EQUIDAD + AUTHENTICITY: TOWARDS A FAIR REPRESENTATION OF HISPANICS IN ADVERTISING

PRESENTERS

Athos Maimarides
Managing Director, Research

Rachel Hunger
Research Manager
EQUIDAD+AUTHENTICITY: TOWARDS A FAIR REPRESENTATION OF HISPANICS IN ADVERTISING

FINDINGS FROM LAB42 DEI RESEARCH
NOVEMBER 2022
OBJECTIVES

With the US population becoming more multicultural than ever before, we wanted to understand whether companies and brands understand and represent this diversity in a genuine and authentic way in their ads and marketing efforts.

This report focuses only on those identifying as Hispanic/Latino.

Insights on other groups can be found on our website at Lab42.com/resources/Lab42 DEI Reports
**METHODOLOGY**

**WHO**

N=1000 respondents  
US National  
Age: 13+

**QUOTAS**

- N=265 African American  
- N=197 Hispanic/Latino  
- N=154 LGBTQ+  
- N=247 Asian  
- N=257 White/Caucasian  
- N=184 Disabled

**WHEN**

April/May 2022

**WHERE**

US National

**NOTES**

Where appropriate significant differences between subgroups are noted at the 95% Confidence Interval.

**HOW**

**ONLINE QUANTITATIVE RESEARCH**

Lab42 respondents were obtained while interacting with their preferred social networking site, e-commerce site, game, or application and screened in order to determine their qualification for inclusion in the study.
OVERVIEW

Hispanics: The least visible, biggest minority group

Hispanic representation in ads

Diversity Inclusive vs. Non-Diversity Inclusive Ads Performance

Key Findings and Brand Implications
SECTION 1

HISPANICS: THE LEAST VISIBLE BIGGEST MINORITY GROUP
Hispanics currently make up 19% of the US population and are expected to increase to 29% by 2050.
Hispanics’ purchasing power doubled since 2009 and increased almost 9 times since 1990.

*Stereotyping of Hispanic Americans in US Magazine Advertising-International Journal of Diversity in Organization*
In 2022, Hispanics’ purchasing power is second only to White/Caucasians.
With such high purchasing power, \textit{why are they so still so underrepresented?}

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic</td>
<td>9%</td>
<td>13%</td>
<td>12%</td>
<td>19%</td>
</tr>
<tr>
<td>Black</td>
<td>5%</td>
<td>13%</td>
<td>29%</td>
<td>13%</td>
</tr>
<tr>
<td>Asian</td>
<td>1%</td>
<td>4%</td>
<td>6%</td>
<td>6%</td>
</tr>
</tbody>
</table>

*Stereotyping of Hispanic Americans in US Magazine Advertising-International Journal of Diversity in Organization
**Based on 44 of the 58 SB ads analyzed by AIMM
***AdAge

**SUPER BOWL ADVERTISERS FELL SHORT ON KEY DIVERSITY AND INCLUSION MEASURES, ANALYSIS SHOWS.**

The ads got particularly bad scores when it comes to “cultural relevance”, especially from Hispanic audiences, according to a new report from the ANA’s diversity arm.
REPRESENTATIONS OF HISPANICS IN ADS

Authentic representation of Hispanics in ads has improved through the years.
Hispanics are likely to describe themselves first in terms of *gender*, then *race*, and finally *religion*.
For Hispanics, race is *just one of many parts* of who they are.

### Importance of racial identity

- **Hispanic/Latino**
  - It's the most important part of who I am: 21%
  - One of many parts of who I am: 50%
  - Small part of who I am: 16%
  - Does not define me at all: 13%

- **Other Ethnic Minorities**
  - It's the most important part of who I am: 29%
  - One of many parts of who I am: 48%
  - Small part of who I am: 12%
  - Does not define me at all: 11%

- **White/Caucasian**
  - It's the most important part of who I am: 10%
  - One of many parts of who I am: 34%
  - Small part of who I am: 25%
  - Does not define me at all: 31%
SECTION 2

HISPANIC REPRESENTATION IN ADS
HOW IS DIVERSITY PORTRAYED IN ADS TODAY?
Representation is important but most Hispanics do not think it is adequate.
Almost half of Hispanics rarely, almost never, or never see ads representing them.
Lack of adequate quantity is only half the problem. Almost half of the Hispanic respondents *do not think they are accurately represented*.}

46% Have not seen ads/marketing depicting their community in the past year

45% Said ads/marketing seen *not accurately represented* their community
The lack of accurate representation makes Hispanic consumers question the sincerity of brands.
Lack of accurate representation creates negative feelings towards brands.

Positive Feelings:
- Feels sincere: 26%
- Feels authentic: 25%
- Truly care about my community: 24%

Positive feelings: 35%

Negative Feelings:
- Negative feelings: 51%

Negative feelings:
- Doing it for the money: 26%
- Doing it out of pressure: 19%
- Representation felt forced: 18%
- Representations not authentic: 15%
- Not trying to represent my community: 15%
Some industries understand their Hispanic consumers – others don’t.

Industries that best/worst represent communities

- Entertainment: 23%
- Consumer goods: 20%
- Beauty products: 19%
- Retail/Grocery: 17%
- Fashion/Apparel: 13%
- Healthcare: 12%
- Media/Publication: 2%
- Nonprofit: 1%
- Travel: 0%
- Gaming: -3%
- Insurance: -3%
- Financial/Banking: -8%
- Pharmaceuticals: -9%
- Government: -24%
IMPACT OF NOT AUTHENTIC REPRESENTATION

Hispanic consumers will talk with their wallets if brands do not make the effort to represent them or if representation is perceived as nongenuine or authentic.

Avoided purchasing from a brand either because ads did not speak to them, did not seem sincere, or didn’t accurately represent them.

49%
LISTEN TO THE EXPERTS – WHAT DOES DIVERSITY IN ADVERTISING MEAN TO YOU?
DIVERSITY INCLUSIVE VS. NON-DIVERSITY INCLUSIVE ADS PERFORMANCE
SOME OF THE ADS WE TESTED
Hispanics relate to diversity of all types. Hispanics like both diverse and non-diverse ads similarly, but diverse ads were seen as more unique and more relatable.
There was no impact on information relevancy, but diverse ads were perceived as more motivating.

\[\text{Info was relevant: } -2\% \quad \text{Info was believable: } +11\% \]

\[\text{Made brand look different: } +13\% \quad \text{Would purchase/use: } +7\% \]
DIVERSE & NON-DIVERSE ADS – DIFFERENCES AMONG WHITE/CAUCASIANS

Diverse ads were rated as more motivating among White/Caucasian respondents as well.

<table>
<thead>
<tr>
<th></th>
<th>Diversity Inclusive ads</th>
<th>Non-Diversity ads</th>
<th>% Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad Likability</td>
<td>-1%</td>
<td>+6%</td>
<td></td>
</tr>
<tr>
<td>Ad was different</td>
<td></td>
<td></td>
<td>+2%</td>
</tr>
<tr>
<td>Ad was relatable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People were relatable</td>
<td></td>
<td></td>
<td>-2%</td>
</tr>
<tr>
<td>Info was relevant</td>
<td>-4%</td>
<td>+9%</td>
<td></td>
</tr>
<tr>
<td>Info was believable</td>
<td></td>
<td></td>
<td>+6%</td>
</tr>
<tr>
<td>Made brand look different</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Would purchase/use</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

% = Diversity Inclusive ads - Non-Diversity ads
1. For Hispanics, their race is just one part of who they are.

2. Hispanics feel underrepresented and misrepresented in ads.

3. Hispanics see right through efforts to represent them in ads that are not authentic, not genuine, and not culturally relevant.

4. Hispanics will think twice about purchasing brands that try to represent them in a non-authentic way.

5. Diversity of all types in ads resonates and motivates Hispanics if seen as authentic and sincere.
1. **Need for culturally relevant and sincere representation:** Do not assume all Hispanics are the same. They are ethnically diverse and there are cultural nuances among them, so a “they are all the same” strategy or superficial efforts to appeal to all may backfire.

2. **Need to reach them more frequently:** Strengthen efforts to reach out and speak to Hispanic consumers in an authentic and culturally relevant way. Their power continues to grow, and brands will be left behind if they do not establish a relationship with this group.

3. **Diversity is valued:** Hispanics are an integral part of the American society, have the same needs as everybody else and value all types of diversity. Diversity ads, if well-done, are likely to appeal to Hispanics and will not alienate other groups.
ABOUT LAB42
Lab42 is a full-service quantitative market research firm that fills a gap in the industry by combining a highly consultative, professional approach while still being cost effective and nimble. The Company’s offerings include a full suite of market research services - from brand equity, PR studies, optimization studies (like ad tests and concept tests) to advanced analytics and infographics.