Navigating an Increasingly Critical Hispanic Cultural Environment

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For years, investments in multicultural and inclusive segments have been held back in large part by the lack of measures proving the value of culture and inclusion in communications.

To dismantle this systemic barrier in 2019, the Cultural Inclusion Accelerator™, decoded the incremental value of deeply connecting with all consumer segments through cultural relevance in ads and content with an innovative industry measure called CIIM™, the Cultural Insights Impact Measure™.

In 2022, two new metrics were introduced, the DEI Accelerator™ helping marketers understand the value of DEI reflections in ads, and the Diverse Media Accelerator™, gauging the multiplier effect of diverse-owned & targeted media.
Mission Statement

We innovate inclusive measurement solutions that enable every marketer to see and act on each consumer's authenticity.

We are passionate about uncovering powerful cultural and diversity insights that lift brands’ trust, sales, and loyalty.
Cultural relevance is defined by a consumer’s own perceptions of culture in communications.

CIIM measures every ad and program across 7 segments through 10 key cultural attributes.

CIIM™ Scores Measure Consumers’ Perceptions of Cultural Relevancy
RISING EXPECTATIONS

Hispanic expectations are rising - Gen Z are driving that change
SOCIETAL CHANGES

Gen Z predicts the future of love, marriage, and gender roles

Half of Gen Zers say gay and lesbian couples being allowed to marry is a good thing for our society.

Gen-Z Drives Surge Of More Americans Identifying As LGBTQ

Gen Z is influencing the abortion debate – from TikTok

#MeToo and Time’s Up: Most GenZ think the movements are making progress

Gen Z fuels race, equality debate and George Floyd protests

Gen Z leads the Black Lives Matter Movement, On And Off Social Media

Gen Z defying stereotypes to fight for human rights

Research reveals Gen Z’s priorities as Environment and Equality

The Nation’s Latino Population Is Defined by Its Youth

“Gen Z is driving a surge of more Americans identifying as LGBTQ.”

“The Latine community has an incredible impact on the consumer market, especially the younger generations that make up this population. Gen Z are transforming and shaping behaviors as they become influencers within their own families and communities.” – BeLatina.com

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Hispanics See More Stereotypical Representations in Advertising than Any Other Multicultural Segment

% of consumers that see stereotypical representations of people in advertising

- Hispanic: 60%
- Black: 56%
- Asian: 53%

Source: 2022 CIIM Longitudinal Track Questions Survey of Adult Consumers (n=5000)
Hispanic Trust in Brands Has Dropped More Than Any Other Multicultural Segment

% difference of consumers who trust all or most brands in April 2022 compared to October 2021

- Asian: +24%
- Black: -3%
- Hispanic: -11%

Source: 2022 CIIM Longitudinal Track Questions Survey of Adult Consumers (n=5000)
Gen Z Hispanics are the Primary Drivers Behind the Growing Expectations

<table>
<thead>
<tr>
<th>Generation</th>
<th>% of Hispanic Consumers Believing Brands Should Take a Public View on Policies Discriminatory Against Hispanics</th>
<th>% of Hispanic Consumers Believing Brands Should Take a Public View on Diversity and Equality in Their Advertisements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gen Z</td>
<td>86%</td>
<td>92%</td>
</tr>
<tr>
<td>Mil</td>
<td>73%</td>
<td>+18</td>
</tr>
<tr>
<td>Gen X</td>
<td>68%</td>
<td>+25</td>
</tr>
<tr>
<td>Boomer</td>
<td>61%</td>
<td></td>
</tr>
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</table>

Source: 2022 CIIM Longitudinal Track Questions Survey of Adult Consumers (n=5000)
Gen Z is Much More Likely Than Boomers to Think Brands Should Take a Stance

<table>
<thead>
<tr>
<th>Group</th>
<th>Difference</th>
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</thead>
<tbody>
<tr>
<td>Hispanics</td>
<td>+25%</td>
</tr>
<tr>
<td>Asian</td>
<td>+22%</td>
</tr>
<tr>
<td>Women</td>
<td>+21%</td>
</tr>
<tr>
<td>LGBTQ</td>
<td>+15%</td>
</tr>
<tr>
<td>WNH</td>
<td>+11%</td>
</tr>
<tr>
<td>Black</td>
<td>+3%</td>
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</table>

Difference between Gen Z and Boomer respondents who believe brands should take a public view on policies *discriminatory against themselves*

Source: 2022 Cultural Inclusion Accelerator™ Tracker (n=5000).
Hispanic Acquiescence May Be Shifting - Gen Z is Expecting More of Society & Brands

$+25\%$

Hispanics

Difference between Gen Z and Boomer respondents who believe brands should take a public view on policies *discriminatory against themselves*
HISPANICS SEE LESS AUTHENTIC CULTURE IN ADVERTISING
Largest Cultural Relevancy Score

Across 7 Segments, 14 Sectors, and 66+ Industries

850,000+ Ad Evaluations Across 775+ Brands and 2,300+ Ads

Alcoholic Beverages  
Restaurants

Automotive and Dealership

Causes

Consumer Packaged Goods

Government-Political

Insurance

Network Entertainment

Retail

Pharma

Travel

Electronics-Tech

Financial

Telecom

Cultural Inclusion Accelerator 2022 Proprietary & Confidential
Cultural Relevance Drops Among English Media Viewers and Spanish Media Viewers

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Accurate Cultural Reflections In Ads Have Decreased Since Q2’21

Hispanic English Media Viewers: English Ads

-18%  -10%  -8%  -4%
Inclusion and Acknowledgement  Positive Reflections  Average  Cultural Pride Respect my Culture

Hispanic Spanish Media Viewers: Spanish Ads

-9%  -8%  -5%  -3%  +6%
Inclusion and Acknowledgement  Positive Reflections  Average  Respect my Culture  Identify with my Culture

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GETTING IT RIGHT

CIIM™ proves that cultural relevance is good for consumers AND Brands’ Growth
Culture Really Matters for Growth

Re-validate CIIM™ attribution demonstrates that Cultural Relevance is a major contributor to ad’s sales performance.

Other campaign effectiveness factors, i.e.: media weight, brand equity, offer, etc.

Cultural Relevance as measured by CIIM™, combined with the persuasiveness it creates, accounts for 78% of campaigns’ sales lift... up from 40% in the original 2020 Attribution Study.

**All Segment Attribution**
- 66%
- 34%

**Hispanic Attribution**
- 78%
- 22%
Role Models & Celebrations of Culture are Driving Cultural Relevance Among Hispanic Segments

Q2 2021
Hispanic English / Hispanic Spanish
Cultural Pride

Q1 2022
Hispanic English
Role Models
Hispanic Spanish
Celebration
In-Culture Matters:
Targeted Ads consistently outperform and are the only Hispanic scores to have gone up (Jan-June ’21-’22)

Hispanic English Media Viewers: English Ads
Mass Market

Segment
Targeted In-Culture

Mass Market with Culture

Mass Market w/No Culture

Hispanic Spanish Media Viewers: Spanish Ads

Segment
Targeted In-Culture

Transcreated Ad

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To better understand and tease apart the impact of in-language advertising, the Cultural Inclusion Accelerator™, identified 25 pairs of Spanish-English ads tested through CIIM™.

These pairs of ads as well their cultural relevance measures and data modeling were used to understand how large a role language plays in the perception of culture in advertising.
Language and Culture Study
Research Approach

- 25 Pairs of Ads with both English and Spanish ads to estimate role of Language in Culture
- Comparisons across 9 different Industries
- Total Number of Respondents: ~5400
- Total Number of Brands: 14
Language Plays A Crucial Role In Cultural Relevancy

Among Bilingual viewers, Spanish Language ads seem to open an emotional door that drives additional resonance than English Language Ads

66% of the difference between English ad scores and Spanish ad scores among Bilinguals is due to language, the remaining 34% is due to cultural relevance.
How to Reinforce Brand Trust Through Diversity, Equity, and Inclusion Reflections in Ads

In 2022, Cultural Inclusion Accelerator™ was created to help marketers understand the value of DEI reflection in ads.

The DEI Metric is defined by a consumer’s own perception of diversity, equity, and inclusion in communications.
DEI Accelerator
Research Approach To-Date

• Launched Dec 2021
• Following CIIM’s methodology, after respondent see an ad, they evaluate it based on cultural relevancy, ad effectiveness and DEI
• Number of ads tested to-date: ~650+
• Sample by ad total ~425
• Number of total evaluations to-date ~ 230,000+
• MOE = ± .05% overall and ±.1% at segment level
Hispanic: Combined DEI + CIIM are a Powerful Accelerator of Trust

DEI + CIIM (Relevance) explain up to **80% of Trust lift.**

*Adjusted R^2 result of CIIM, DEI, and their interaction in explaining Trust
Sample to-date: 650 ads, 67K Hispanic evaluations, 21K respondents

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How Media Placement Can Influence Ad Effectiveness Among Hispanics

In 2022, the Diverse Media Accelerator was introduced to gauge the multiplier effect of diverse-owned & targeted media.
Diverse Owned or Targeted Media Significantly Enhances Trust Lift

Hispanic Media Generates 62% more Trust Lift compared to Mass Market Media Among Hispanic Media Viewers

- Overall Hispanic Media: 62%
- Hispanic Television: +41%
- Hispanic Radio: +72%

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Ads on Targeted/Diverse Owned Media Results in Better Purchase Intent

Purchase Intent Explained by Cultural Affinity

By Cultural Relevance of Ad

Hispanic Lift from Diverse Owned/Targeted Placement

Overall: +21%
High: +28%
Low: +20%

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In-Culture Creative and In-Culture Media Placement Are Primary Drivers of Purchase Intent

Contribution to Purchase Intent (PI) From Cultural Relevancy and Placement

- PI Explained by Ads’ CIIM Score and Persuasion: 44%
- PI Explained by the Media: 18%
- Other Factors: 38%
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<th>Rising Expectations</th>
<th>Getting It Right</th>
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<tr>
<td>Hispanic expectations are rising, and Gen Z are leading that change</td>
<td>Infusing culture drives ROI, advertisers can do this with targeting, language, and the right mix of cultural attributes</td>
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<tr>
<th>Where Hispanics See Less Culture in Ads</th>
<th>Diversity, Equity, and Inclusion</th>
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<tr>
<td>Cultural Relevance dropped 6% for English ads and 4% for Spanish Ads</td>
<td>The combination of cultural infusion and DEI can explain 80% of Brand Trust Lift</td>
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<th>Media Placement</th>
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<td>Placing ads with Hispanic Targeted Media can increase persuasion by 21%</td>
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Who Applies CIIM™ + DEI Metric

Media Planning Agencies
Incorporating CIIM™ cultural relevance scores with Reach and ROI planning/media optimizers

Media Networks & Content Developers
Understanding urgency to develop characters and storylines that authentically depict MC & diverse audiences

Advertisers
Setting brand performance benchmarks by segment and infusing cultural & DEI insights from creative brief to final executive

DEI-Marketing Leaders
Incorporating DEI in ads, establishing baselines, tracking DEI score progress and improvement on brand trust

Creative Agencies
Discovering segment insights that drive cultural relevance and DEI in ways that align with brands and testing concepts to maximize impact for advertisers in developing final executions

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Brands, agencies, and creators can achieve optimized results for cultural relevancy, DE&I reflections, higher brand trust, and enhanced purchase intent.
Thank You!

How To Contact Us

For additional information & inquiries, please contact the Cultural Inclusion Accelerator™ Team through Ariel@CIIMatters.com to learn how you can adapt the Cultural Inclusion Accelerator to your organization’s needs. You can also find more information on our website.