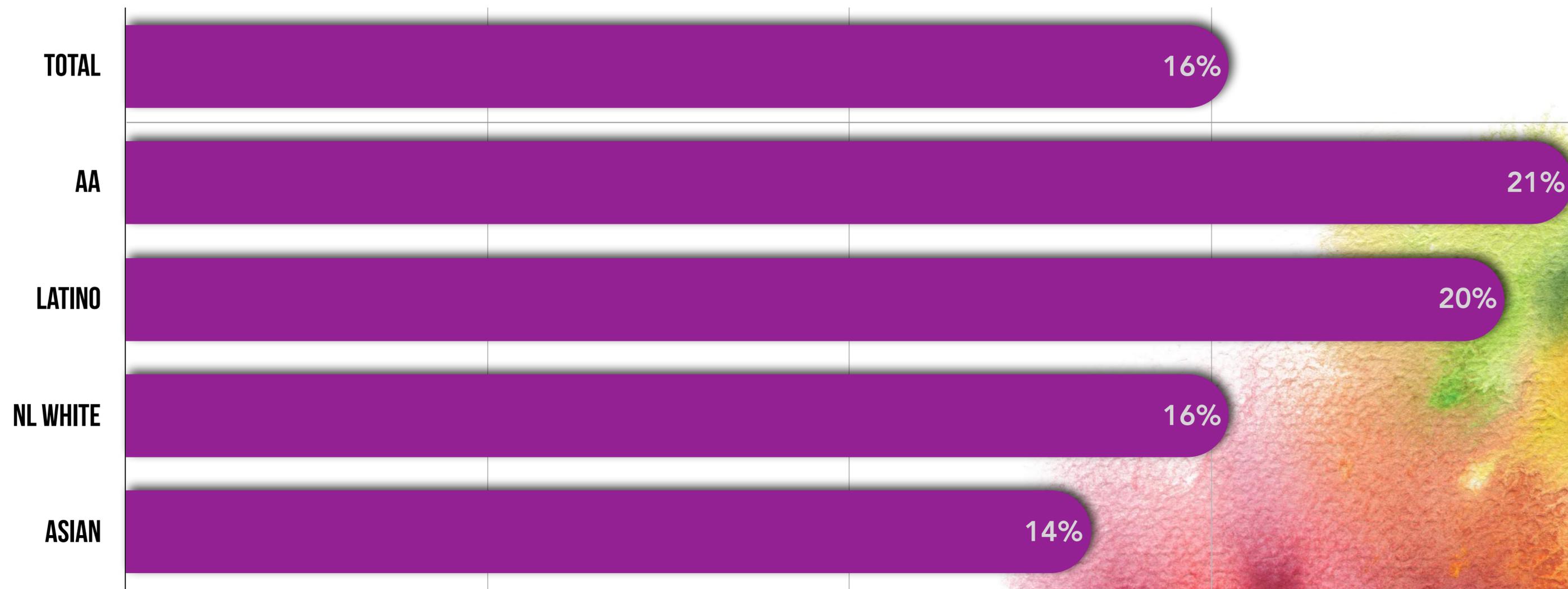
IHEART RADIO

Music App Used in the Last 30-Days by Ethnicity and Race

TOTAL	14%
AA	18%
LATINO	14%
NL WHITE	14%
ASIAN	10%

SYNTHESIS

So What Does All of This Mean?

This section of the report shows that the multicultural population drives digital behavior. This is due to the fact that more more of today's younger generational cohorts are multicultural.

Mobility and digital are one and the same. Americans today are in touch with one another, and consume news and entertainment on a minute by minute basis. This is truly the heart of the digital revolution, which will continue to shape opportunities, and challenge companies in the future.

Brands should think digital first and develop integrated marketing communication plans across their growth segments. Digital at this point is not at the heart of multicultural marketing which we believe needs to change.

Top U.S. cities are driven by the multicultural population, which should be considered the new mainstream. This is not a rhetorical statement, it is a reality that every company will eventually embrace if it is going to win in a multicultural America.

Meet Kevin. He's single, 30-years old, and lives in Atlanta. He owns an Acura, though he uses Uber occasionally. Kevin is fashion-forward, goes to the gym frequently, and listens to music on his Pandora app daily. He's college educated, works full-time, and earns $75,000+ a year. He enjoys live events, his favorite brand is Nike, and follows the NBA and NFL. He streams three to four hours of content per day and his favorite social media network is Instagram. He's a Democrat, and is socially conscientious.

Turn Data into Insights On-Demand with

THiNK
NOW conneKt

5 New Mainstream Demographics

AMERICA'S DIVERSITY

2018 U.S. Population by Ethnicity and Race (in Millions)

197.5 — NH WHITE
56.9 — LATINO
43.1 — AFRICAN AMERICAN
18.4 — ASIAN
133.6 — MC TOTAL

Easy Analytic Software Inc. Data from U.S. Census. MC Total is the sum of Latino, African-American Alone, Asian Alone, American Indian and Alaska Native Alone, and Two or More Races.   2018 © The Center for Multicultural Science

75
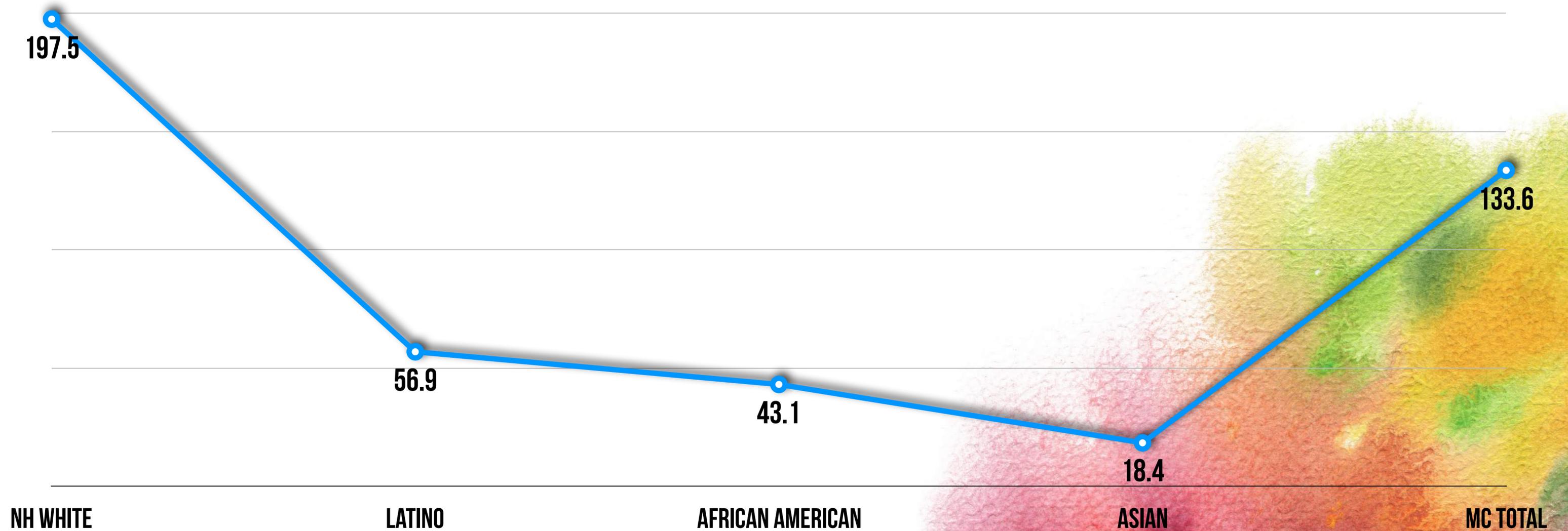
KEY GROWTH SEGMENTS

2018 vs 2060 (Projected) Percentage of U.S. Population by Ethnicity and Race

● 2018   ● 2060

| NH WHITE | LATINO | AFRICAN AMERICAN | ASIAN | MC TOTAL |

2018: 61%, 17%, 13%, 9%, 41%
2060: 44%, 29%, 13%, 6%, 56%
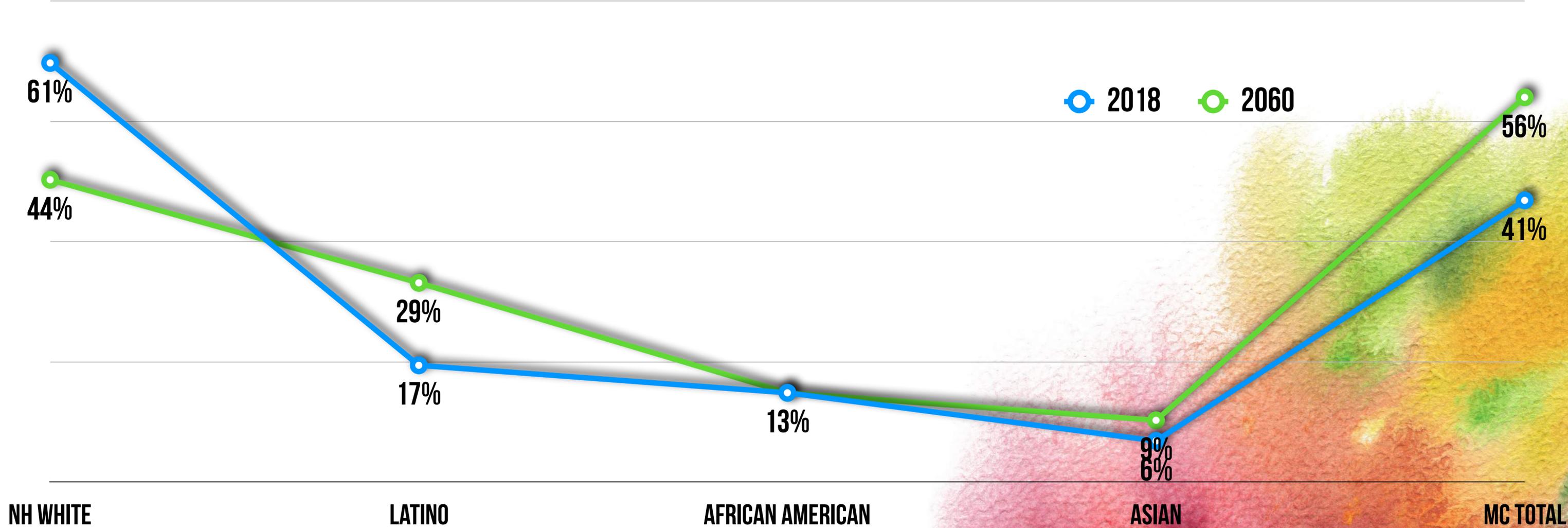
KEY GROWTH SEGMENTS

2010-2018 U.S. Population Growth Rate by Ethnicity and Race

Segment	Growth Rate
NH WHITE	0.4%
AA	10.8%
LATINO	12.8%
ASIAN	21.4%
2+ RACES	29.7%
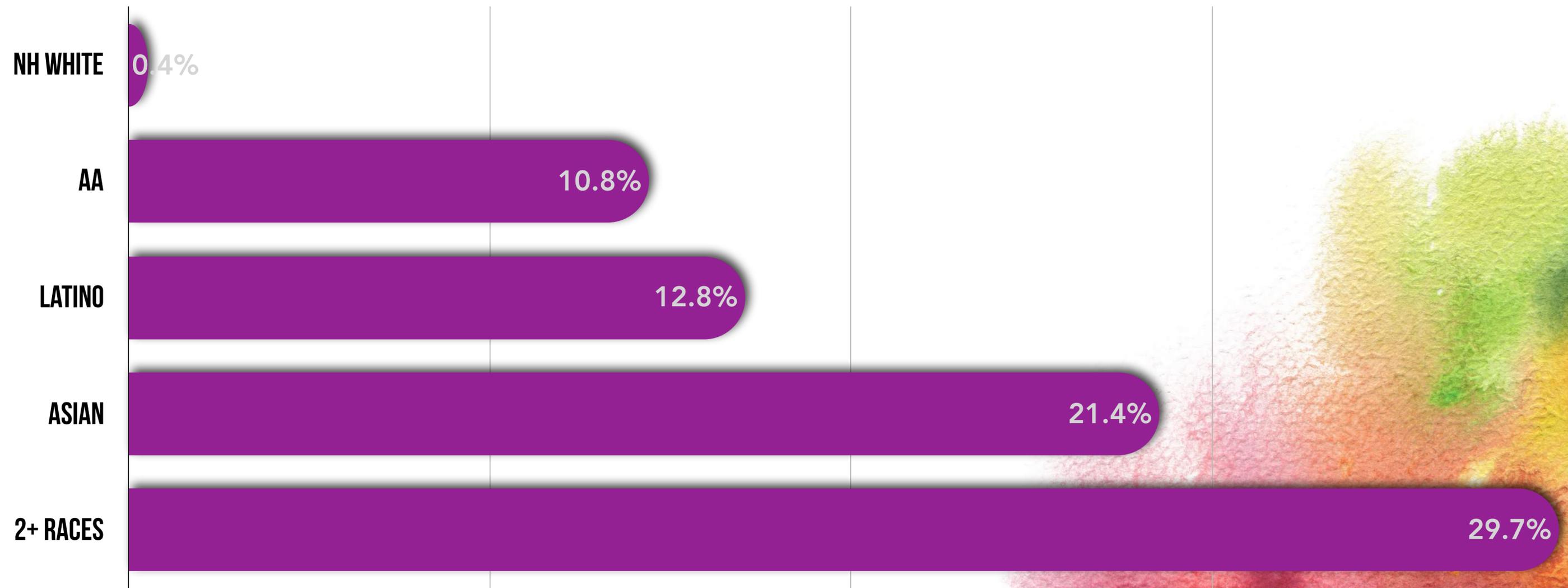
KEY GROWTH SEGMENTS

2018-2023 Projected U.S. Population Growth Rate by Ethnicity and Race

Segment	Growth Rate
NH WHITE	1.4%
AA	5.3%
LATINO	6.1%
ASIAN	8.6%
2+ RACES	11%
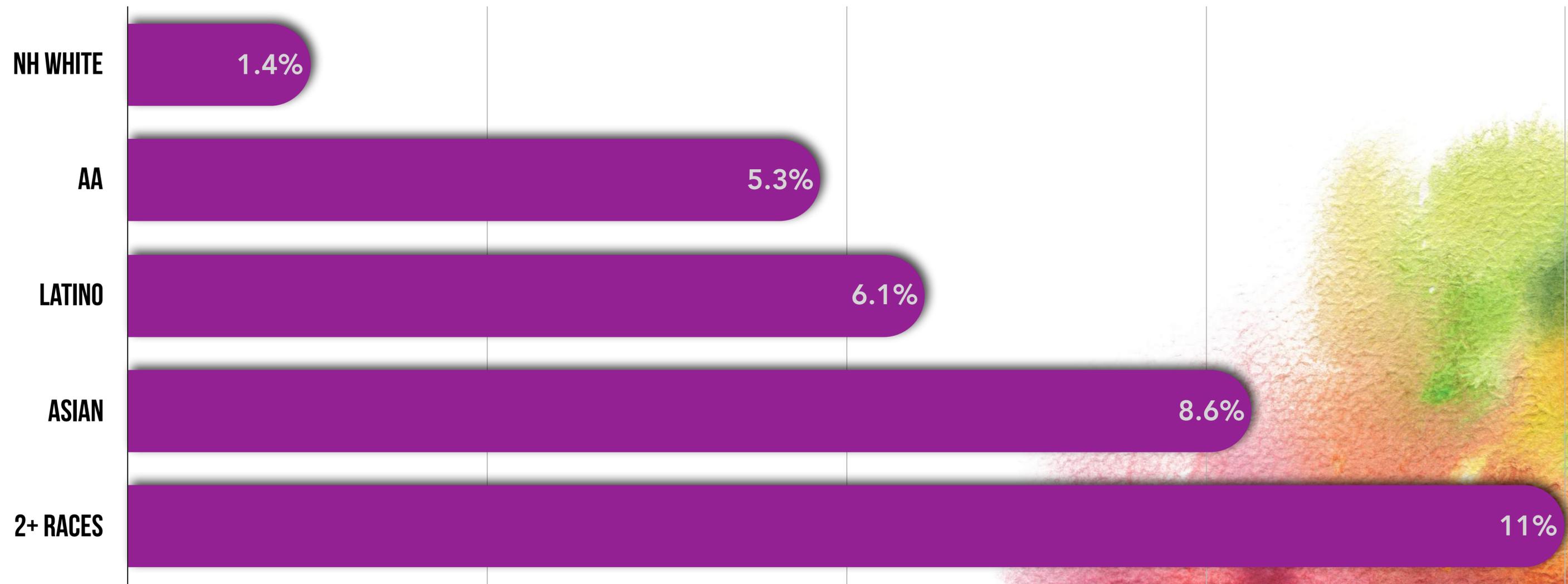
FOUNTAIN OF YOUTH

2017 U.S. Population by Generational Cohort

		Multicultural	Non-Multicultural
Generation Z	< 9	51%	49%
	10-19	46%	54%
Generation Y	20-29	44%	56%
	30-39	45%	55%
Generation X	40-44	40%	60%
	45-49	35%	65%
Boomer Gen	50-59	30%	70%
	60-69	25%	75%
Silent Gen	70-79	22%	78%
	80+	17%	83%
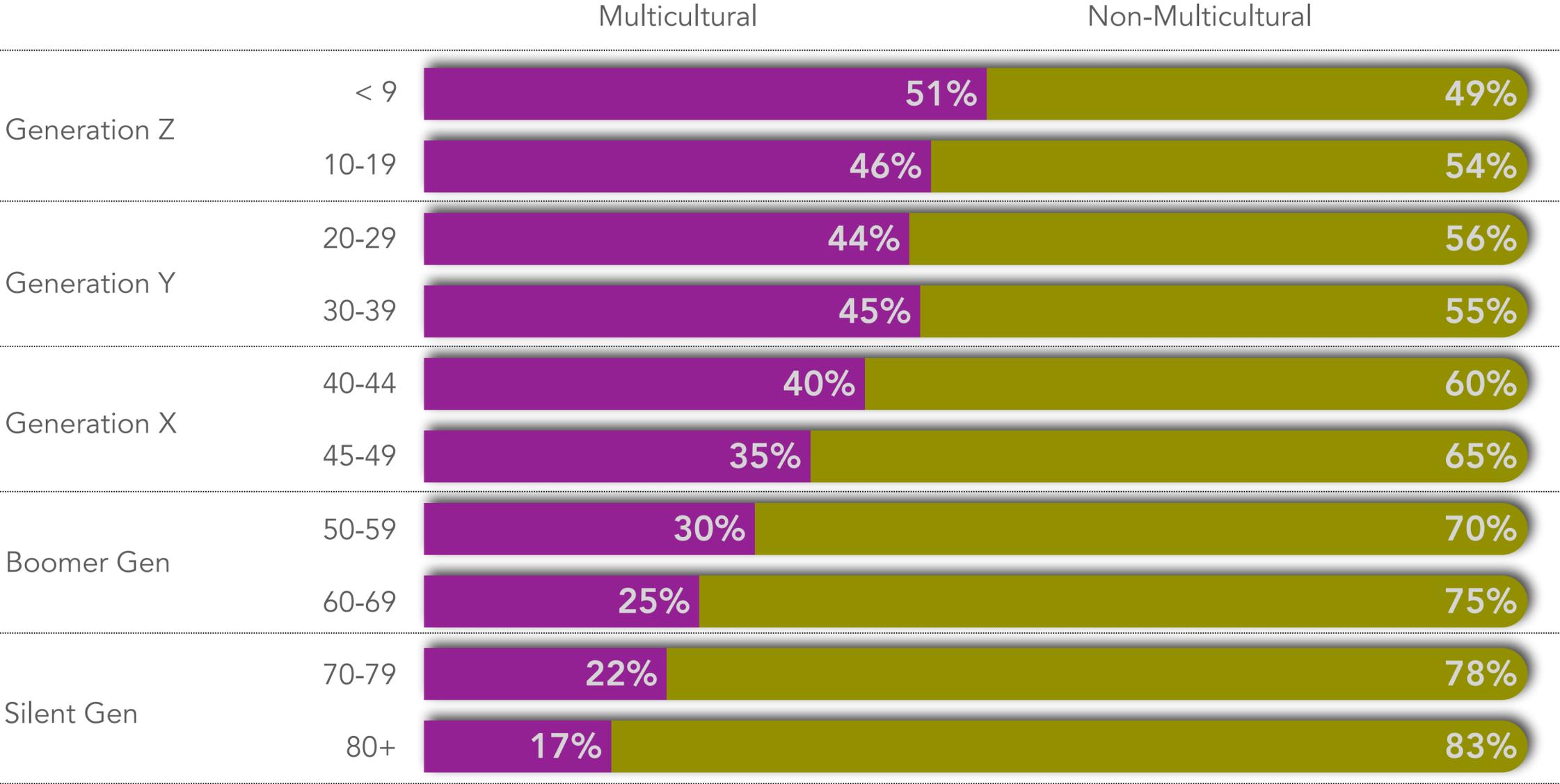
FOUNTAIN OF YOUTH

2017 U.S. Latino Pop Growth by Age/Gender and 2017-2023 Projected Pop Growth

Projected Growth	Males	Age	Females	Projected Growth
-1.7%		0-5		-1.4%
5.2%		6-11		5.3%
1.5%		12-17		2.7%
3.3%		18-24		6.9%
3.2%		25-34		2.8%
5.8%		35-44		5.9%
9.3%		45-54		7.8%
19.4%		55-64		17.2%
25.4%		65-74		22.2%
15.7%		75-84		11%
24.5%		85+		21%

Males axis: 3,750,000 · 2,500,000 · 1,250,000

Females axis: 1,250,000 · 2,500,000 · 3,750,000
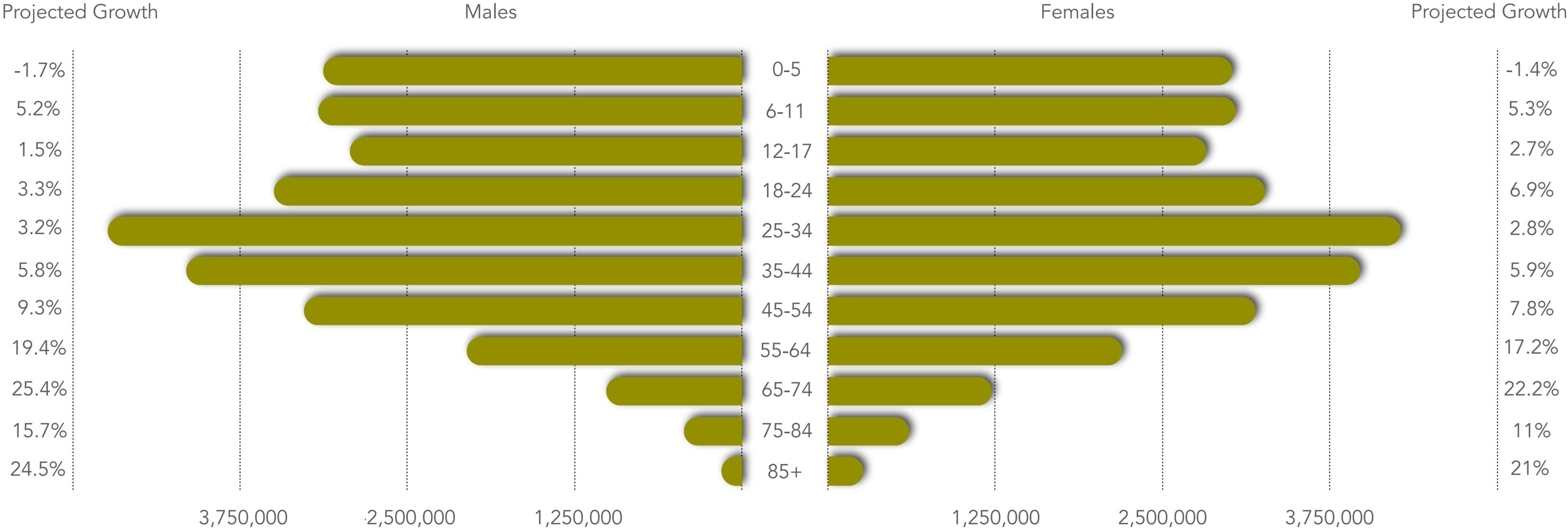
FOUNTAIN OF YOUTH

2017 U.S. African American Pop Growth by Age/Gender and 2017-2023 Projected Pop Growth

Projected Growth	Males		Females	Projected Growth
0.5%		0-5		0.2%
1.1%		6-11		1.4%
-4.6%		12-17		-4%
6.2%		18-24		2.4%
13.9%		25-34		9.6%
1.3%		35-44		1.4%
-2.8%		45-54		-2.6%
16.9%		55-64		15.9%
26.6%		65-74		24.4%
14.7%		75-84		8.2%
31%		85+		15.3%

3,000,000   2,000,000   1,000,000   1,000,000   2,000,000   3,000,000
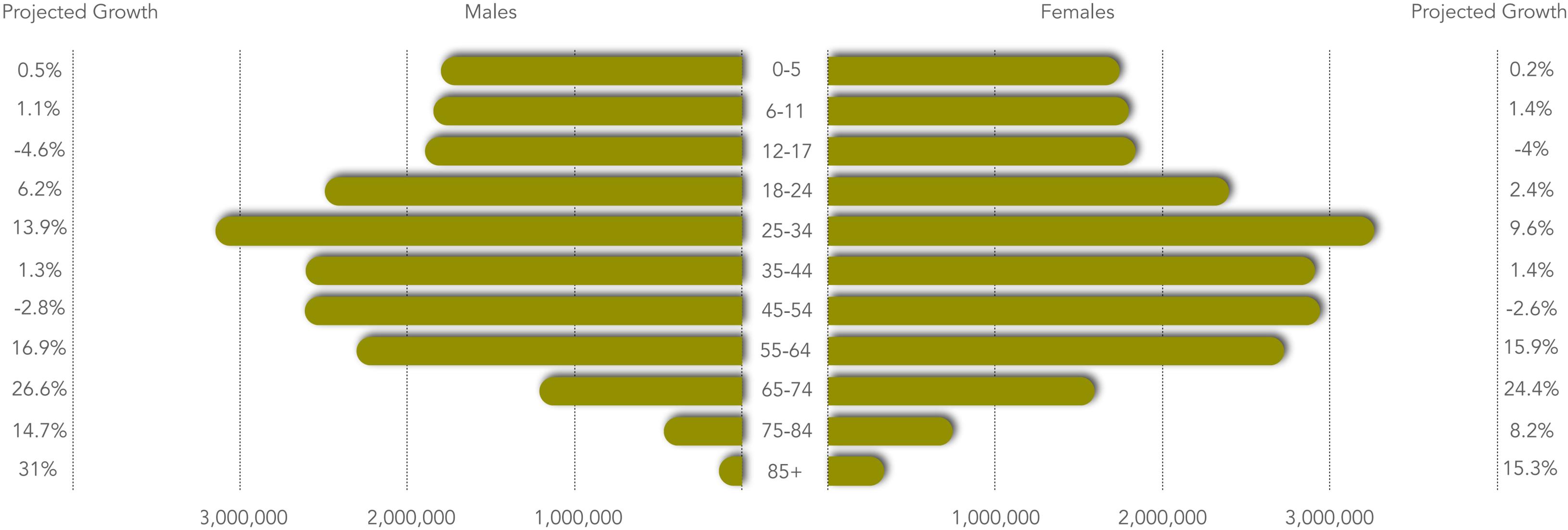
FOUNTAIN OF YOUTH

2017 U.S. Asian Pop Growth by Age/Gender and 2017-2023 Projected Pop Growth

Projected Growth	Males		Females	Projected Growth
1.3%		0-5		-0.6%
6.2%		6-11		3.7%
2.9%		12-17		4.8%
2.6%		18-24		3%
12.6%		25-34		8.5%
5.8%		35-44		6.6%
5.8%		45-54		5%
14.1%		55-64		12.6%
22.5%		65-74		26.8%
19.5%		75-84		19.9%
32.5%		85+		35.4%

1,200,000   800,000   400,000   450,000   900,000   1,350,000
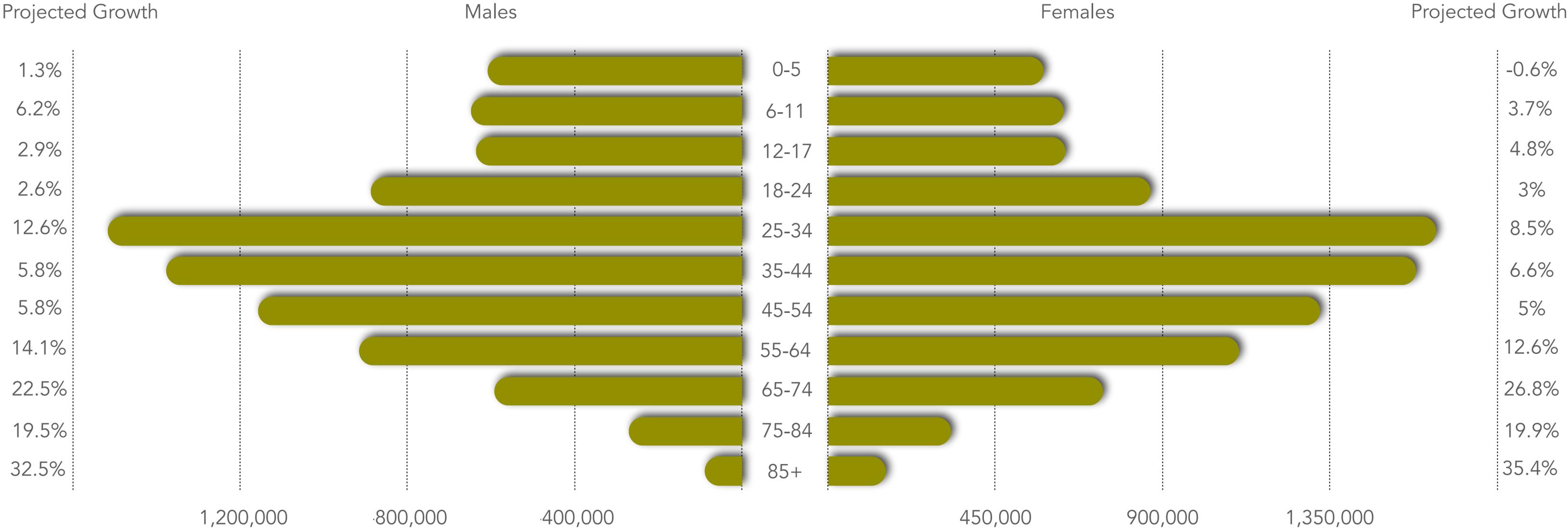
FOUNTAIN OF YOUTH

2017 U.S. 2+ Race Pop Growth by Age/Gender and 2017-2023 Projected Pop Growth

Projected Growth	Males	Age	Females	Projected Growth
2%		0-5		0%
11.9%		6-11		11%
9.7%		12-17		8.5%
23.9%		18-24		16.3%
12.8%		25-34		10.8%
10.9%		35-44		11.2%
0.8%		45-54		2.3%
27.3%		55-64		26.5%
15.6%		65-74		19.3%
46.4%		75-84		24.1%
7%		85+		47.9%

Males axis: 750,000 · 500,000 · 250,000
Females axis: 250,000 · 500,000 · 750,000
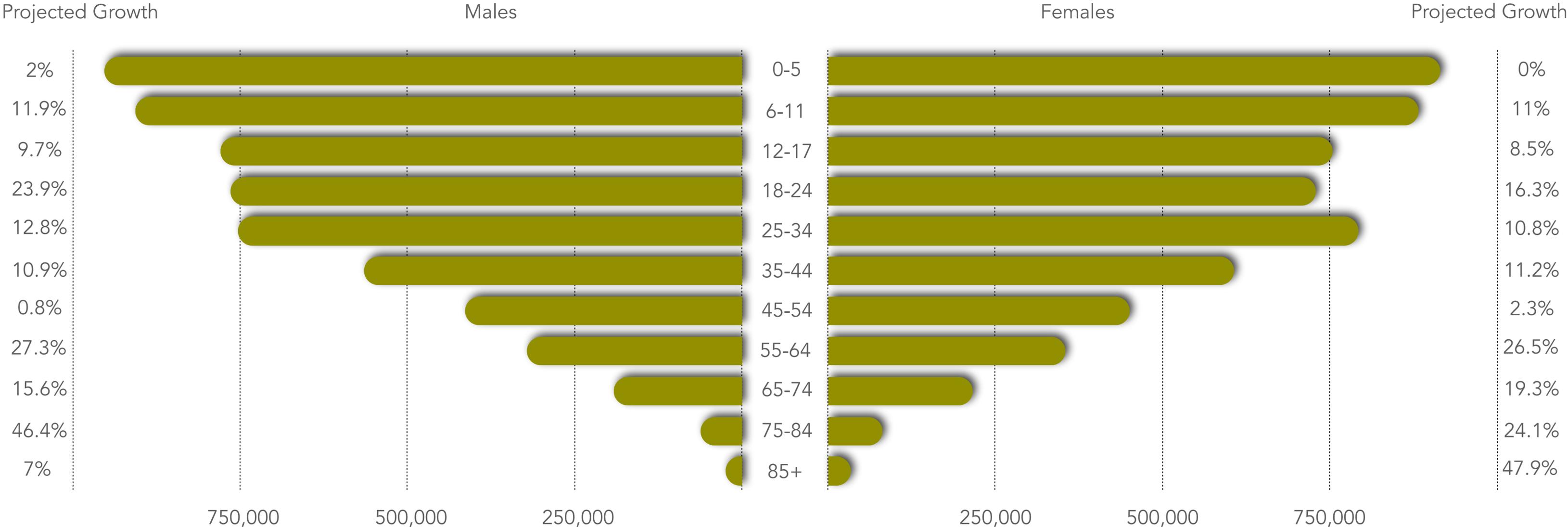
FOUNTAIN OF YOUTH

2017 U.S. NL White Pop Growth by Age/Gender and 2017-2023 Projected Pop Growth

Projected Growth	Males		Females	Projected Growth
-2.8%		0-5		-2.9%
-2.5%		6-11		-2.3%
-3%		12-17		-2.4%
-0.6%		18-24		-1.7%
6.1%		25-34		5.6%
-3.9%		35-44		-4.3%
-7.7%		45-54		-8.3%
6.2%		55-64		6.2%
21.7%		65-74		20%
3.8%		75-84		-1.5%
14.2%		85+		4.2%

12,000,000   8,000,000   4,000,000   4,000,000   8,000,000   12,000,000
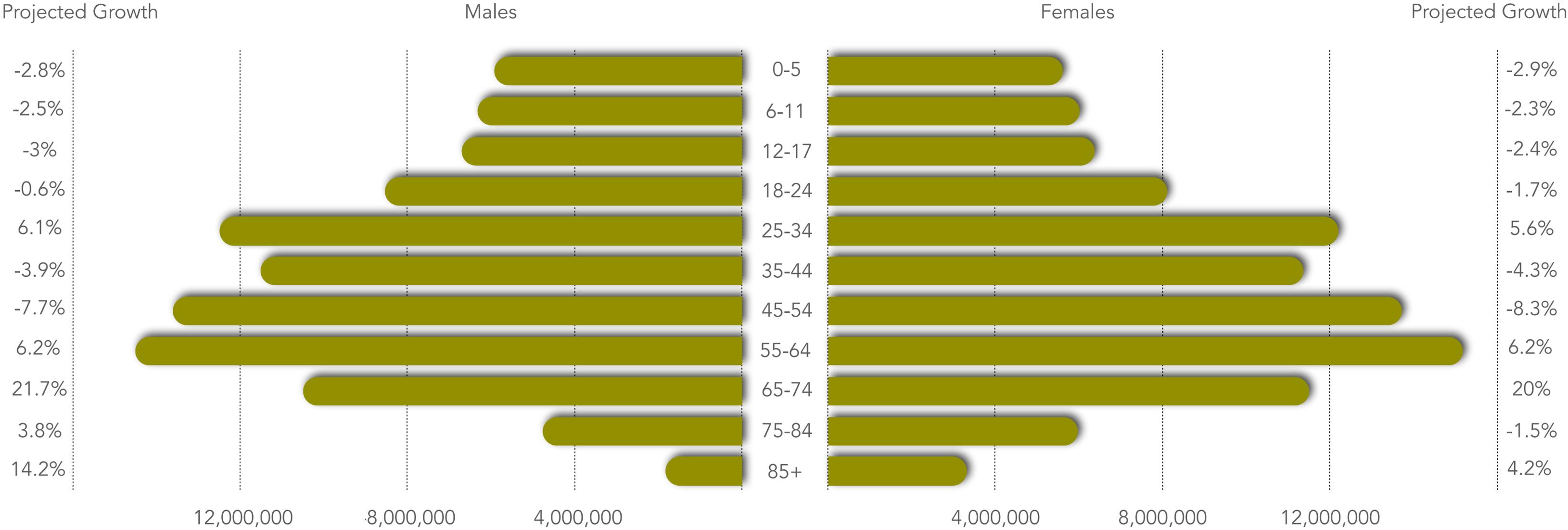
WHERE TO WIN

2018-2023 Projected Population Growth by Ethnicity and Race in Top 10 Largest Latino Cities

Rank	Cities	NL White	Latino	AA	Asian	2+ Races
1	New York	1.0%	5.6%	4.5%	8.2%	11.8%
2	Los Angeles	-1.2%	3.8%	3.0%	6.0%	12.3%
3	Houston	2.6%	7.0%	7.7%	9.0%	12.8%
4	San Antonio	1.7%	6.1%	7.9%	10.7%	11.4%
5	Chicago	-1.2%	3.3%	2.1%	7.1%	11.9%
6	Phoenix	1.0%	5.9%	8.8%	9.9%	12.7%
7	Dallas	2.9%	6.7%	7.7%	9.9%	13.0%
8	El Paso	-0.5%	4.2%	11.8%	11.8%	2.5%
9	San Diego	0.9%	5.5%	5.8%	7.9%	8.8%
10	San Jose	-1.2%	4.8%	5.9%	7.9%	12.3%

WHERE TO WIN

2018-2023 Projected Population Growth by Ethnicity and Race in Top 10 Largest AA Cities

Rank	Cities	NL White	Latino	AA	Asian	2+ Races
1	New York	1.0%	5.6%	4.5%	8.2%	11.8%
2	Chicago	-1.2%	3.3%	2.1%	7.1%	11.9%
3	Philadelphia	1.0%	6.5%	3.7%	8.7%	12.1%
4	Houston	2.6%	7.0%	7.7%	9.0%	12.8%
5	Detroit	3.7%	-4.2%	1.4%	5.5%	12.3%
6	Memphis	-1.2%	6.0%	3.0%	6.5%	10.7%
7	Baltimore	-1.6%	7.8%	1.0%	6.5%	5.0%
8	Los Angeles	-1.2%	3.8%	3.0%	6.0%	12.3%
9	Dallas	2.9%	6.7%	7.7%	9.9%	13.0%
10	Washington DC	4.6%	9.4%	5.2%	8.3%	11.7%

WHERE TO WIN

2018-2023 Projected Population Growth by Ethnicity and Race in Top 10 Largest Asian Cities

Rank	Cities	NL White	Latino	AA	Asian	2+ Races
1	New York	1.0%	5.6%	4.5%	8.2%	11.8%
2	Los Angeles	-1.2%	3.8%	3.0%	6.0%	12.3%
3	San Jose	-1.2%	4.8%	5.9%	7.9%	12.3%
4	San Francisco	2.0%	6.1%	1.6%	7.4%	13.5%
5	San Diego	0.9%	5.5%	5.8%	7.9%	8.8%
6	Honolulu	-0.5%	6.5%	8.0%	2.5%	6.0%
7	Chicago	-1.2%	3.3%	2.1%	7.1%	11.9%
8	Houston	2.6%	7.0%	7.7%	9.0%	12.8%
9	Fremont	-2.0%	5.5%	1.4%	7.1%	10.7%
10	Philadelphia	1.0%	6.5%	3.7%	8.7%	12.1%

WHERE TO WIN

2018-2023 Projected Population Growth by Ethnicity and Race in Top 10 Largest 2+ Races Cities

| Rank	Cities	NL White	Latino	AA	Asian	2+ Races
1	New York	1.0%	5.6%	4.5%	8.2%	11.8%
2	Los Angeles	-1.2%	3.8%	3.0%	6.0%	12.3%
3	Chicago	-1.2%	3.3%	2.1%	7.1%	11.9%
4	Houston	2.6%	7.0%	7.7%	9.0%	12.8%
5	San Diego	0.9%	5.5%	5.8%	7.9%	8.8%
6	Phoenix	1.0%	5.9%	8.8%	9.9%	12.7%
7	San Jose	-1.2%	4.8%	5.9%	7.9%	12.3%
8	Honolulu	-0.5%	6.5%	8.0%	2.5%	6.0%
9	San Antonio	1.7%	6.1%	7.9%	10.7%	11.4%
10	Philadelphia	1.0%	6.5%	3.7%	8.7%	12.1%

WHERE TO WIN

2018-2023 Projected Population Growth by Ethnicity and Race in Top 10 Largest NL White Cities

Rank	Cities	NL White	Latino	AA	Asian	2+ Races
1	New York	1.0%	5.6%	4.5%	8.2%	11.8%
2	Los Angeles	-1.2%	3.8%	3.0%	6.0%	12.3%
3	Chicago	-1.2%	3.3%	2.1%	7.1%	11.9%
4	Phoenix	1.0%	5.9%	8.8%	9.9%	12.7%
5	San Diego	0.9%	5.5%	5.8%	7.9%	8.8%
6	Philadelphia	1.0%	6.5%	3.7%	8.7%	12.1%
7	Houston	2.6%	7.0%	7.7%	9.0%	12.8%
8	Columbus	3.5%	8.8%	8.5%	14.4%	14.1%
9	Indianapolis	0.9%	6.9%	5.7%	9.7%	8.4%
10	Jacksonville	2.3%	8.4%	6.4%	10.7%	13.9%

MONEY TALKS
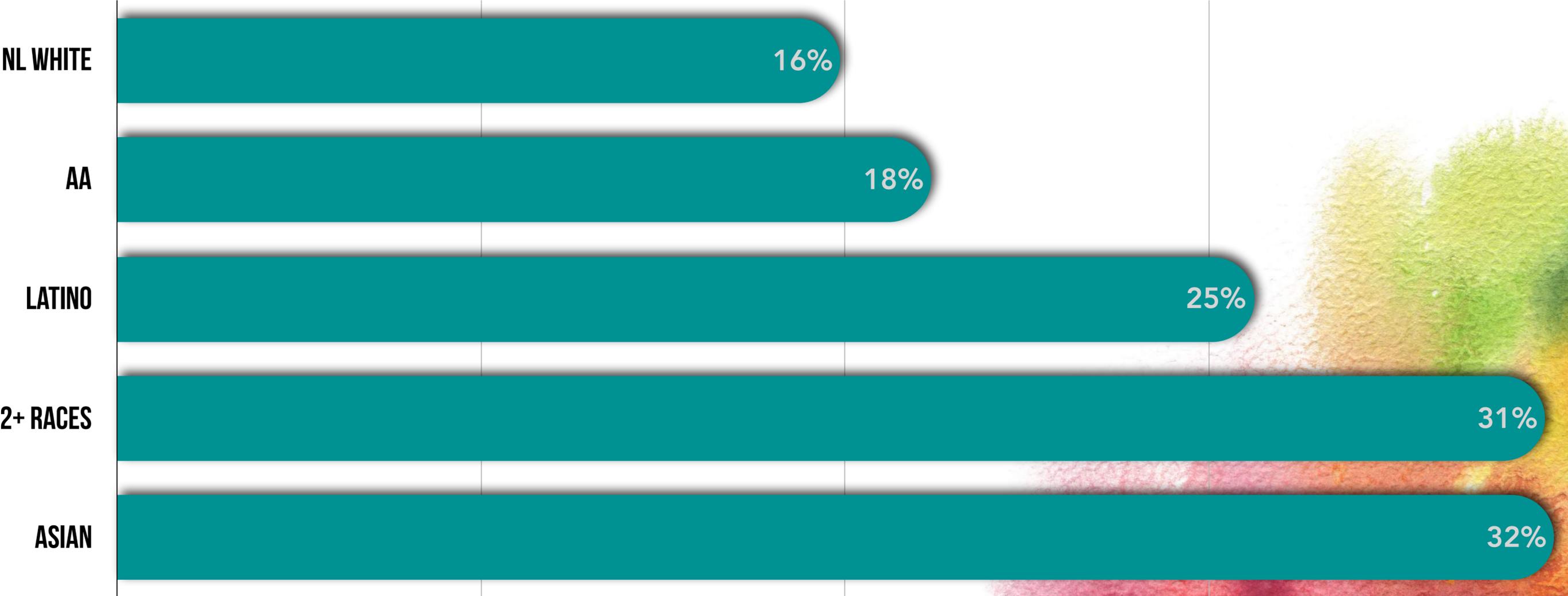
2018 Purchasing Power by Ethnicity and Race (in Billions)

Category	Value
2+ RACES	$224
ASIAN	$1,013
AA	$1,300
LATINO	$1,539
NL WHITE	$13,262
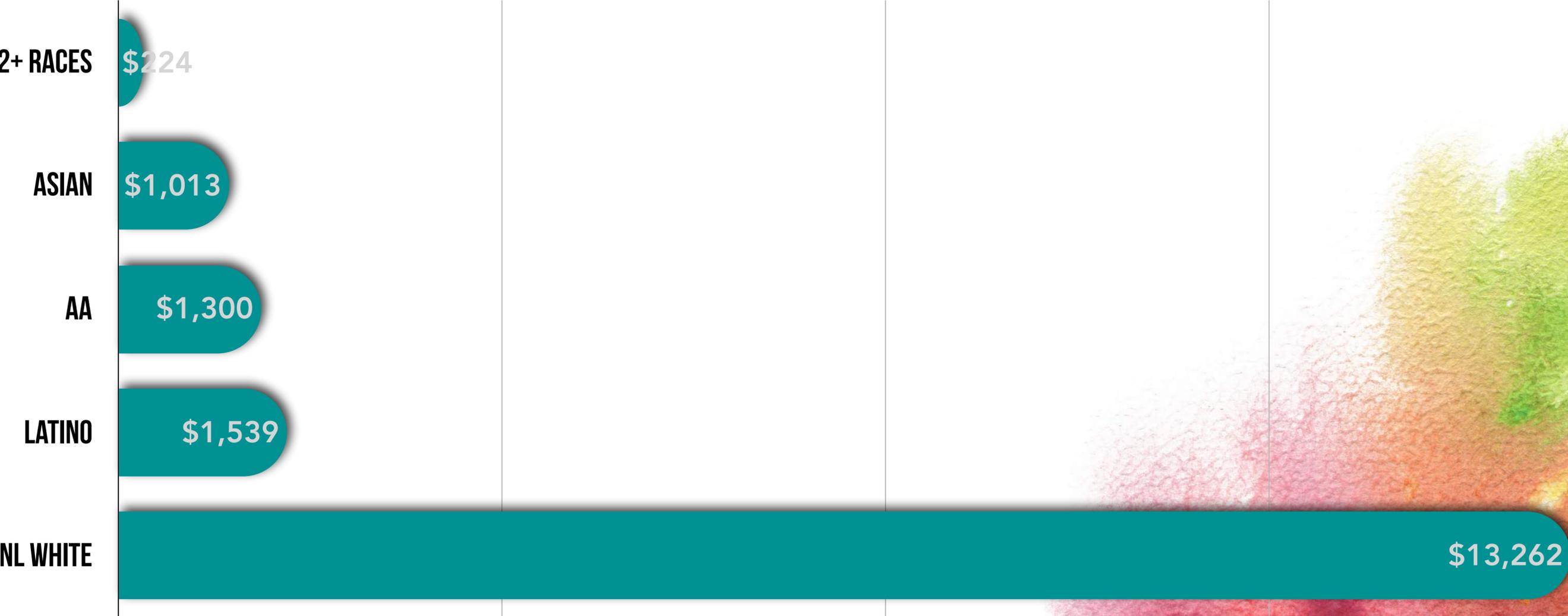
MONEY TALKS

2010-2018 Percentage Change in Purchasing Power by Ethnicity and Race

Ethnicity/Race	Percentage
NL WHITE	30%
AA	35%
LATINO	51%
2+ RACES	57%
ASIAN	68%
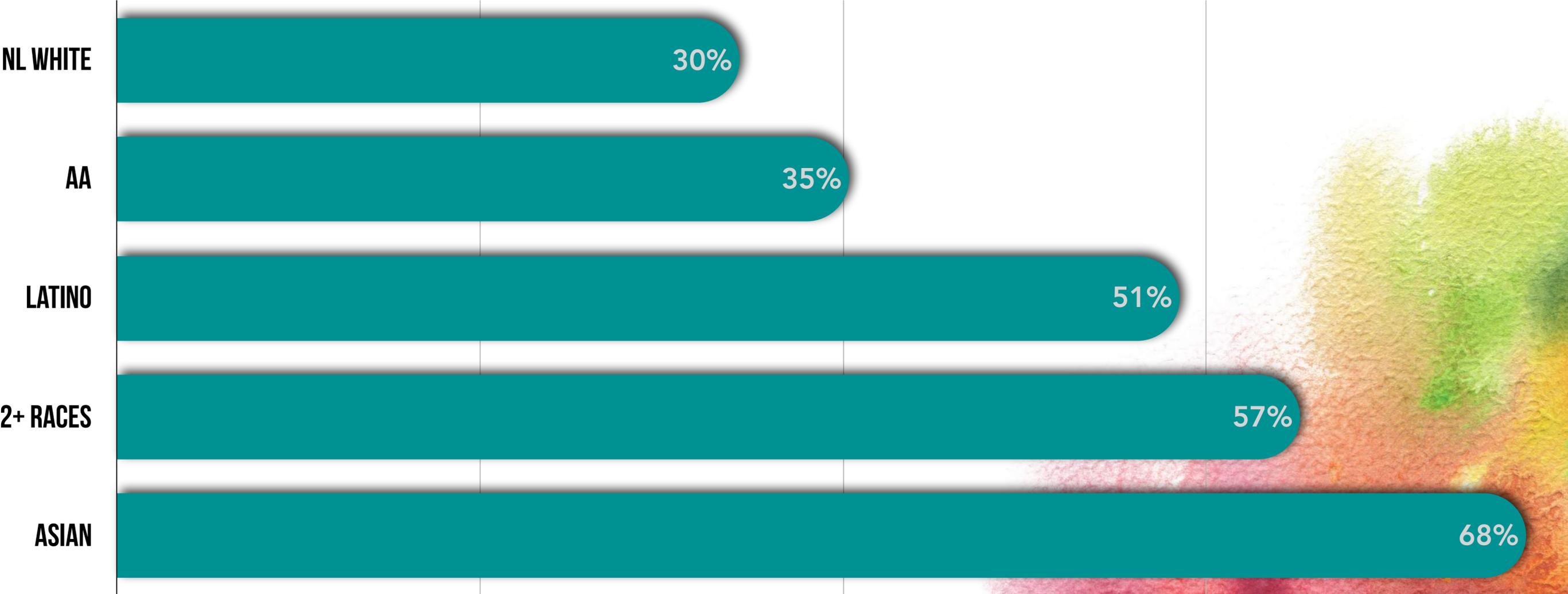
MONEY TALKS

2018-2023 Projected Percentage Change in Purchasing Power by Ethnicity and Race

Ethnicity/Race	Percentage Change
NL WHITE	16%
AA	18%
LATINO	25%
2+ RACES	31%
ASIAN	32%

MONEY TALKS

2000 vs 2023 (Projected) Share of Purchasing Power by Ethnicity and Race

- 2000
- 2023

	NL WHITE	LATINO	AFRICAN AMERICAN	ASIAN	2+ RACES
2023	88.8%	11.2%	8.9%	7.8%	1.7%
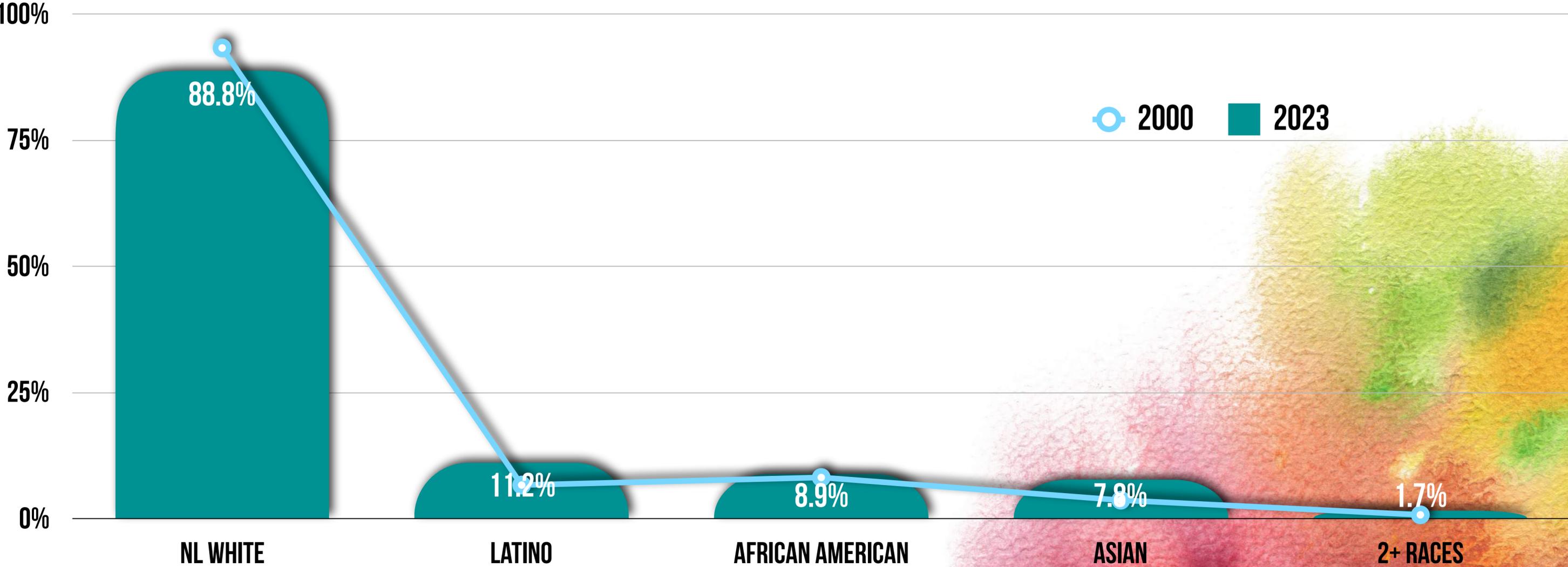
MONEY TALKS

The Largest Consumer Markets for White Consumers

CALIFORNIA	TEXAS	NEW YORK	FLORIDA	PENNSYLVANIA
#1: $1,545.2 trillion	#2: $1,010.5 trillion	#3: $801.0 billion	#4: $768.5 billion	#5: $525.6 billion

ILLINOIS	OHIO	NEW JERSEY	MICHIGAN	MASSACHUSETTS
#6: $502.7 billion	#7: $423.8 billion	#8: $384.5 billion	#9: $350.0 billion	#10: $338.5 billion

These top 10 markets total $6.65 trillion, which make up approximately 50% of the U.S. White total purchasing power in 2018.

MONEY TALKS

The Largest Consumer Markets for Latino Consumers

CALIFORNIA
#1: $403.1 billion

TEXAS
#2: $282.9 billion

FLORIDA
#3: $165.5 billion

NEW YORK
#4: $109.2 billion

ILLINOIS
#5: $55.8 billion

NEW JERSEY
#6: $55.4 billion

ARIZONA
#7: $47.3 billion

COLORADO
#8: $30.7 billion

NEW MEXICO
#9: $25.9 billion

VIRGINIA
#10: $24.8 billion

These top 10 markets total $1.2 trillion, which make up approximately 80% of the U.S. Latino total purchasing power in 2018.

MONEY TALKS

The Largest Consumer Markets for African American Consumers

TEXAS	NEW YORK	GEORGIA	CALIFORNIA	FLORIDA
#1: $116.9 billion	#2: $115.2 billion	#3: $96.0 billion	#4: $95.7 billion	#5: $94.6 billion
MARYLAND	NORTH CAROLINA	VIRGINIA	ILLINOIS	NEW JERSEY
#6: $75.0 billion	#7: $62.2 billion	#8: $55.2 billion	#9: $53.0 billion	#10: $47.2 billion

These top 10 markets total $811 billion, which make up approximately 62% of the U.S. African American total purchasing power in 2018.

MONEY TALKS

The Largest Consumer Markets for Asian Consumers

CALIFORNIA
#1: $336.8 billion

NEW YORK
#2: $88.0 billion

TEXAS
#3: $77.9 billion

NEW JERSEY
#4: $57.7 billion

WASHINGTON
#5: $39.3 billion

ILLINOIS
#6: $39.2 billion

VIRGINIA
#7: $31.7 billion

HAWAII
#8: $31.6 billion

FLORIDA
#9: $29.6 billion

MASSACHUSETTS
#10: $26.3 billion

These top 10 markets total $758.1 billion, which make up approximately 75% of the U.S. Asian total purchasing power in 2018.

MONEY TALKS

The Largest Consumer Markets for 2+ Races Consumers

#1: $47.4 billion

#2: $15.4 billion

#3: $14.8 billion

#4: $11.5 billion

#5: $11.3 billion

#6: $10.0 billion

#7: $7.1 billion

#8: $6.1 billion

#9: $5.9 billion

#10: $5.7 billion

These top 10 markets total $135.2 billion, which make up approximately 60% of the U.S. 2+ Races total purchasing power in 2018.

SPEAKING OF LANGUAGE

Latino's Language Use "At Home" across Three Generational Levels

Language Level	Gen 1	Gen 2	Gen 3	Total
Spanish Only	26.5%	3.9%%	0.3%	14.3%
More Spanish than English	34.7%	9.7%%	0.3%	19.9%
Equal Amount between Spanish and English	23.8%	25.5%%	8.9%	20.6%
More English than Spanish	10.3%	37.4%%	29.1%%	21.9%
English Only	4.7%	23.5%	61.3%	23.3%

SYNTHESIS

So What Does All of This Mean?

The demographic changes are redefining the business landscape. The sooner brands understand what these changes mean for their business, the sooner they can align their growth plans to the changing demographic landscape and drive revenue with the new mainstream.

Youth is on the side of the multicultural population, which is an asset for companies looking to build brand equity and long-term value. It also speaks to the importance of Millennials and Generation Z, which are largely multicultural by definition.

Best practices suggest that brands which can quantify the economic value of the multicultural consumer at retail are better positioned to win in America's diverse marketplace than those with poor econometric capabilities. This section of the report attempts to dispel any mis-conceptions around the buying power of the multicultural population.

The multicultural population will continue to make up a greater percentage of the overall U.S. population, and having reliable sales measures for all consumers is paramount. Measure what matters.

Meet Darianna. She's a 31-year-old mom, born in the U.S. and a proud Dominican. She's married, college educated, works part-time, and has two young children. Her favorite airline is Delta and travels several times a year to visit family in the DR. She prefers home cooked meals over going out. She consumes news and entertainment on Facebook, and uses Revlon more than any other brand. She streams 10+ hours of content per week in English on her Android phone and enjoys dancing to merengüe.

6

Case Studies,
and Key Take-Aways

CASE STUDY #1

Acura RDX: Firing Up Sales by Igniting the Senses

The Problem: The Lexus NX share was growing in an expanding automotive category and Acura did not have high performance credentials. As such, there was a need to dramatize Acura's strong performance and driving experience with new buyers.

Solution: Position the all-new Acura RDX as unique from other SUVs. We portrayed the Acura RDX as a vehicle that ignites the senses, with an integrated campaign that included social and digital, anchored by an online video and TV spot called "Senses."

Results: With results just beginning to come in, the online video and TV spot tested exceedingly well. "Senses" is one of the strongest performing executions among millennials in the Ace Metrix database, scoring well above norm on every metric. It performed especially well among males, 21-35.

CASE STUDY #2

Honda Fit: Bringing a Lot of Fun into a Little Car

Problem: The Accord rules the midsize segment and the Civic is neck and neck with the Corolla. But that's not the case in the declining subcompact car segment, which presented a significant opportunity for the Honda Fit.

Solution: The strategic idea was that the Fit is "fit for fun."An online video and TV campaign was developed around the Fit being personified as, "The Secret Life of Fits." This video lived in various forms on social, as a (:15) cutdown, Facebook Canvas, IG stories, and Twitter videos, as well as a Facebook/Instagram mixed placement.

Results: "The Secret Life of Fits" tested incredibly well with a millennial target. With a boost from Social, the Honda Fit managed to increase year-over-year share among U.S. Hispanics in a declining segment.

CASE STUDY #3

Dole Packaged Foods 2018 Fútbol Facebook Campaign

Problem: Every four-years, World Cup dominates the Hispanic media market. Many brands activate around this event, and Dole wanted to get in on the action. But because these competing brands had bigger budgets, higher visibility, and bigger pushes in the market, Dole risked exclusion from being the season's #1 trending topic.

Solution: In order to tap into the cultural pride of the World Cup, Dole launched a Facebook campaign that featured Hispanic heritage recipes from countries competing in the games. We expanded the campaign to celebrate the independence days of different countries to leverage the patriotic spirit of the World Cup season.

Results: The target audience felt a strong connection to the recipes shared, generating results that outperformed the primary KPI by 260%, and outperformed the category norm by 290%. Additionally, new user website traffic was increased by over 87%.

CASE STUDY #4

The City of Hope Online and Offline Campaign

Problem: In 2015, City of Hope launched its first-ever multi-ethnic marketing and outreach campaign to the Hispanic and Chinese markets. The majority of its target audience did not know of the brand or what it did. The goal for the next few years was to increase brand awareness and favorability among the multi-ethnic audiences that make up over two-thirds of its catchment area.

Solution: The strategy was to create synergy with its General Market approach but customized to the cultural nuances of its target audience. Offline and online ads were developed in-language to capture the essence of its enterprise-wide marketing campaign.

Results: Brand awareness grew in double digits based on pre-and-post awareness studies. Total in-language website visits increased over 1,000% during the active days of the campaign, and the average CTRs were five times above the healthcare industry average.

CASE STUDY #5

Targeting Spanish and Bilingual Audiences for McCormick

Problem: McCormick manufactures, markets and distributes spices, seasoning mixes, condiments and other flavorful products to the entire food industry. The brand team was seeking to build awareness for and engagement with McCormick's español food and recipe content of interest to the U.S. Hispanic audience.

Solution: AcuityAds focused on both Spanish and bilingual audiences, catering to recipe sharing, cooking and family meal time. Promotions via social channels to encourage deeper engagement. Used social-graph based targeting to reach both Spanish-speaking and bicultural U.S. Hispanic audiences with high interest in food, Hispanic cuisine, and culinary arts.

Results: This campaign was a major success, achieving 1.2MM in True Reach® viewership with above benchmark viewer attention span, social engagement, and brand awareness.

KEY TAKE-AWAYS

What Did We Learn from the Research?

The days of defining the mainstream as White no longer fits the demographic reality of the 21st century. American cities are becoming more and more multicultural, while the percentage of non-Latino Whites is declining.

Youth and purchasing power growth is on the side of multicultural consumers, particularly for Latinos and the biracial segment.

Segmentation has a strong scientific foundation and continues to be a key factor why consumer-centric companies win in the marketplace.

Digital media makes up a little over 50% of the total media spend in the U.S. Although digital usage is driven by the multicultural population, brands are under-investing in digital with key multicultural segments. Better strategic alignment is needed.

Companies must create new strategies to address the new mainstream and develop business plans to win in key cities. Market share is either won or lost at the local level.

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