

**HISPANIC
MARKETING
COUNCIL**

2022
VIRTUAL SUMMIT
APRIL-JUNE

WE ARE

now

The word 'now' is rendered in a bold, lowercase, sans-serif font. The letters are primarily black. The letter 'o' is a large circle with a red outline and a black interior. The letter 'w' has a red vertical bar on its right side. A thin black line extends from the top right of the 'o' towards the top right corner of the frame.



Lifestyles & Behaviors of Today's Hispanic Consumer Segments

June 9, 2022



Ron Cohen
VP, Practice Leadership



Market more precisely

With more than 64 million Hispanics in the U.S, it is more critical now than ever to know more about their preferences and behavior as consumers. Claritas will share the latest insights from our primary research in the fields of **technology, retail** and **financial services**. Find out what distinguishes the unique Hispanic market from other consumer groups and see what role acculturation plays in differentiating consumer behavior among Hispanics. Brands can use these insights to identify their best customers and prospects and deliver more engaging messages to optimize campaigns and increase ROI.

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Know more about your customers and prospects with our proprietary segmentations.

SEGMENTATION METHODOLOGY: Our patented method of data science builds segmentation systems from the ground up using a combination of demographic and behavioral data resulting in unparalleled behavior predictability.



IDENTIFY CONSUMERS

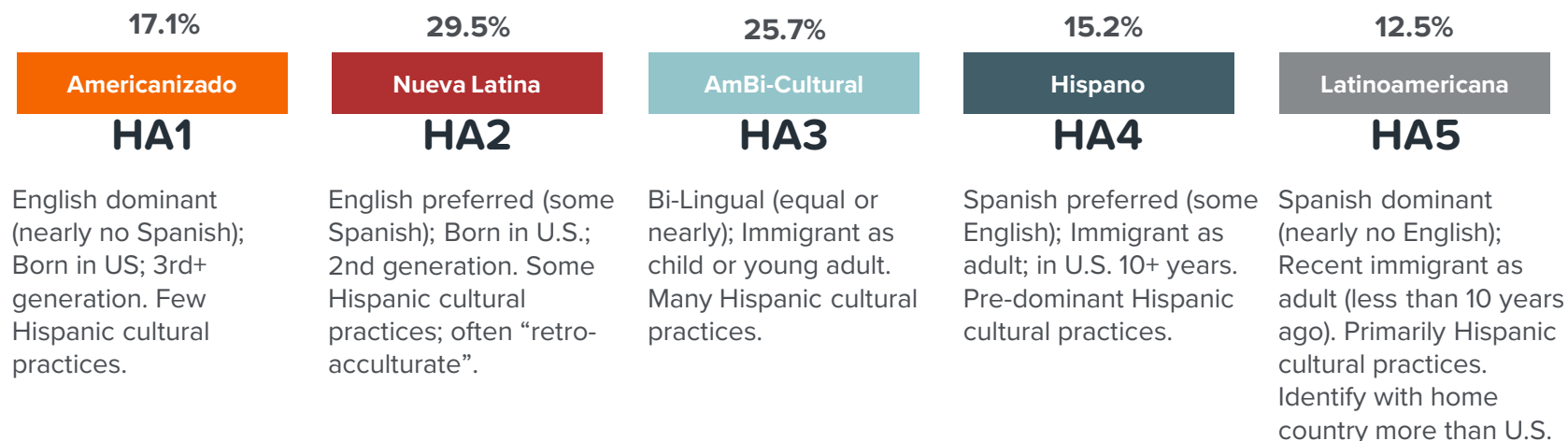
HISPANICITY™

Claritas' Acculturation CultureCodes® provide geo-demographic, economic and behavioral segmentation through an analytical framework expressed as data on people, households, media and shopping patterns.

“Hispanicity” is a CultureCode consumer segmentation system for the Hispanic/Latino population that lets you segment by country-of-origin, life stage, socioeconomic strata and a variety of shopping and media behaviors.

Adoption of mainstream society's values and beliefs

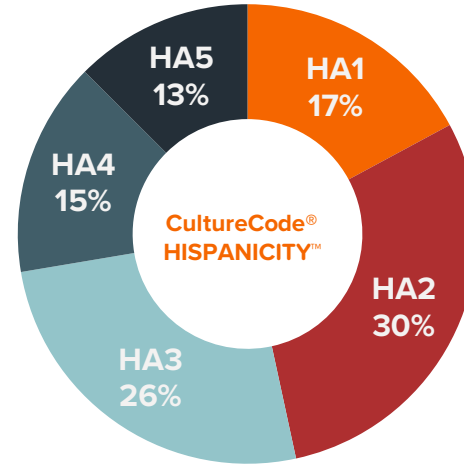
Retention of values and beliefs from one's own culture



Source: Claritas® AMDS 2022

Country of Origin Matters

More than 63% of Puerto Ricans in the U.S. classify as more acculturated. These individuals, known as HA1s and HA2s, prefer to speak English and have few Hispanic cultural practices. On the other hand, 36% of Cubans in the U.S. classify as less acculturated. These individuals, known as HA4s and HA5s, prefer to speak Spanish and are immigrants who maintain many Hispanic cultural practices.

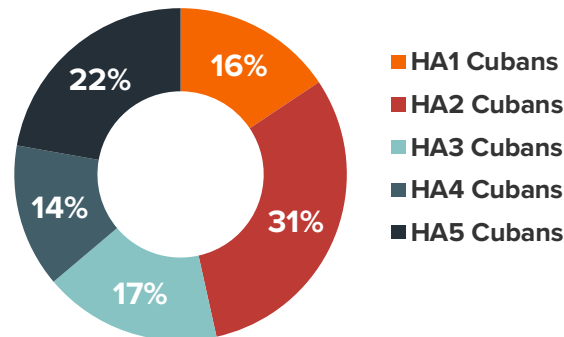


Hispanicity Acculturation Segments by Country of Origin

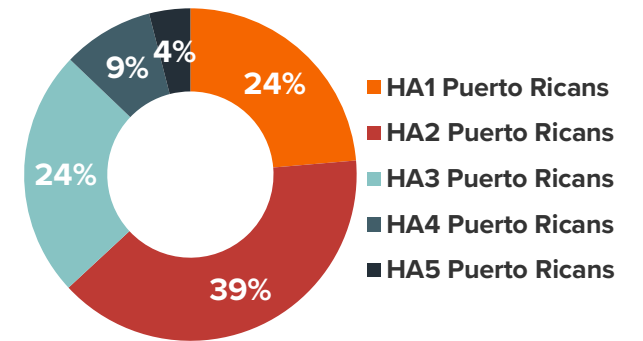
In 2022, almost **47%** of the U.S. Hispanic population classified as being more acculturated (HA1 & HA2).

63% of the U.S. Puerto Rican population is classified as more acculturated, while more than **36%** of the U.S. Cuban population is classified as less acculturated (HA4 & HA5).

Cuban Americans



Puerto Ricans



Source: Claritas® AMDS 2022

Gain a 360-degree view of **America's fastest growing populations** with more granular detail than anyone in the industry.

Data Resources Include

Hispanicity & Asianicity CultureCodes provide the most actionable acculturation data in the market

- 130 million households
- Country of origin
- Language preference
- Acculturation/Assimilation
- Socio-economic status
- Life stage



Did You Know?

Nearly all the U.S. population growth since 2000 has come from Multicultural segments

- The current U.S. Multicultural population is 137,653,300 and is projected to grow to more than 149M by 2027.
- Multiculturals currently account for 41% of the U.S. population and by 2027, more than 43% of the U.S. population will be Multicultural.
- Hispanics are the largest Multicultural segment at more than 19% of total U.S. population and will grow to more than 20% by 2027.
- 24% of all Millennials in the U.S. are Hispanic.
- U.S. Hispanic population grew from 35.3M to 64.3M since 2000 (> 82% growth).
- Hispanics accounted for 55% of the total population growth in the U.S since 2000.
- 57% of the projected population growth over the next 5 years will come from the Hispanic segment.
- U.S. Hispanics command \$1.5+ trillion in annual buying power- larger than the GDP of Australia.

57% of the projected growth over the next 5 years will emerge from Hispanics

Nearly all the U.S. population growth since 2000 has come from multicultural segments. Going forward from 2022, **all growth will come from multicultural segments.**



U.S. Population by Race/Ethnicity

Population Segment	Population 2010	Population 2022	Population 2027
Hispanic	50,477,594	64,367,490	70,476,614
non-Hispanic White	196,817,552	196,626,438	195,811,682
non-Hispanic Black	37,685,848	41,623,316	43,445,061
non-Hispanic Asian/PI	14,946,700	20,360,522	22,851,049
All Others	8,817,844	11,301,973	12,414,930

Into the Future: The Multicultural Boom 2022 - 2027

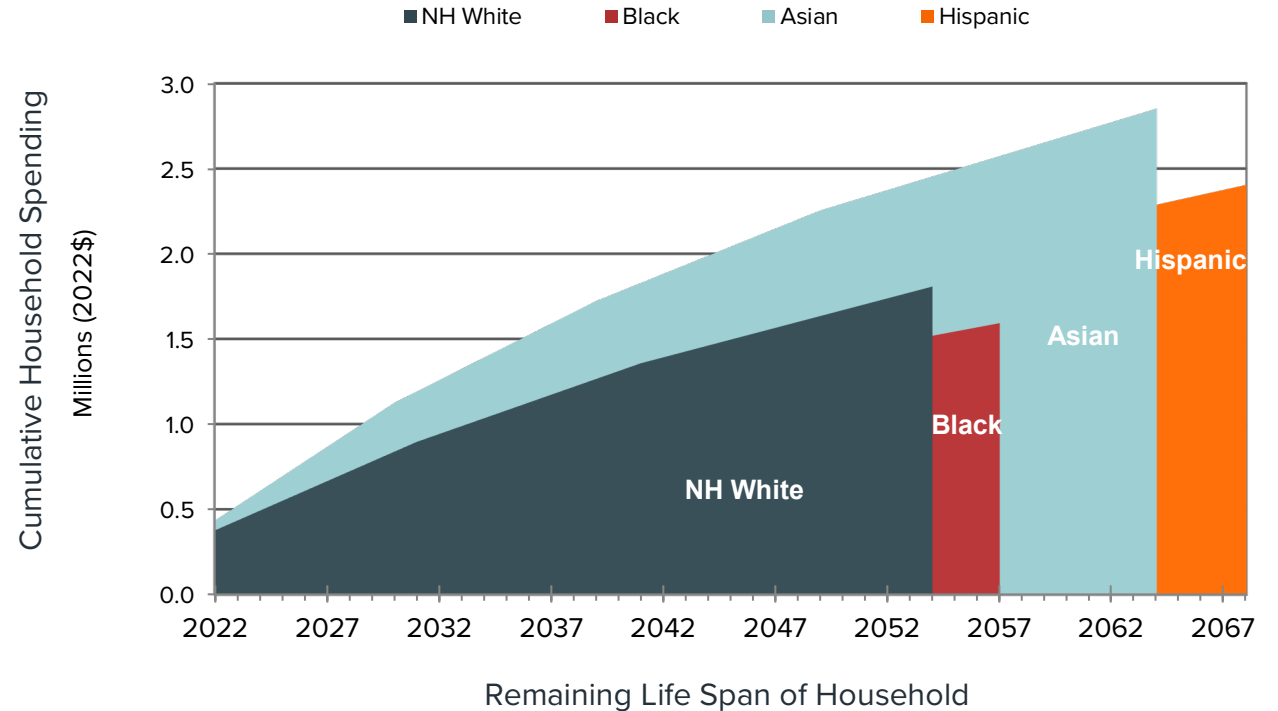
Population Segment	Average Population Growth per:			
	Year	Month	Day	Hour
Hispanic	1,221,825	101,819	3,347	139
non-Hispanic White	-162,951	-13,579	-446	-19
non-Hispanic Black	364,349	30,362	998	42
non-Hispanic Asian/PI	498,105	41,508	1,365	57
All Others	222,591	18,549	610	25

HISPANIC CONSUMER SPENDING

There are several factors that make Hispanic households an attractive segment to target when considering LTV

First and foremost is that **Hispanics have a longer remaining life expectancy** by virtue of the fact that they are, on average, younger than other race/ethnic groups. More remaining life span means more remaining years of spending.

Total Household Consumer Expenditures



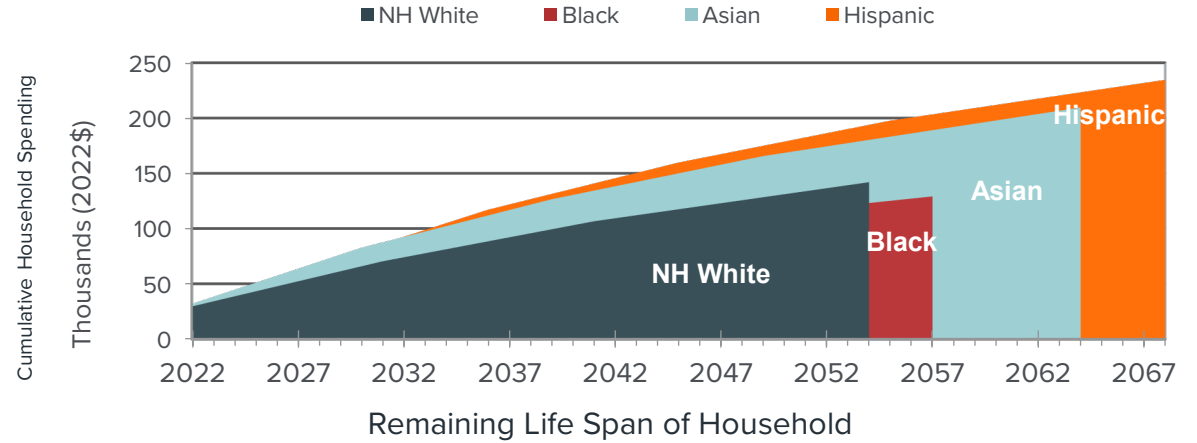
HISPANIC CONSUMER SPENDING

There are some categories for which **Hispanic HHs clearly outspend other HHs over their remaining lifetimes**

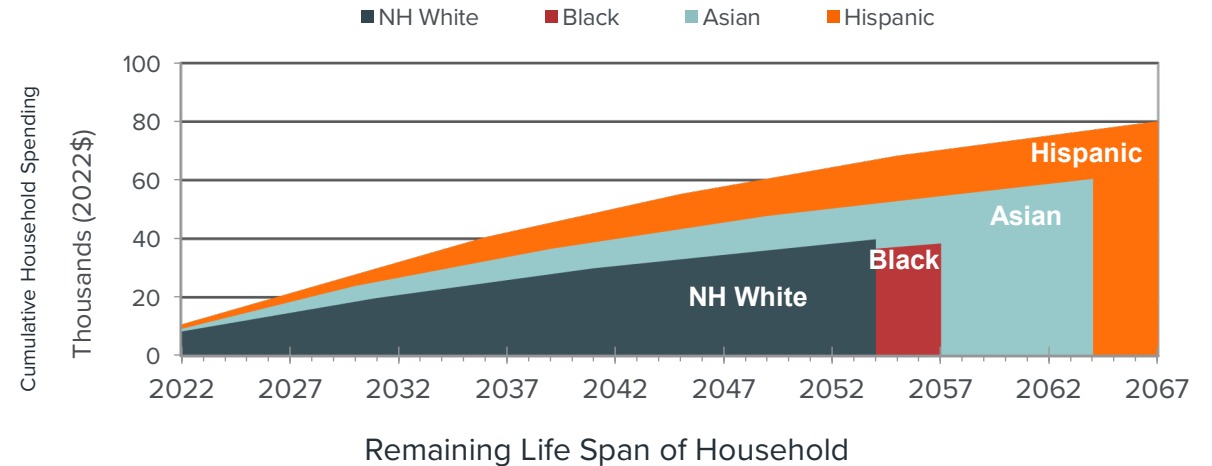
Spending in these categories is driven by demographics & lifestyles. For example, spending on **Food at Home** is directly related to size of household. Hispanic households tend to be larger, on average, than non-Hispanic households (multi-generational, more children in HH) which drives spending on Food at Home higher than for non-Hispanic households.

The increased presence of children in Hispanic households also drives spending in other categories such as **QSR & Apparel**, making Hispanics very attractive customers for brands & retailers in these sectors.

Food at Home



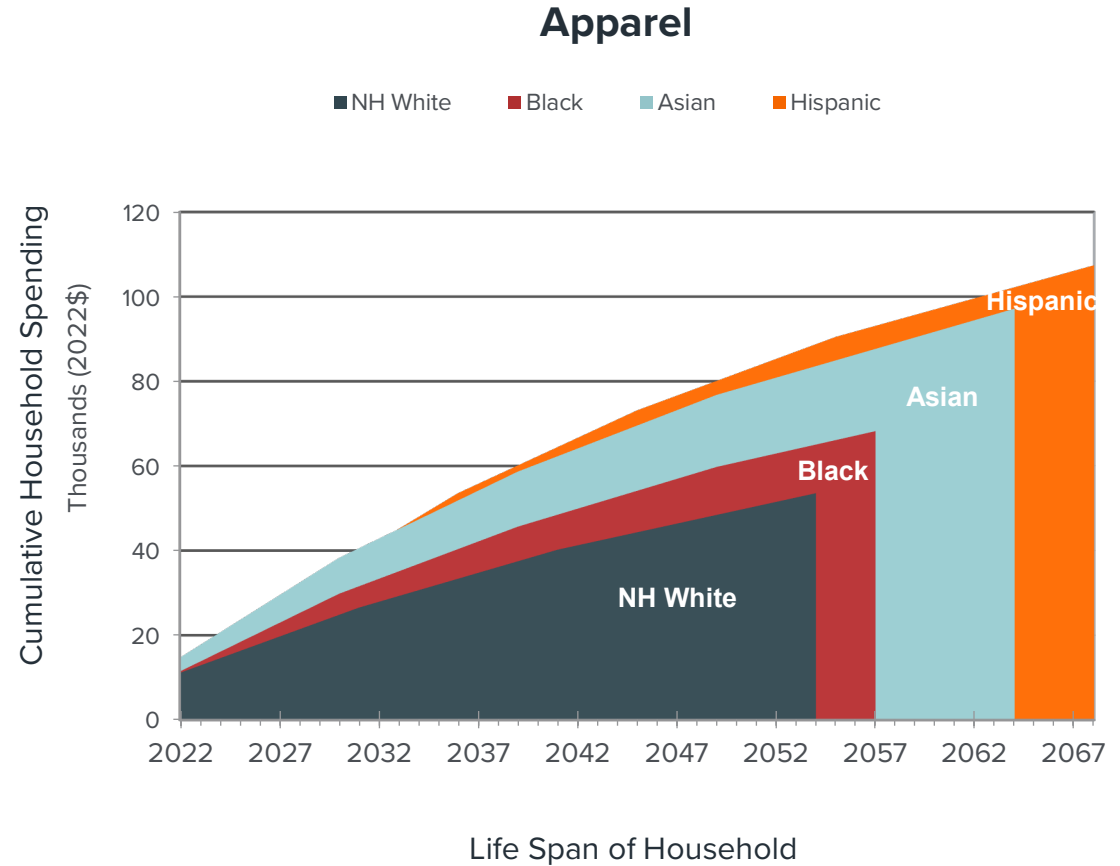
Food Away from Home Quick Service Restaurants



HISPANIC CONSUMER SPENDING

Hispanic households also outspend other groups over their remaining lifetimes in the **Apparel category.**

Spending on Apparel is directly related to size of household; Hispanic households tend to be larger, on average, than non-Hispanic households which drives spending on Apparel higher than for non-Hispanic households.

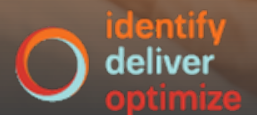


Hispanic Technology Behaviors

Claritas Tech Track

Know the Unique Technology Usage and Behaviors of Your Best Customers

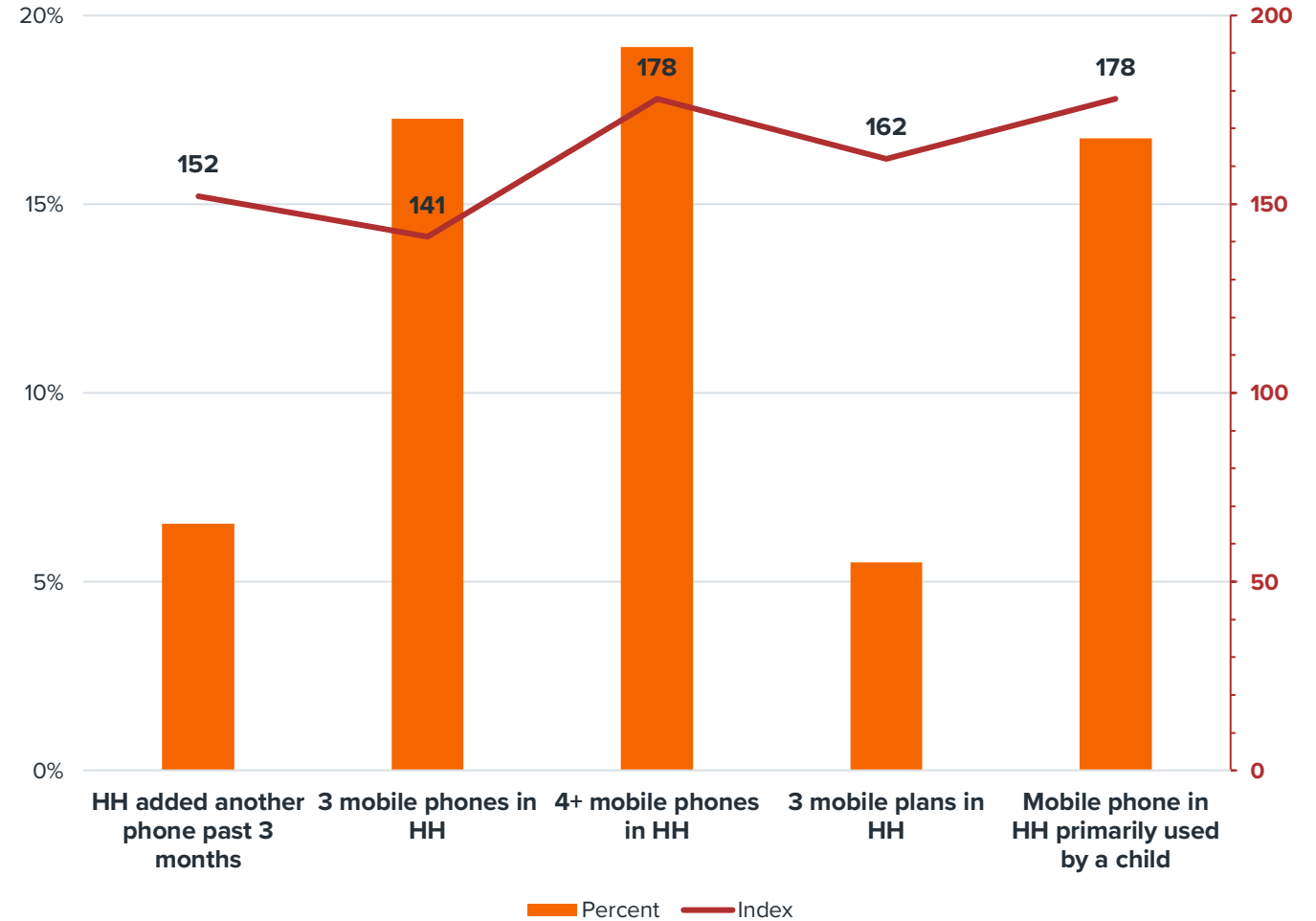
Claritas Technology Behavior Track survey data provides a unique look into consumer behaviors and preferences across a wide range of telecom products and services. Delivered via a variety of formats from respondent data files, custom reports, segmentation profiles, analytics projects or our online platforms, our original research data ranges from usage, customer satisfaction, decision motivators, switching behaviors and the why behind the buy.



81% of Hispanic HHs have at least 1 mobile phone

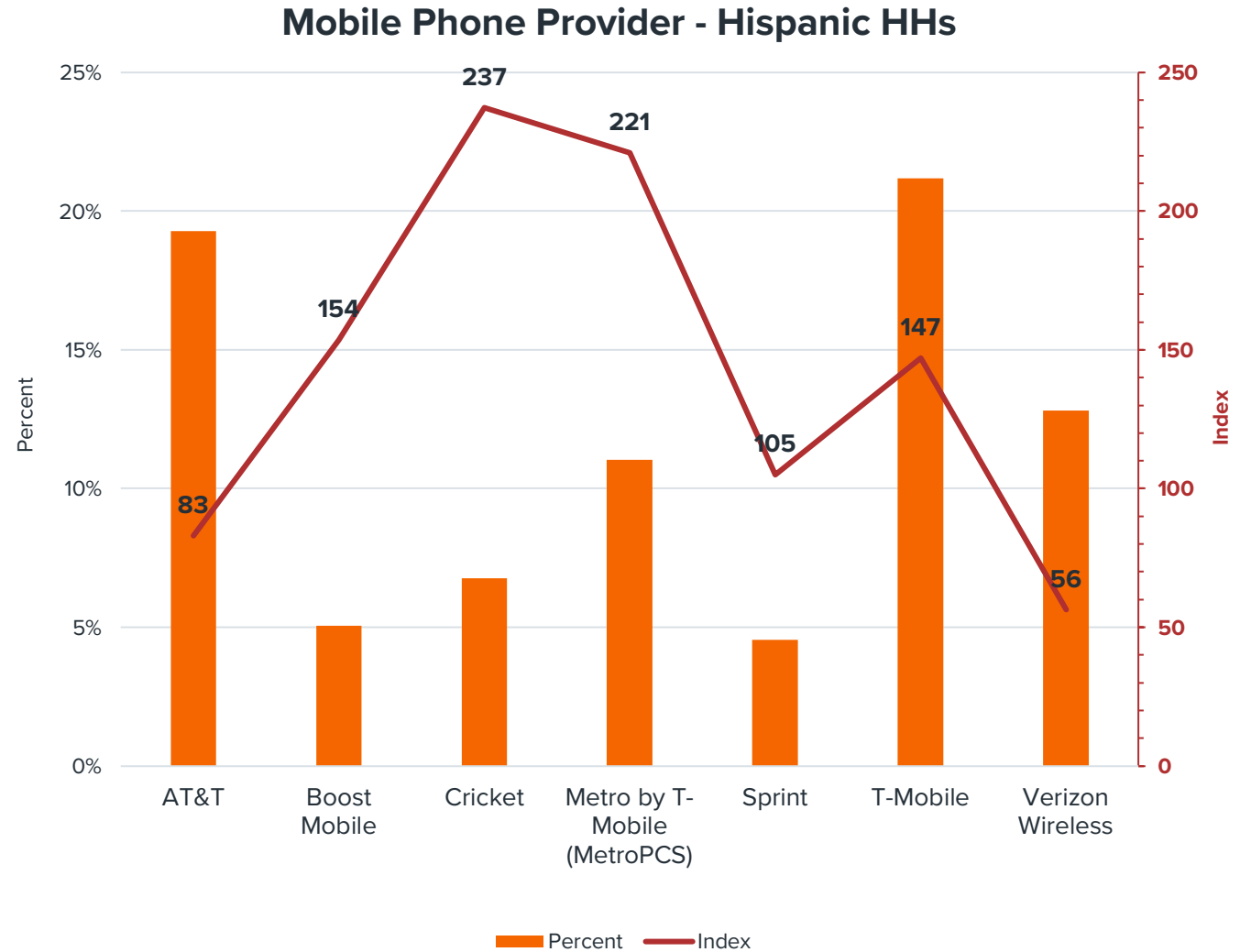
- Hispanic HHs are 78% more likely to have a mobile phone primarily used by a child in HH
- < 26% of Hispanic HHs have a landline phone (compared to 37.5% of US HHs)

Mobile Phones in Hispanic Households



Hispanics may love their mobile phones, but most do not love their providers!

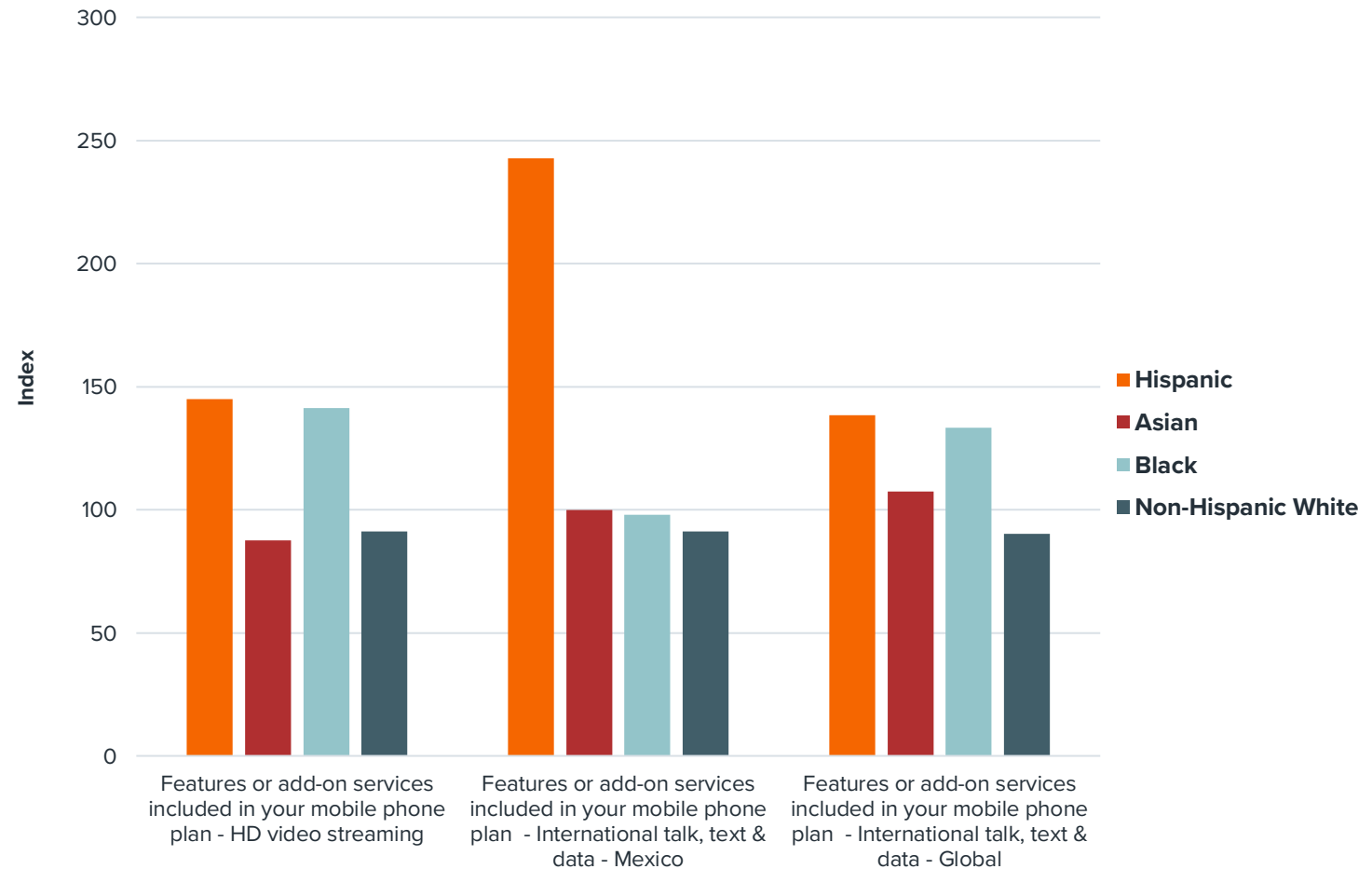
- Almost **30% of Hispanic HHs** switched mobile providers last year
- Only **46% of Hispanic HHs** rate their mobile provider as “Very Good” or “Good” (US Avg > 52%)
- > 32% of Hispanic HHs are using **T-Mobile or Metro** as their mobile provider (US HHs < 20%)



Hispanics are most likely to have **international talk, text & data to Mexico** as an add-on to their mobile service plan.

- Hispanics are **143% more likely** to have international talk, text & data to Mexico
- Hispanics also over-index (145) for **HD video streaming services**

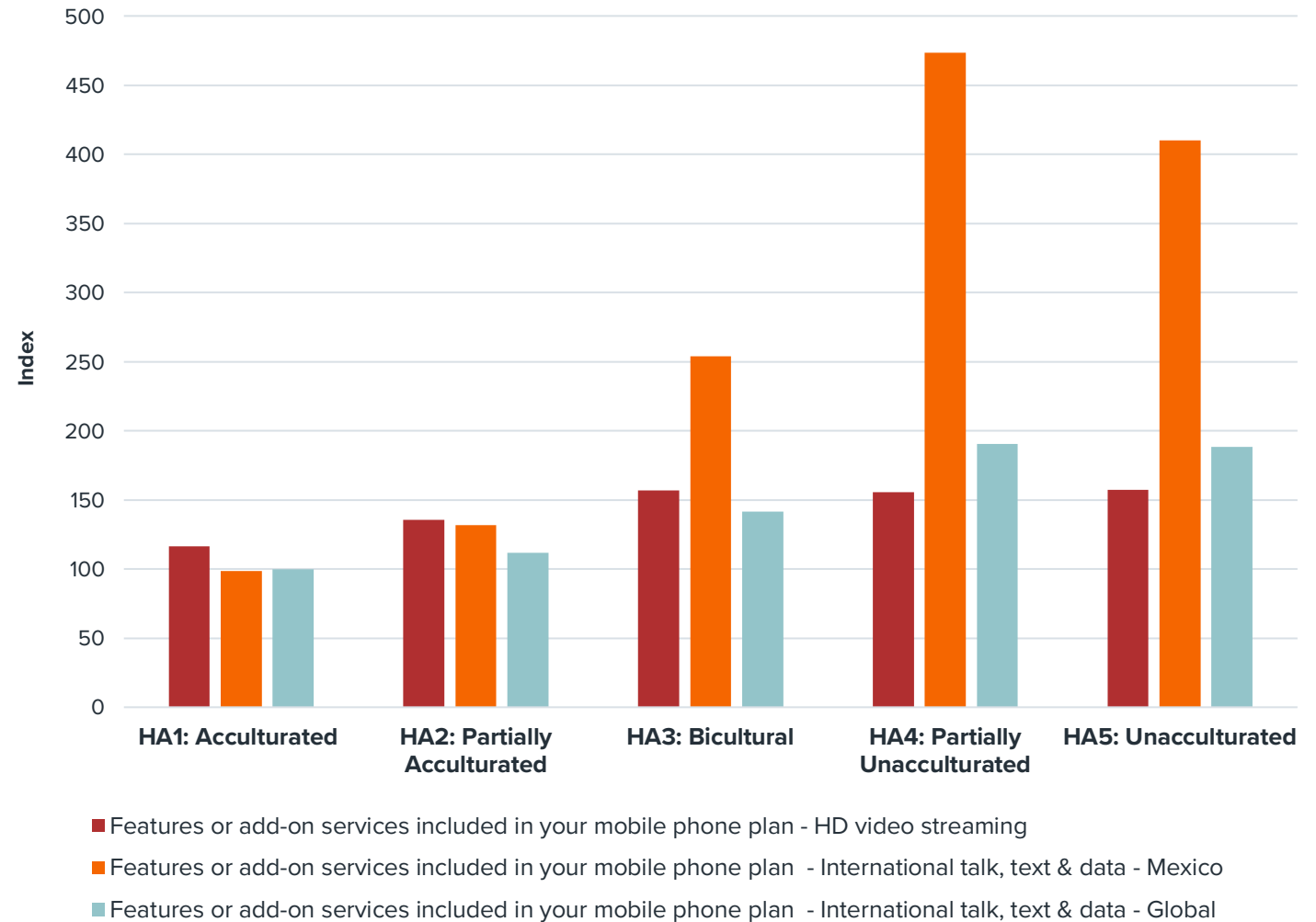
Mobile Plan Features by Race/Ethnicity



Unacculturated Hispanics are significantly more likely to have **International talk, text & data to Mexico** as an add-on service to their mobile plan

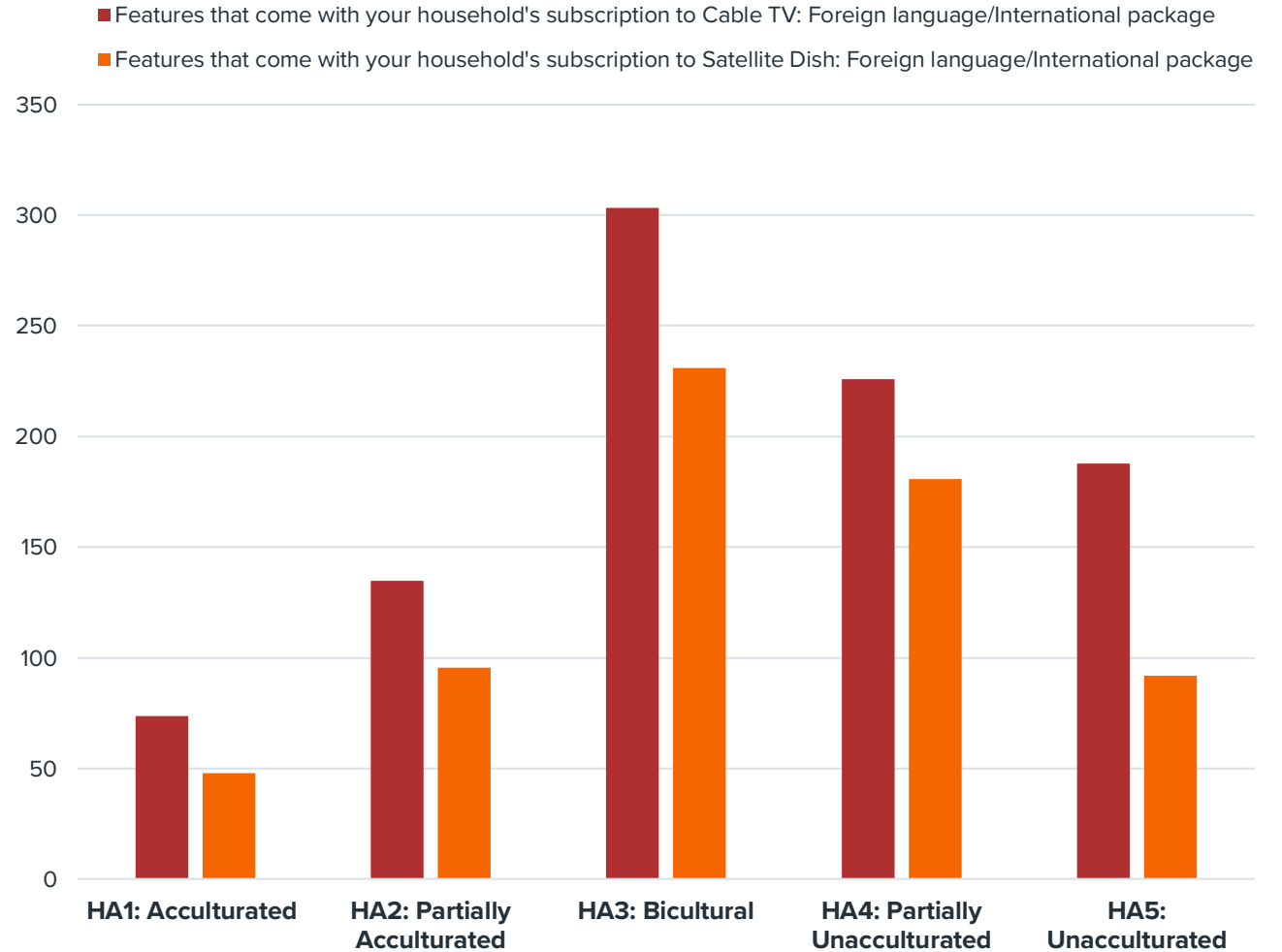
- HA4 Hispanics have an index of 473
- HA5 Hispanics have an index of 310

Mobile Plan Features by Hispanicity



Bicultural and Partially Unacculturated Hispanics are most likely to have Foreign Language/ International TV Packages

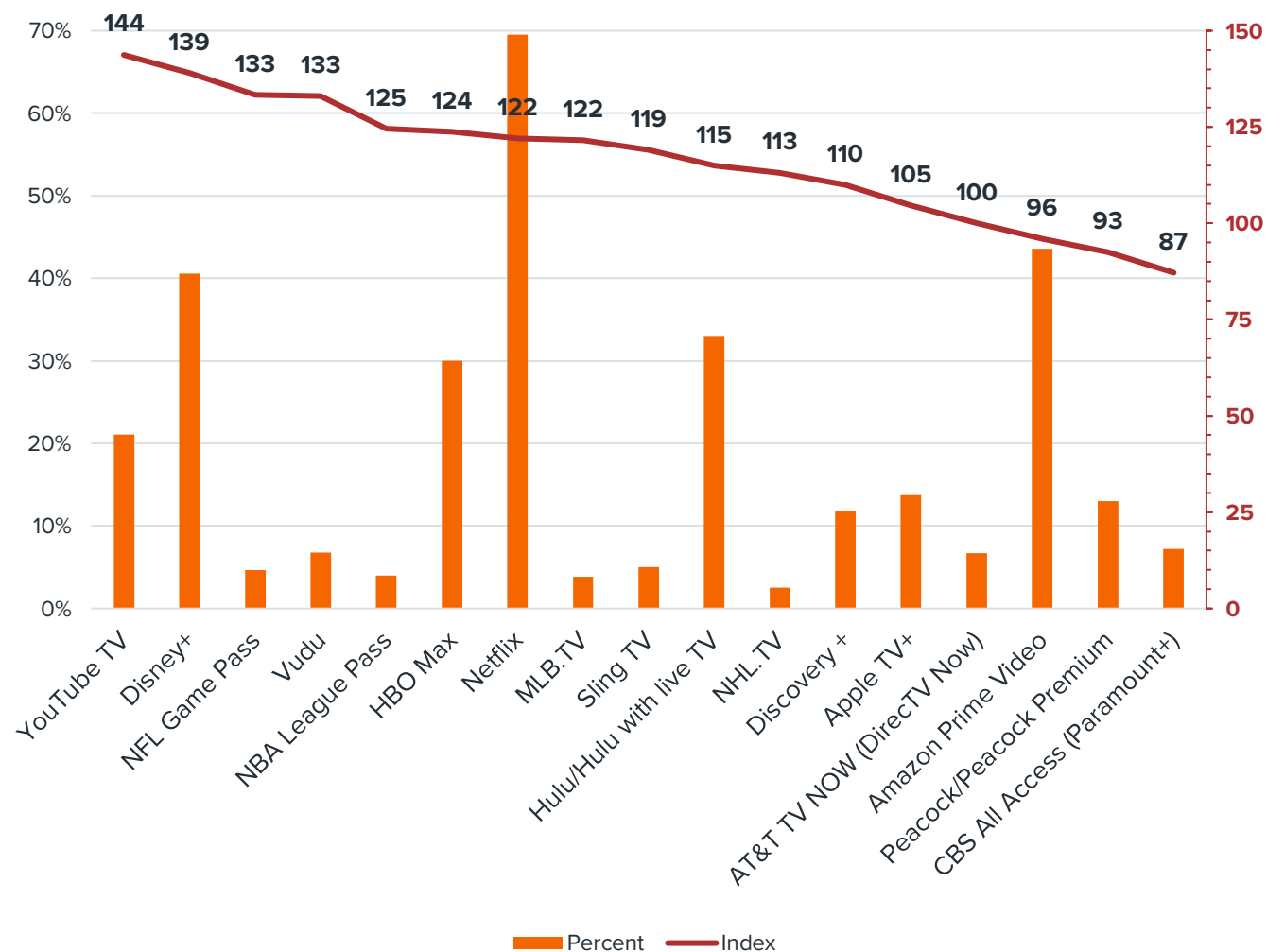
Cable TV & Dish Subscription Features by Hispanicity



2/3rd of Hispanic HHs say they watch TV shows and/or movies on their SmartPhones (compared to 42% of US HHs)

- 70% of Hispanic HHs subscribe to **Netflix** and they are 22% more likely to be subscribers than the average HH
- > 40% of Hispanic HHs subscribe to **Disney+** and they are 39% more likely to be subscribers than the average HH

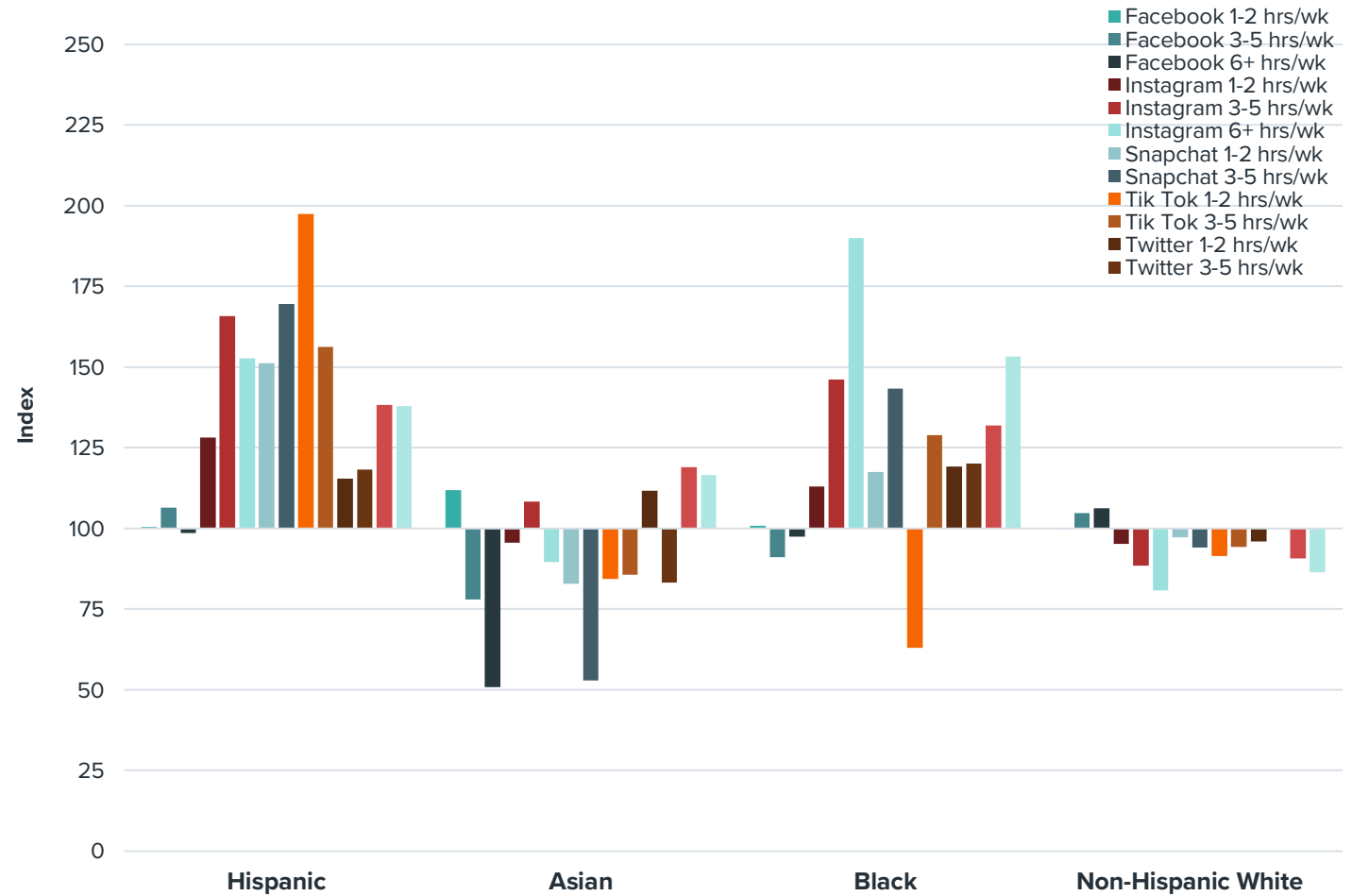
Streaming Service Subscriptions - Hispanic HHs



Hispanics index above average for usage of most social media networks

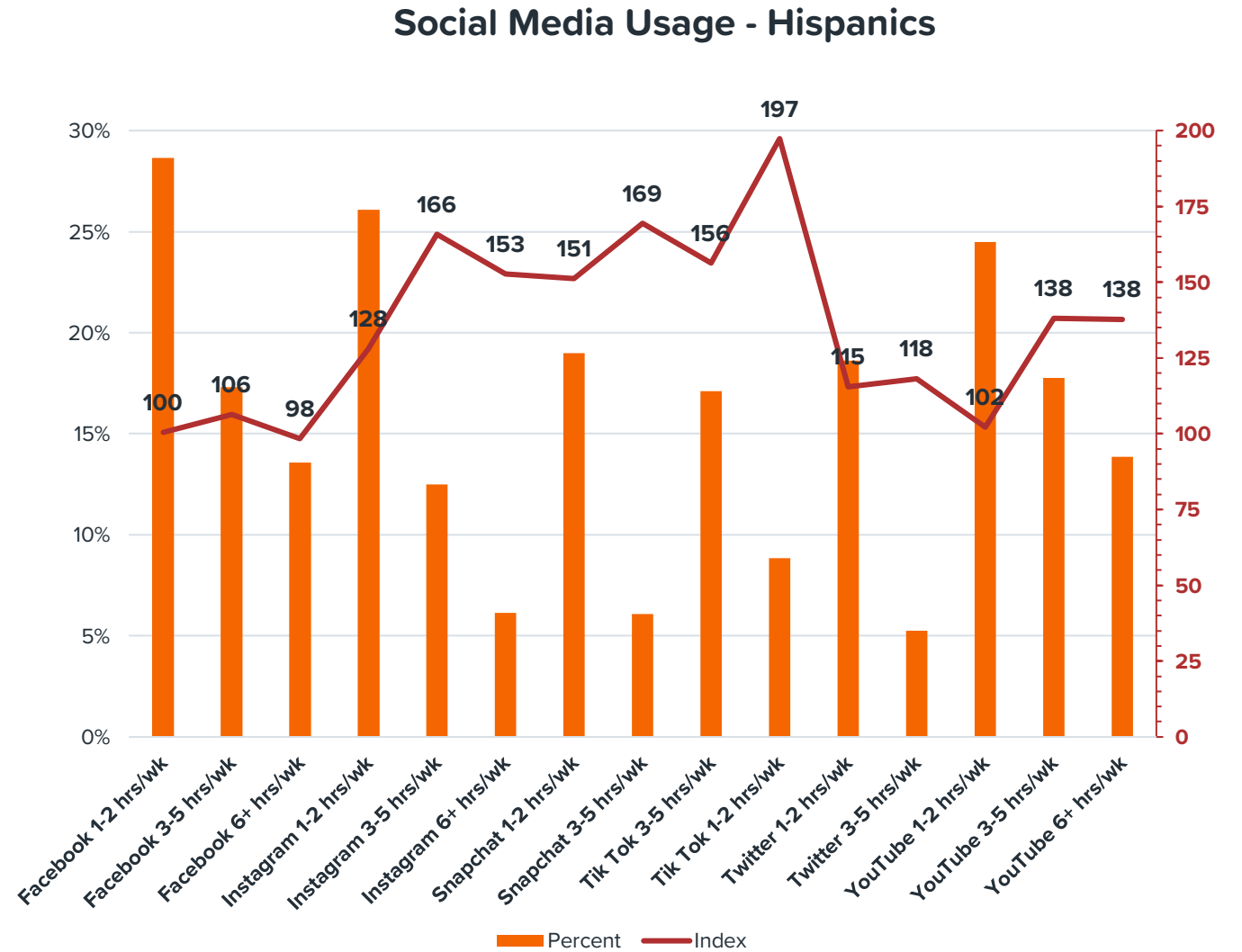
- Hispanics index higher than all other groups for using **Instagram** 3-5 hours/week, **Snapchat** 3-5 hours/week and **TikTok** 1-2 & 3-5 hours/week.

Social Media Usage by Race/Ethnicity



Hispanics over-index over for Instagram, Snapchat and Tik Tok

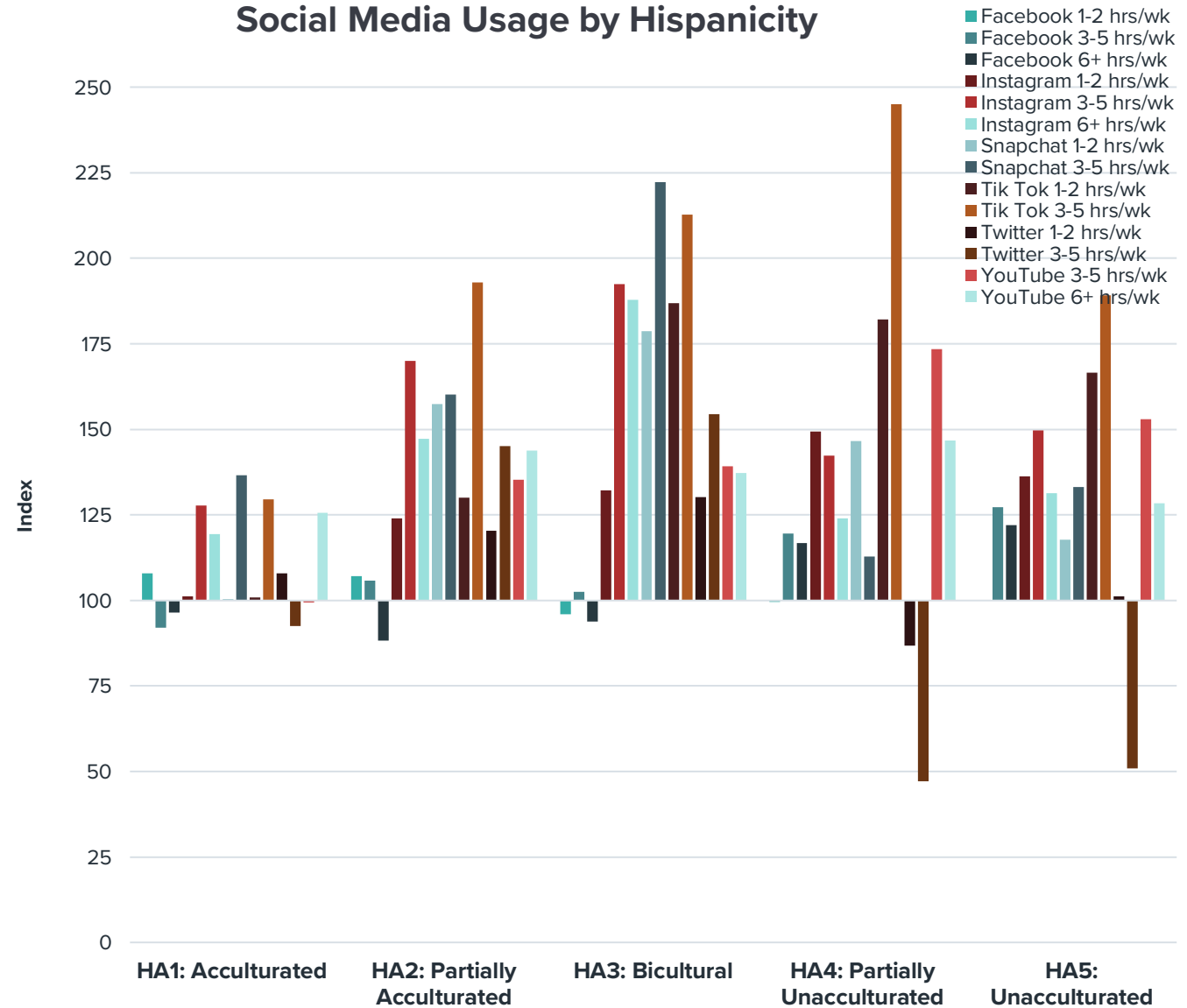
- 56% of Hispanic HHs also use YouTube at least 1 hour/week



Bicultural & Unacculturated Hispanics over-index for Instagram, Snapchat and Tik Tok & YouTube

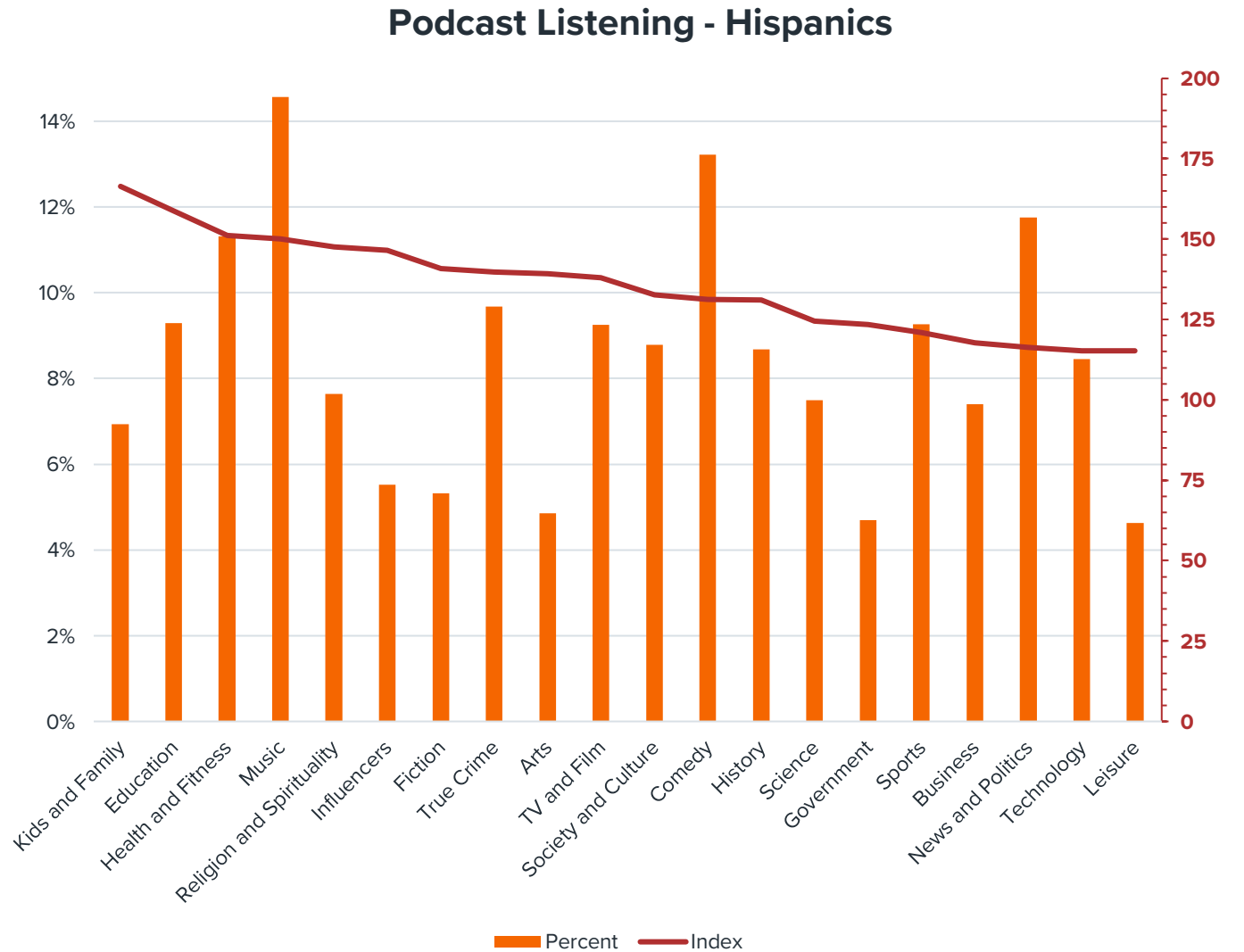
- HA4 & HA5 under-index for Twitter

Social Media Usage by Hispanicity



By overall percent, more Hispanics listen to **music** and **comedy** podcasts.

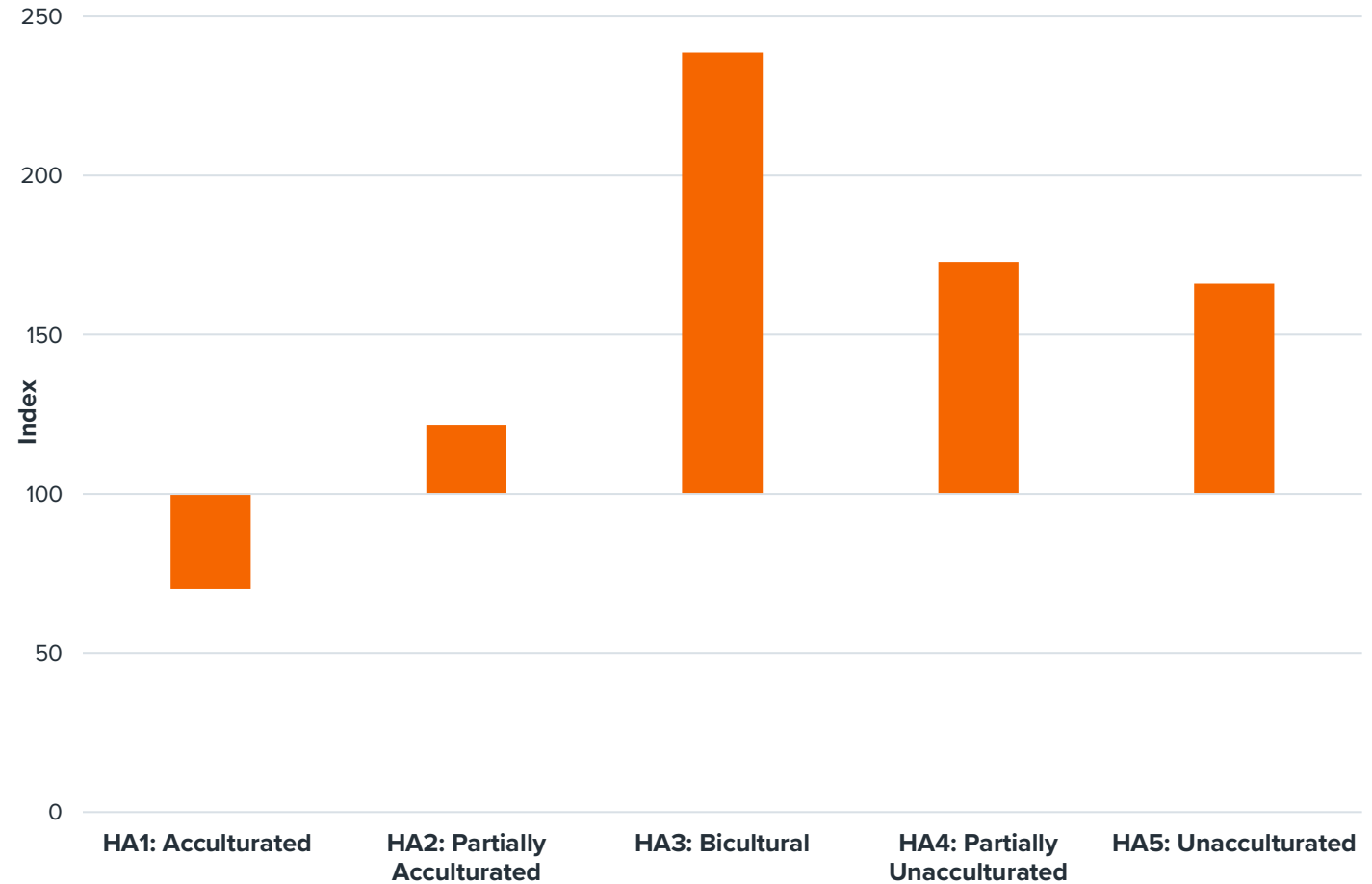
- By Index, Hispanics are most likely to listen to podcasts focused on **children & family** content as well as **education, health & fitness** and **music**.
- Hispanics over-index for podcasts on most topics



Bicultural and Unacculturated Hispanics over-index especially for podcasts about **Kids & Family**

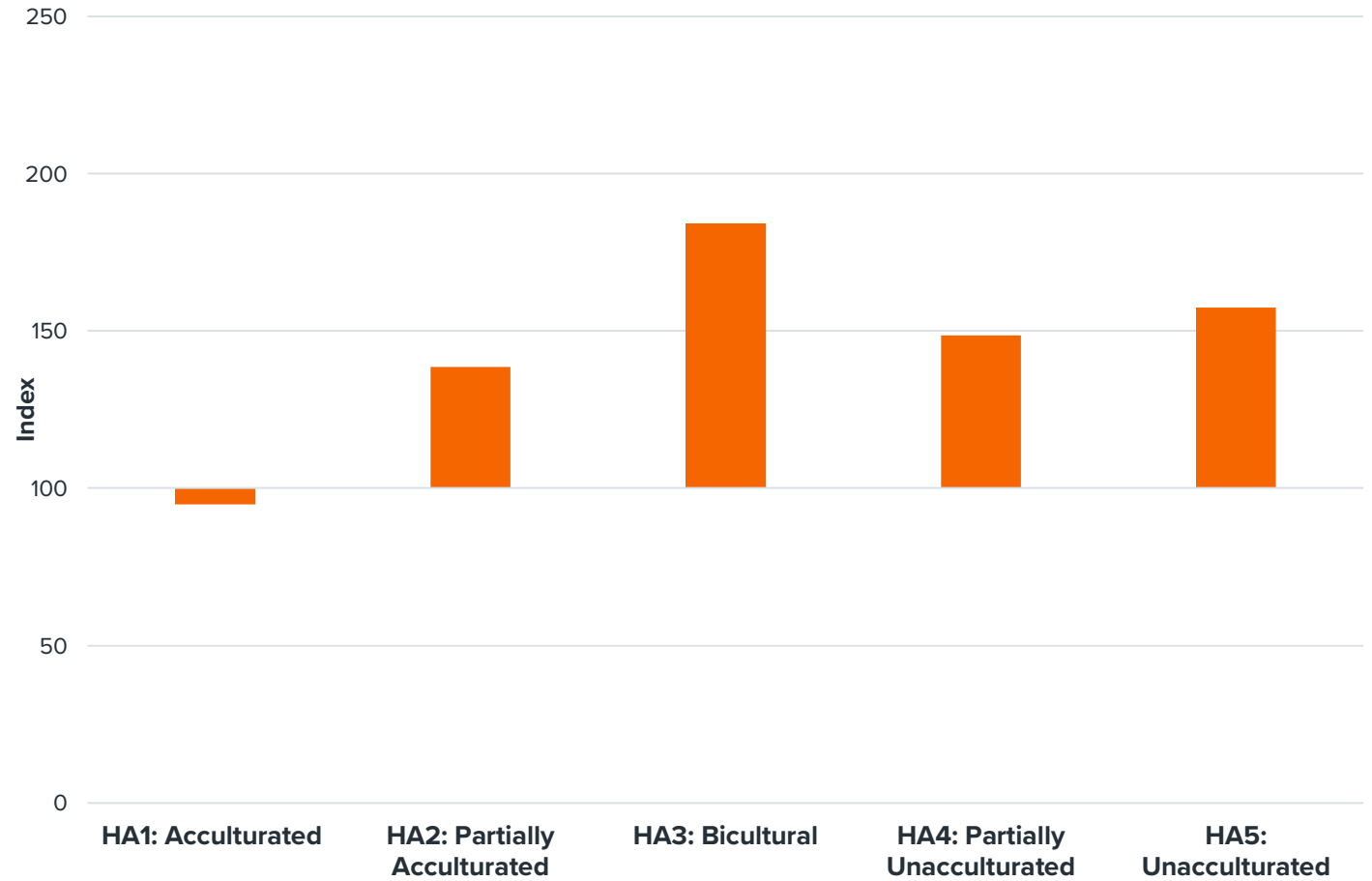
- They also over-index for podcasts on **Health & Fitness**, **Music** and **Religion & Spirituality**

Kids & Family Podcasts by Hispanicity



Bicultural and Unacculturated Hispanics over-index for **Health & Fitness** podcasts

Health & Fitness Podcasts by Hispanicity

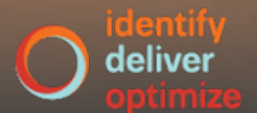


Hispanic Financial Behaviors

Claritas Financial Track

Claritas Financial Track is the nation's largest, syndicated survey of household financial behavior.

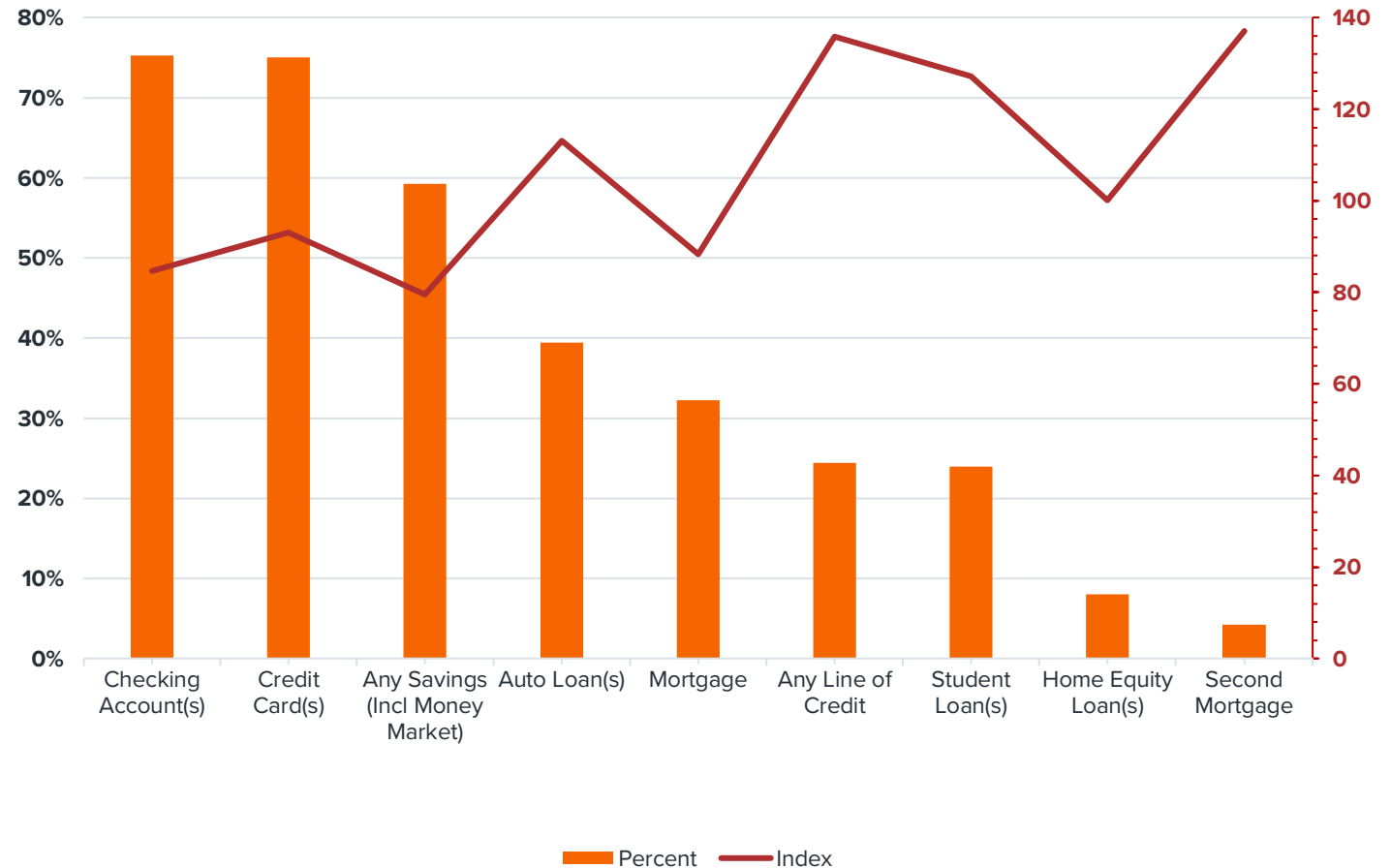
Know more about which financial products households use, balance amounts within those products and where accounts are held. Market changes can be tracked over time to help you identify trends and get ahead of the changing marketplace, plus our original research can be used to assist in strategic planning, product development, market sizing and segmentation.



Hispanics as a group are more underbanked than any other race/ethnic group (only 75% of Hispanic HHs have a checking account; US HH avg = 89%)

- Hispanics over-index for various credit products, but they're not necessarily getting them from banks (e.g. auto loans, student loans, retail credit cards, 2nd mortgages)
- **35% of Hispanic HHs have a prepaid credit (debit) card** (US HHs < 25%; Hispanic Index = 142)

Banking Service Usage - Hispanic HHs

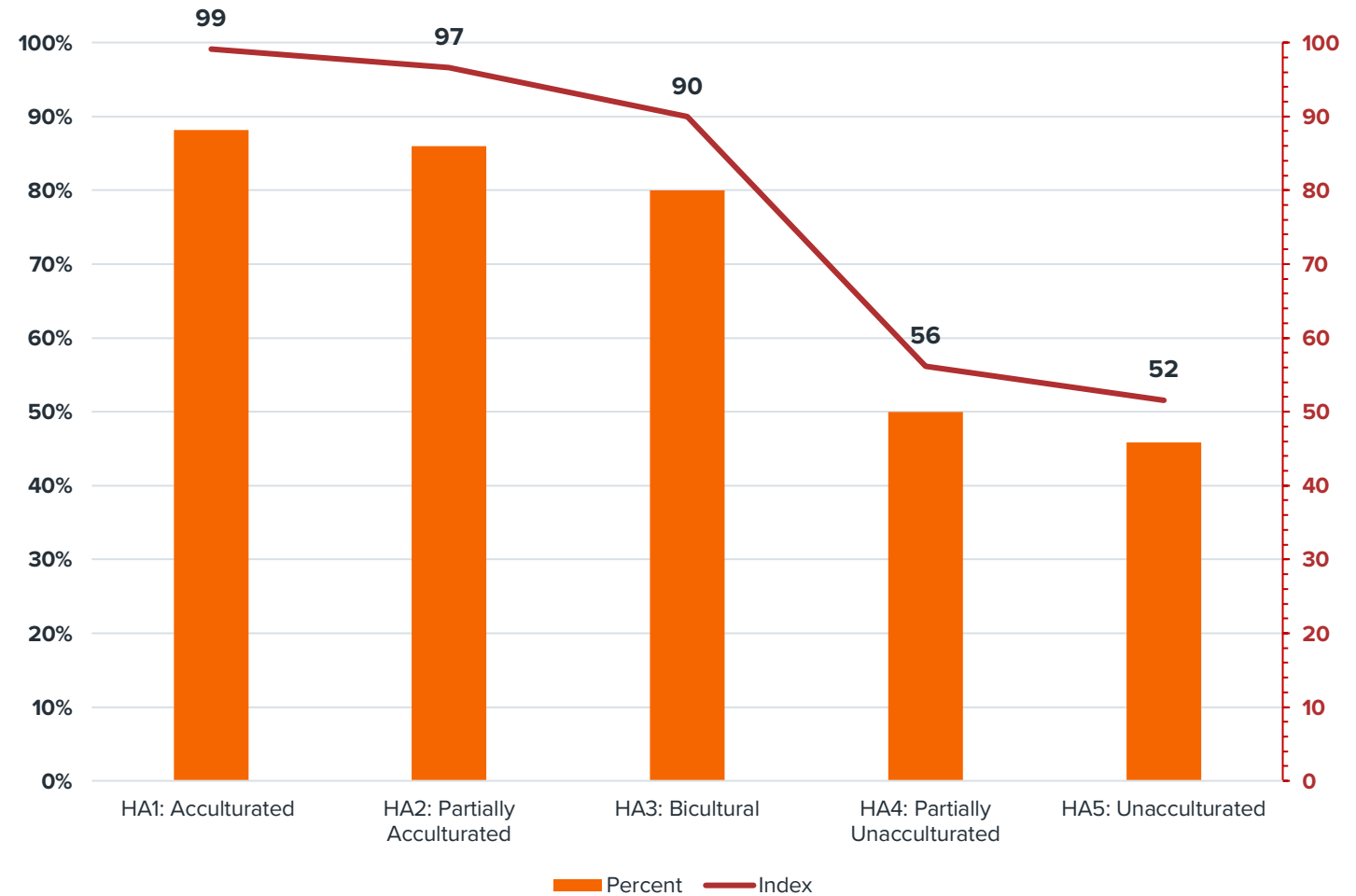


Unacculturated Hispanics

comprise the bulk of the Hispanic underbanked segment. **Less than 46% of unacculturated Hispanics have a checking account.**

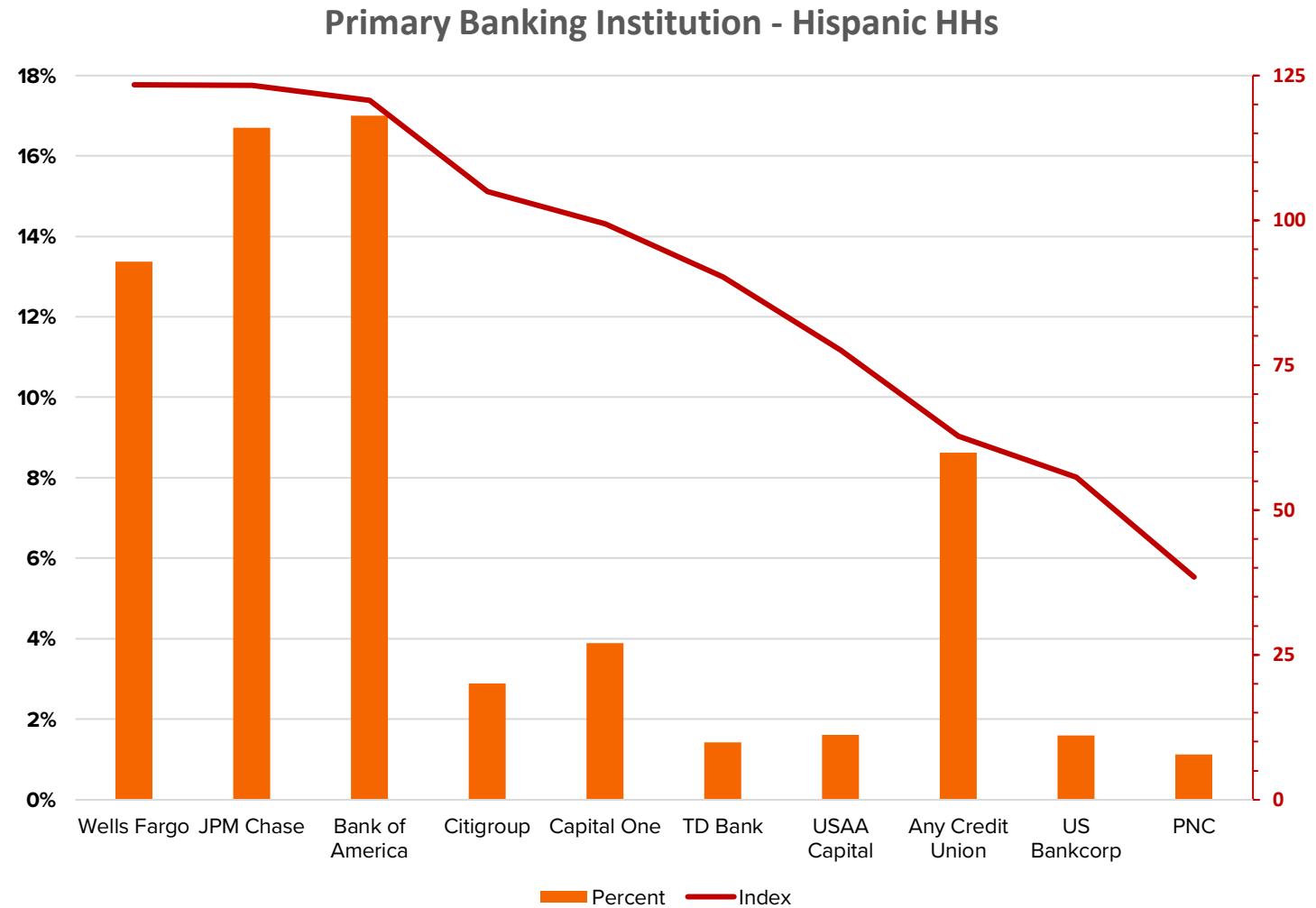
- Only 24% of unacculturated Hispanics have any kind of savings account (Index = 32)
- 11% of unacculturated Hispanics have a mortgage (Index = 30)

HH Has Checking Account by Hispanicity



Wells Fargo, JPM Chase and BofA have captured the largest share of Hispanic Households

- 3 of the big 4 U.S. banks are doing well with Hispanics; Some of this is a function of footprint - these institutions all have a significant presence in NY, CA, TX & FL (which contain 60% of the US Hispanic pop).
- Some of it is a function of size – BofA & JPM/Chase are each the primary bank for 13-14% of all US HHs. WF has under 11% of US HHs but is the primary bank for 13.5% of Hispanic HHs.
- 8.6% of Hispanic HHs have a credit union as their primary bank (US HHs = 13.7%).



BBDO did these ads and many others for **Wells Fargo**. They've been doing ads like these for years now.

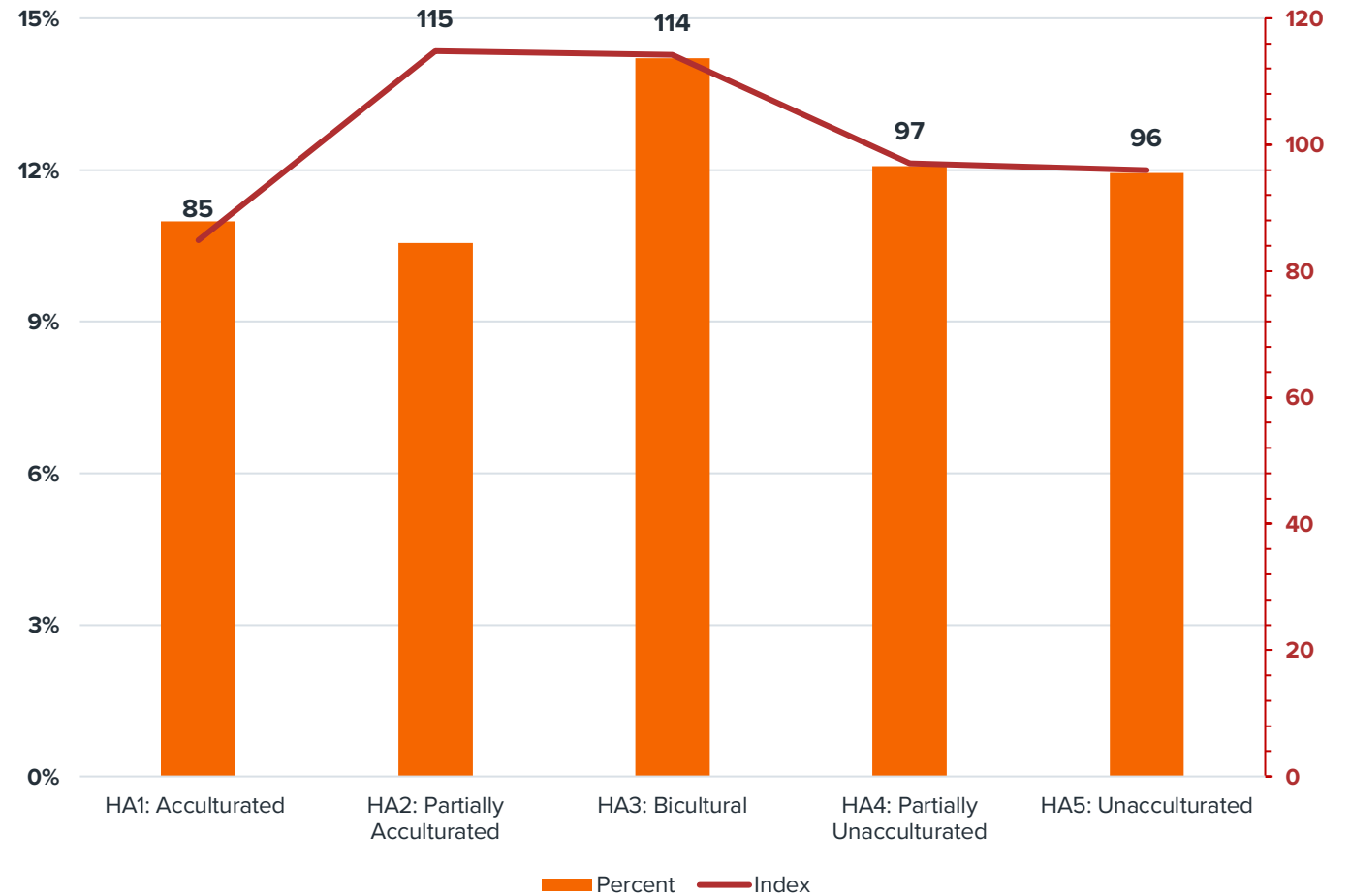
- They work, not just because they're in language, but because they're **in-culture** - kids, the extended family, the mobile phone/tablet and fútbol are all featured prominently.
- The point is that Wells Fargo is **messaging Hispanics with language & themes that resonate**. Their website & app also run in Español; their customer service line and branches are staffed appropriately as well.



Where **unacculturated Hispanics** fell off the underbanked cliff in general, **WF has them as customers** at rates that are roughly proportional to their presence in the population

- WF has been reaching out to the Hispanic community and the results are clear – and the bi-cultural Hispanic community has also responded to these efforts

Primary Bank: Wells Fargo by Hispanicity



Hispanic HHs are looking for financial institutions to reach out in a way that resonates with them

– a significant percentage of them may be “up for grabs”

- 18.5% of Hispanic HHs have **been with their current primary bank < 3 years** (US HHs = 12.5% Hispanic Index = 147)
- Our research indicates that ~6 million Hispanic HHs **switched primary financial institutions** in the past 5 years
- The number one reason given by Hispanics for switching financial institutions was **customer service**

Length of Time at Primary Bank - Hispanic HHs

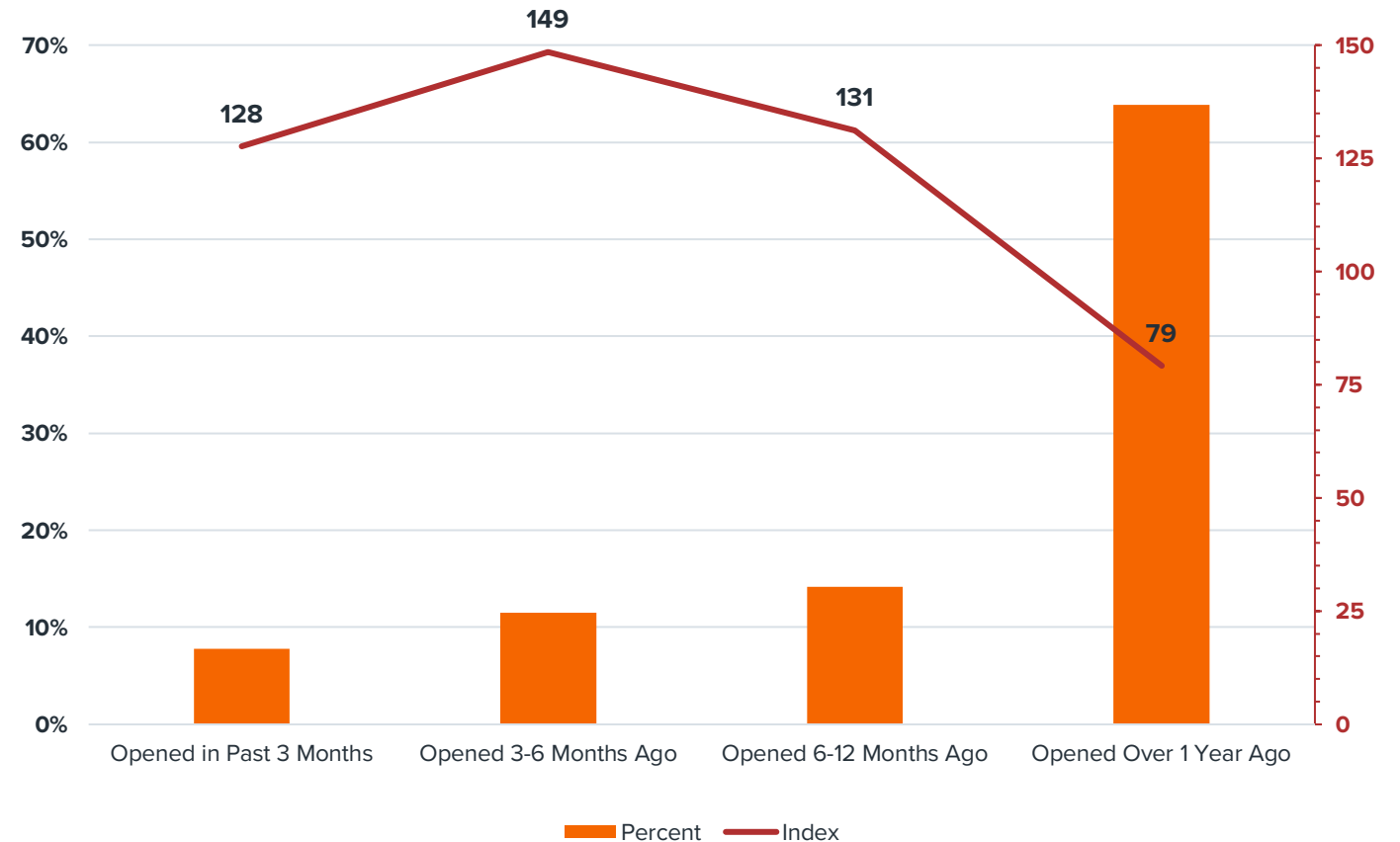


1 in 3 Hispanic HHs

[that have a primary bank]
opened a new deposit account
within the past year.

(US avg < 25%
Hispanic Index = 136)

Deposit Accounts Opened - Hispanic HHs

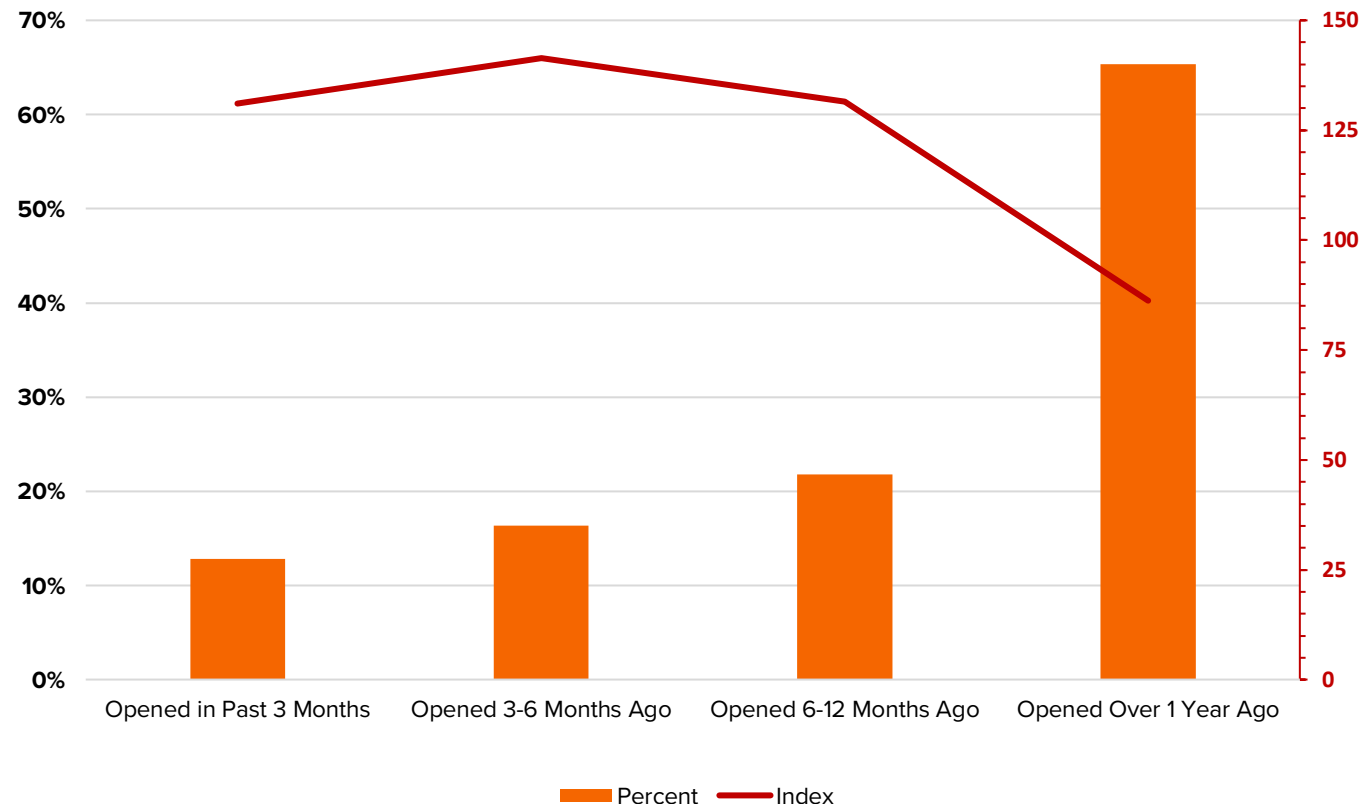


Over **50% of Hispanic HHs** [that have a primary bank] opened a new credit account within the past year.

(US HHs < 38%
Hispanic Index = 134)

- In light of demographic trends, these statistics mean that **Hispanics represent the fastest-growing opportunity segment in the market** for financial institutions

Credit Accounts Opened - Hispanic HHs



Hispanic Insurance Behaviors

Claritas Insurance Track

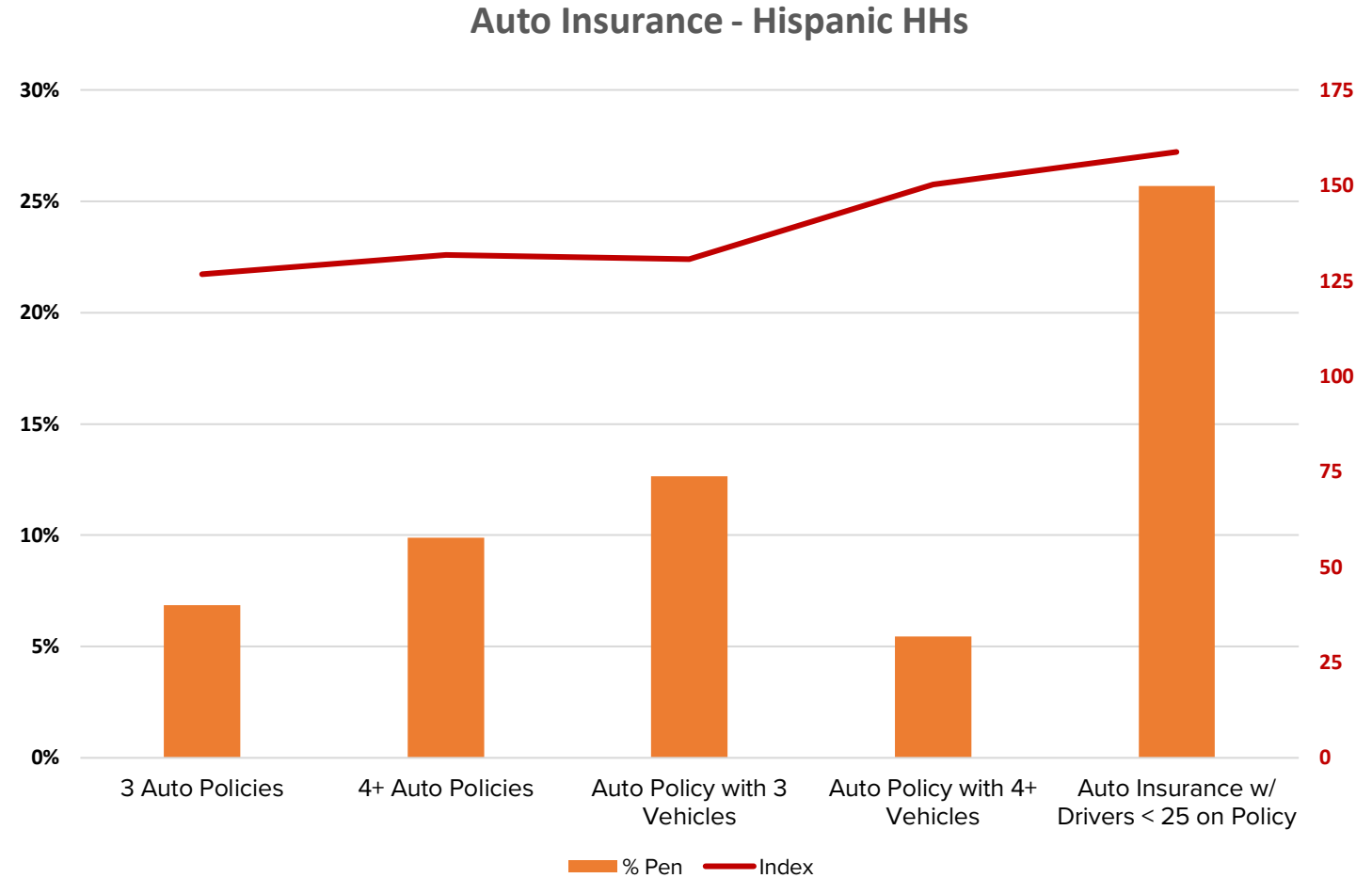
Claritas Insurance Track is the nation's largest and most comprehensive respondent-level, research data of household insurance product usage.

Claritas Insurance Track samples approximately 35,000 households to find purchase behaviors across multiple lines of insurance products such as auto, residential, life and medical insurance. It helps to analyze category benchmarks, assess the competition and profile policyholders using key attributes. With a complete battery of demographics, wealth scores and segmentation, Claritas Insurance Track provides the information you need to make smarter decisions to help your business grow.



Hispanic HHs represent an attractive market segment for **Auto Insurance**

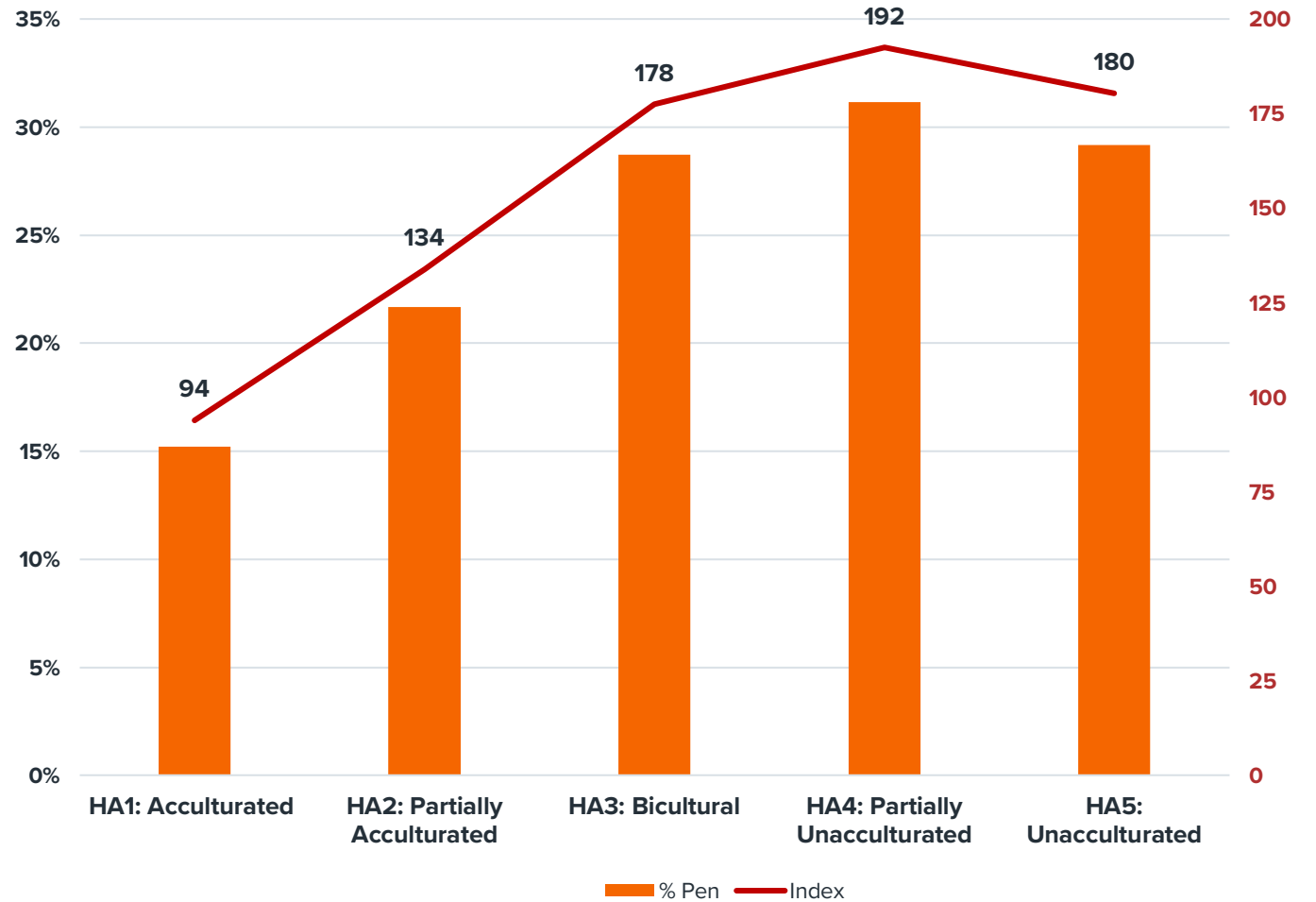
- 35% of Hispanic HHs with auto insurance are **insuring 3+ vehicles**
- 26% of Hispanic HHs with auto insurance are insuring drivers under age 25 - **higher potential LTV** if these policy holders can be retained



Bicultural and Unacculturated Hispanic HHs are 83% more likely than avg US HH to have drivers under age 25 on their policy

- > 70% of Hispanic HHs that have drivers under age 25 on their policy are bicultural & unacculturated

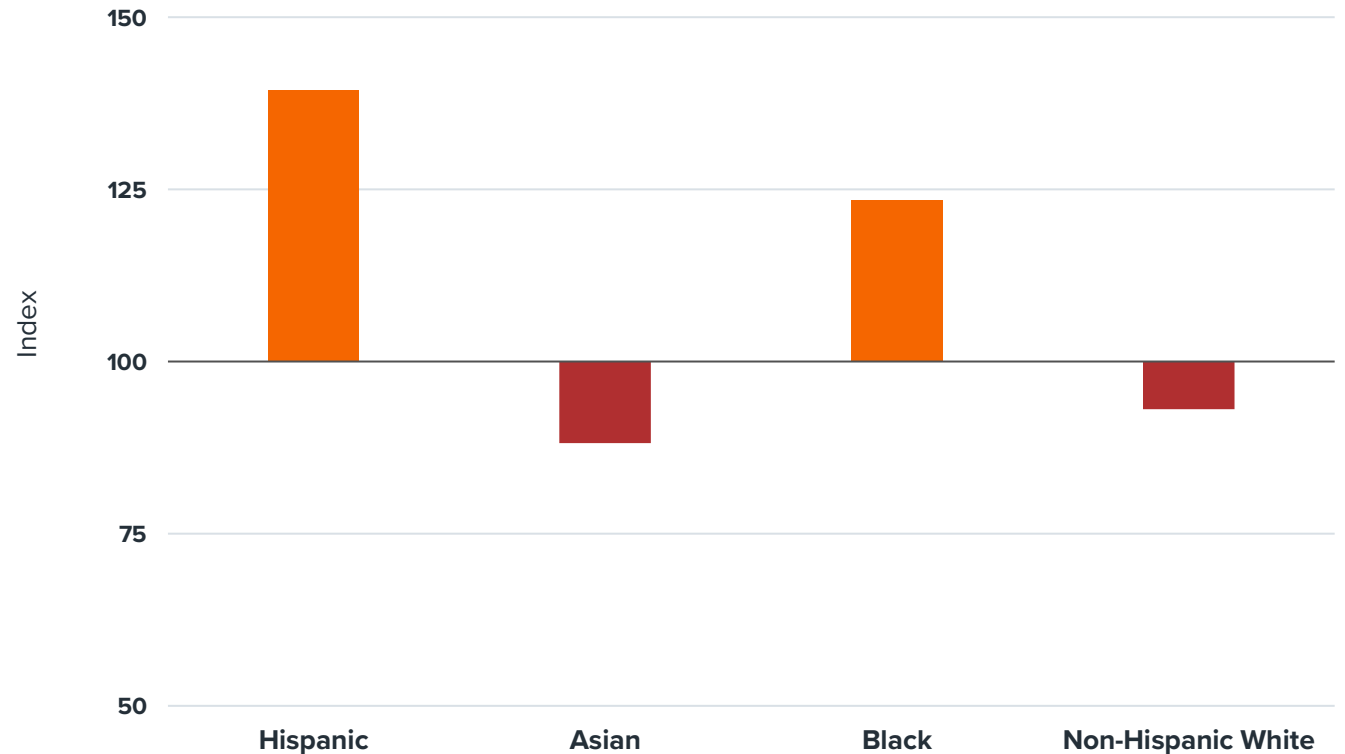
Auto Insurance: Drivers < 25 on Policy by Hispanicity



Insurance providers interested in catering to the Hispanic market **better have an app**

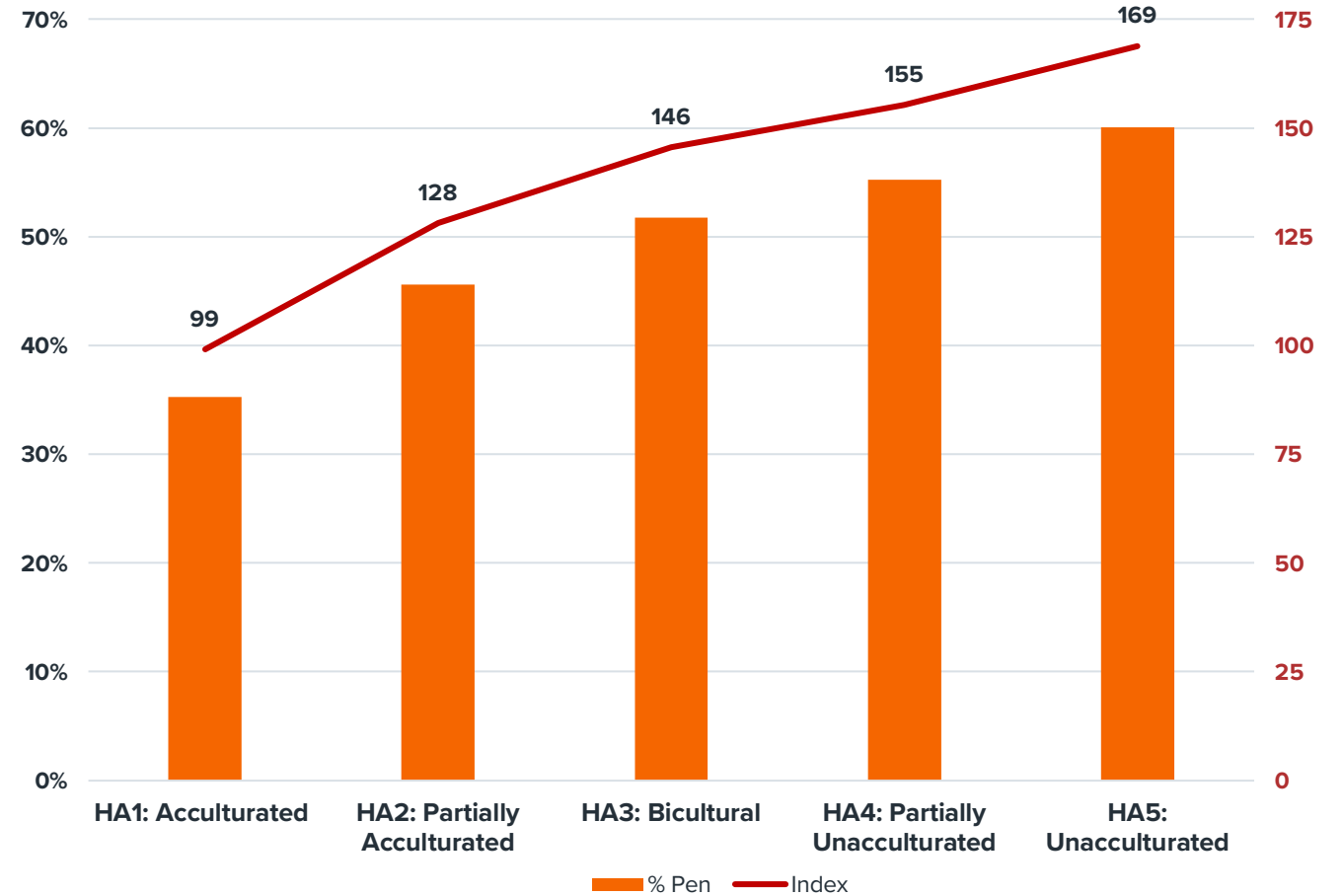
- 50% of Hispanics have expressed an interest in using their **mobile device to manage their insurance policy/claims**

Interest in Using Mobile Device to Manage Insurance Policy/Claims



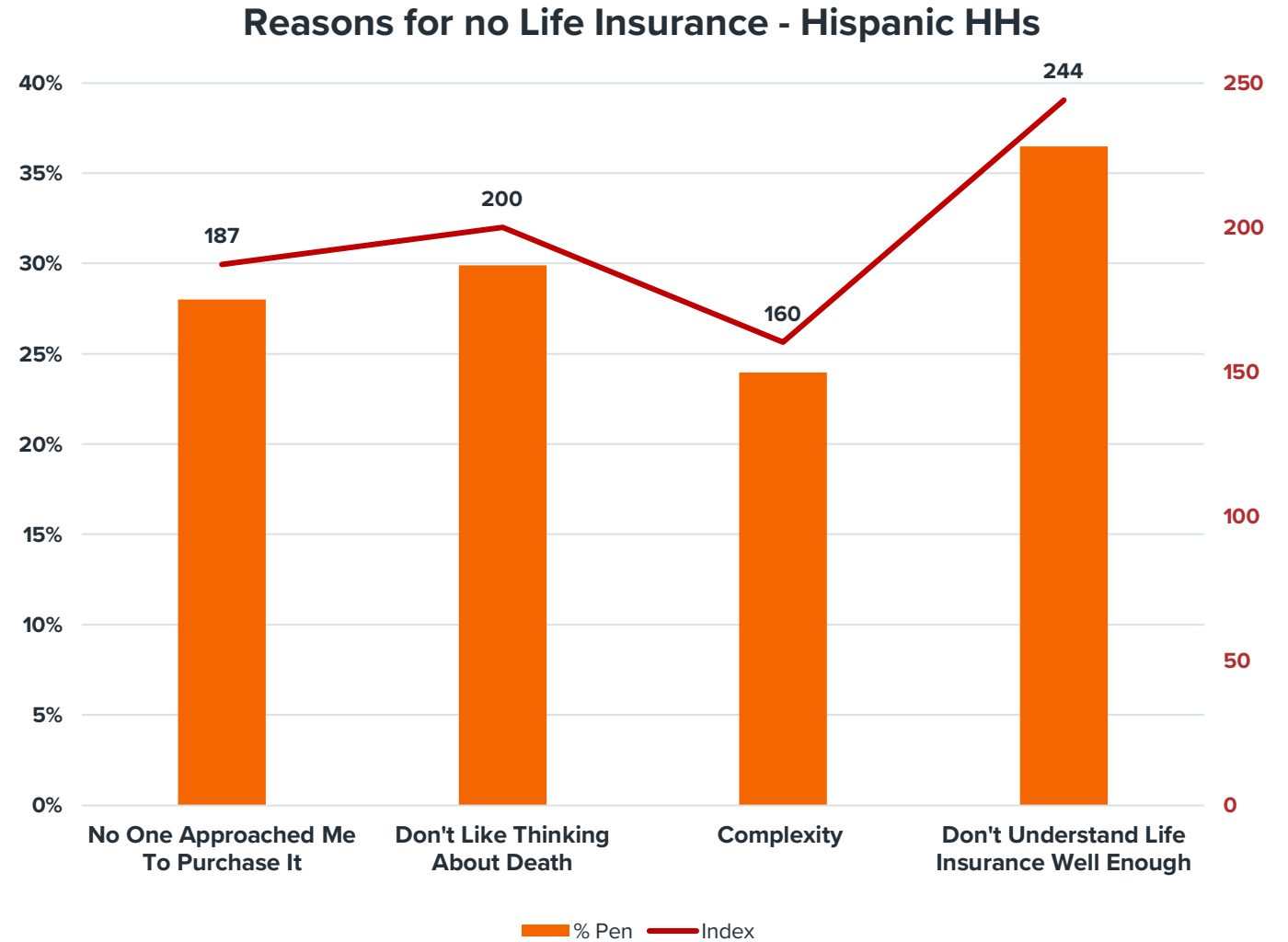
The App should be available **in Español!**

Interest in Using Mobile Device to Manage Insurance Policy/Claims



When it comes to Life Insurance, **Hispanics are under-insured.**

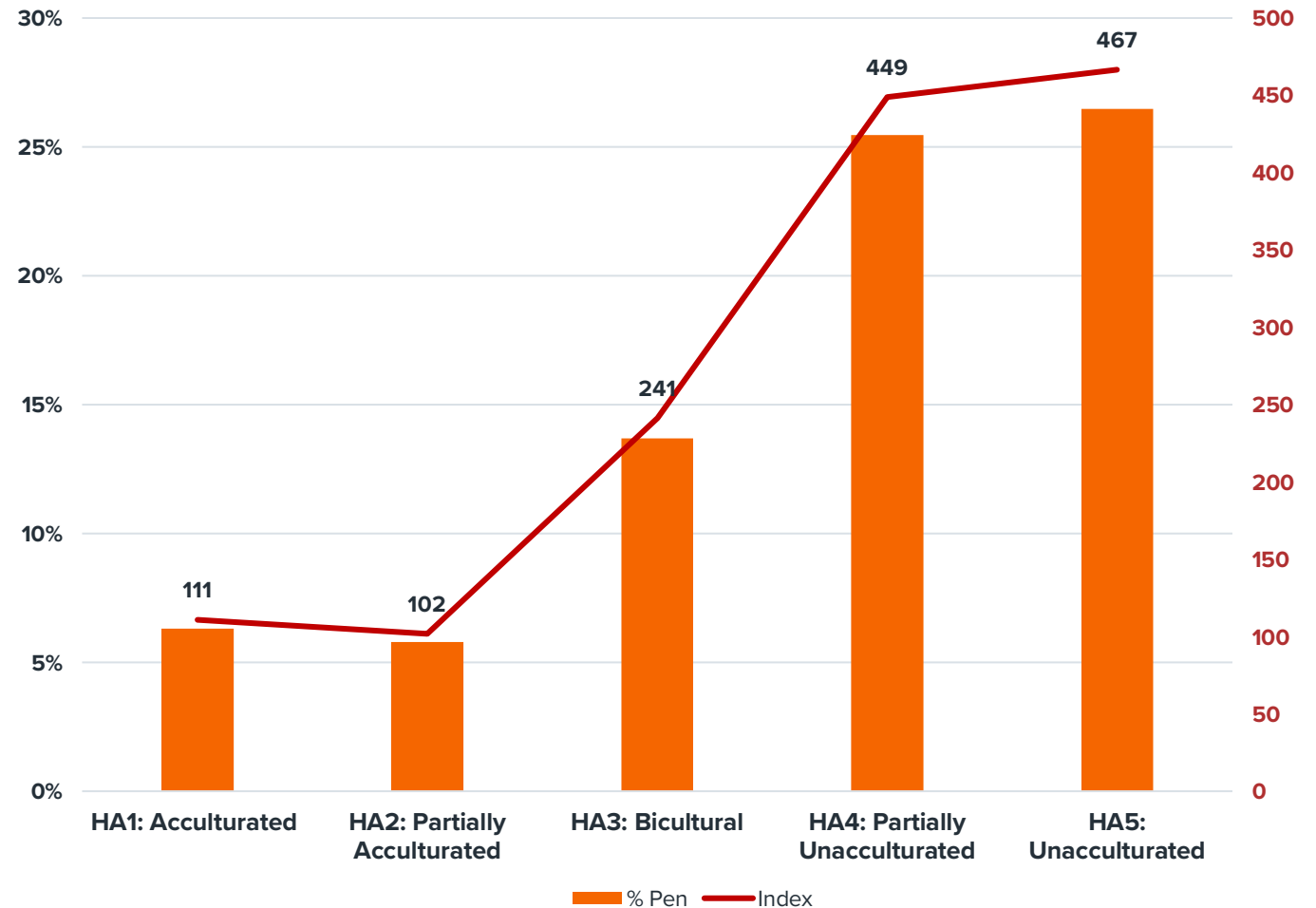
- **Less than 36% of Hispanic HHs** have any Life Insurance coverage
- Reasons are mostly **cultural & psychographic** – not financial



Less acculturated Hispanics are most likely to have difficulty understanding Life Insurance

- More than half of less acculturated Hispanics say **“they don’t understand life insurance well enough”**
- 37% of less acculturated Hispanics say the reason they don’t have life insurance is **“they don’t like thinking about death”**
- 20% of less acculturated Hispanics say **“nobody ever approached them about purchasing life insurance”**

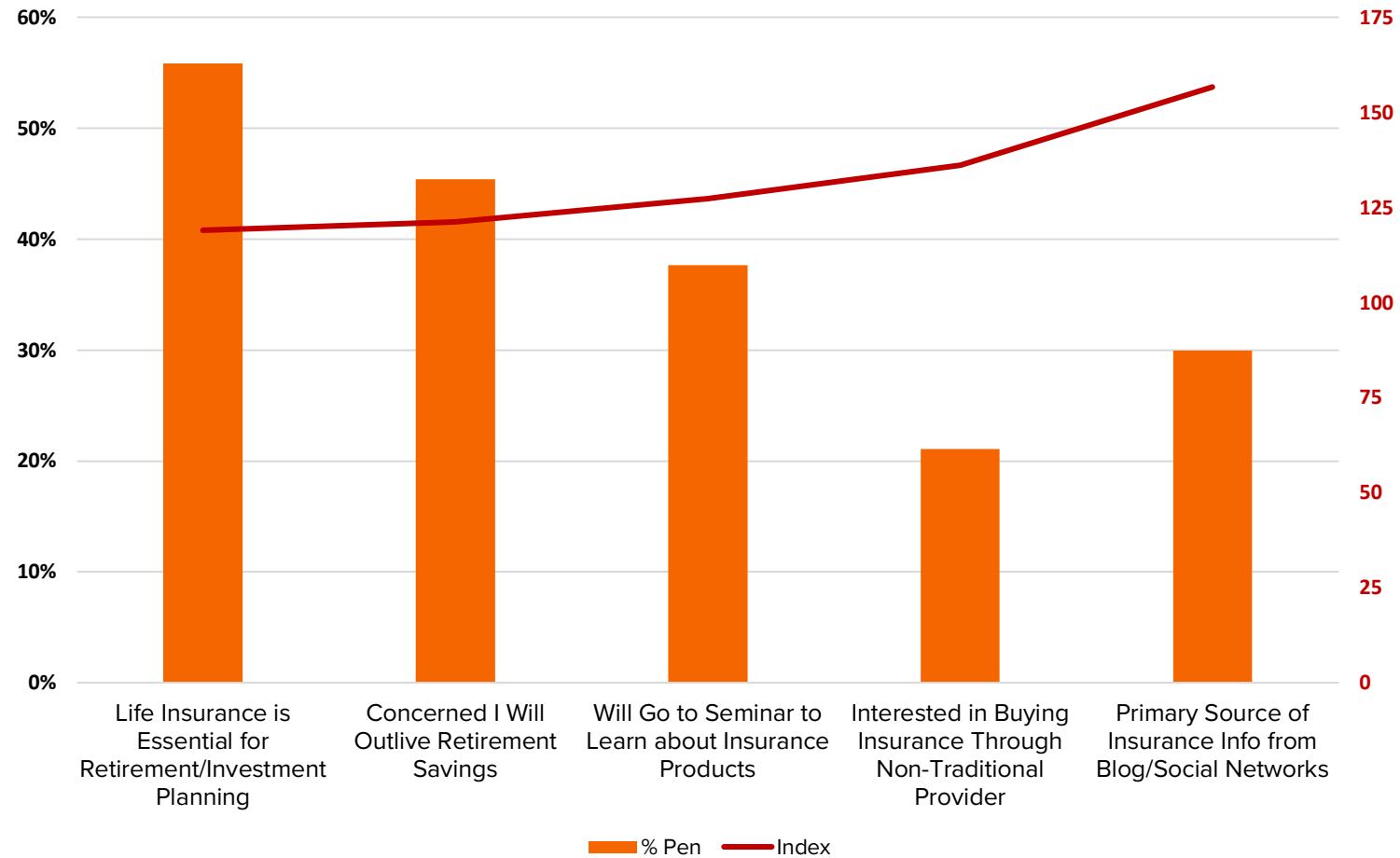
Don't Understand Life Insurance Well Enough



Promoting **Life Insurance as an investment for retirement savings** would appear to be an effective approach for Hispanics

- 56% of Hispanic HHs with life insurance say it is **essential for retirement planning**
- 45% of Hispanics say they are **concerned they will outlive their savings**
- **Non-traditional channels & methods** may be effective (social media, seminars etc.)
- Successful approach will make use of **Spanish-language resources**

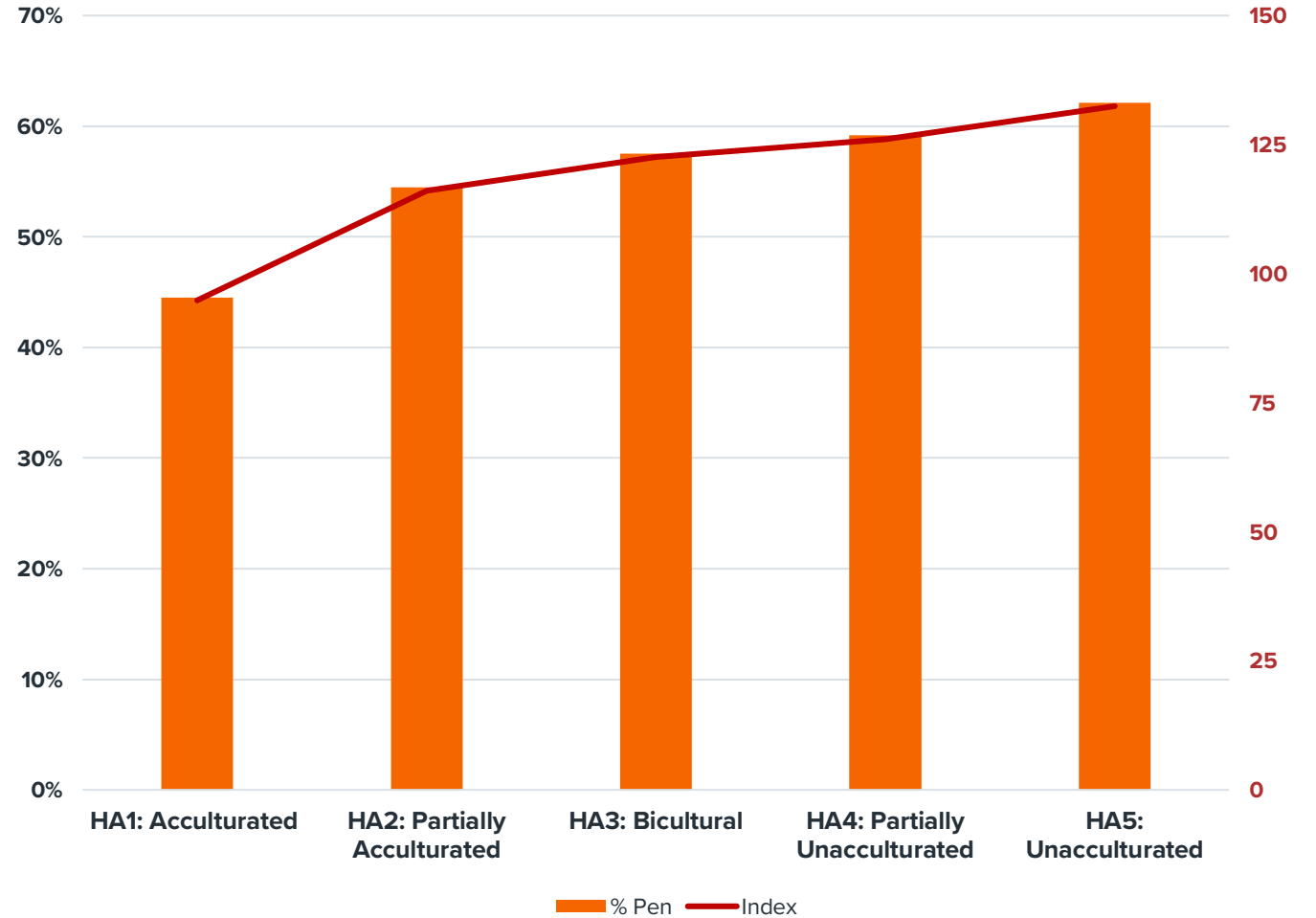
Life Insurance Attitudes - Hispanic HHs



These approaches are most likely to be successful with **less acculturated Hispanics**

- 60% of less acculturated Hispanics agree **that life insurance is important for retirement planning**
- 50% of less acculturated Hispanics are **concerned that they will outlive their savings**

Life Insurance is Essential for Retirement Planning





Thank You!

www.claritas.com

call 800.234.5973



identify
deliver
optimize