FIND YOUR MULTICULTURAL SUPER CONSUMER

Webinar presented by:
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Vanna Tran     @Vanna Tran
May 27, 2015
MEET YOUR PRESENTERS

MONICA GIL
SVP and General Manager, Multicultural Growth and Strategy

VANNA TRAN
Senior Manager of Multicultural Growth and Strategy
JOIN THE CONVERSATION TODAY!

@ NIELSEN

@ SOYMONICAGIL

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# SUPERCONSUMERS
CHANGING THE FACE OF AMERICA’S FUTURE
AMERICAN DIVERSITY IS DESTINY

GROWTH IN POPULATION BY RACE & ETHNICITY

<table>
<thead>
<tr>
<th>Race &amp; Ethnicity</th>
<th>2020</th>
<th>2030</th>
<th>2040</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>+2 Races</td>
<td>6.9%</td>
<td>14.0%</td>
<td>16.9%</td>
<td>22.7%</td>
</tr>
<tr>
<td>Asian-American</td>
<td>6.1%</td>
<td>15.0%</td>
<td>16.6%</td>
<td>19.2%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>26.0%</td>
<td>16.1%</td>
<td>18.1%</td>
<td>19.9%</td>
</tr>
<tr>
<td>Non-Hispanic White</td>
<td>53.5%</td>
<td>53.8%</td>
<td>54.0%</td>
<td>54.3%</td>
</tr>
</tbody>
</table>

Growth Volume (net new, 000's)

- 2020: 12,533
- 2030: 12,064
- 2040: 10,354
- 2050: 9,869

92% of the total growth in U.S. population from 2000 to 2014 came from multicultural consumers.
# The Reality of a Multicultural Future

## Rankings and Details

<table>
<thead>
<tr>
<th>Rank</th>
<th>Name</th>
<th>State</th>
<th>Nielsen DMA</th>
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<tbody>
<tr>
<td>1</td>
<td>Los Angeles County</td>
<td>CA</td>
<td>Los Angeles, CA</td>
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<tr>
<td>2</td>
<td>Cook County</td>
<td>IL</td>
<td>Chicago, IL</td>
</tr>
<tr>
<td>3</td>
<td>Harris County</td>
<td>TX</td>
<td>Houston, TX</td>
</tr>
<tr>
<td>4</td>
<td>Maricopa County</td>
<td>AZ</td>
<td>Phoenix et al, AZ</td>
</tr>
<tr>
<td>5</td>
<td>San Diego County</td>
<td>CA</td>
<td>San Diego, CA</td>
</tr>
<tr>
<td>6</td>
<td>Orange County</td>
<td>CA</td>
<td>Los Angeles, CA</td>
</tr>
<tr>
<td>7</td>
<td>Miami-Dade County</td>
<td>FL</td>
<td>Miami-Ft. Lauderdale, FL</td>
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<tr>
<td>8</td>
<td>Kings County</td>
<td>NY</td>
<td>New York, NY</td>
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<tr>
<td>9</td>
<td>Dallas County</td>
<td>TX</td>
<td>Dallas-Ft. Worth, TX</td>
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<td>Queens County</td>
<td>NY</td>
<td>New York, NY</td>
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<td>11</td>
<td>Riverside County</td>
<td>CA</td>
<td>Los Angeles, CA</td>
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<td>12</td>
<td>San Bernardino County</td>
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<td>Tarrant County</td>
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<td>16</td>
<td>Santa Clara County</td>
<td>CA</td>
<td>San Francisco et al, CA</td>
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<td>TX</td>
<td>San Antonio, TX</td>
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<td>19</td>
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<td>San Francisco et al, CA</td>
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<tr>
<td>22</td>
<td>Middlesex County</td>
<td>MA</td>
<td>Boston et al, MA-NH</td>
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<tr>
<td>23</td>
<td>Philadelphia County</td>
<td>PA</td>
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<td>24</td>
<td>Suffolk County</td>
<td>NY</td>
<td>New York, NY</td>
</tr>
<tr>
<td>25</td>
<td>Sacramento County</td>
<td>CA</td>
<td>Sacramento et al, CA</td>
</tr>
</tbody>
</table>


21 of 25

Most populated counties are multicultural majority.
YEARS OF EFFECTIVE BUYING POWER STRONGEST AMONG MULTICULTURAL CONSUMERS

<table>
<thead>
<tr>
<th>Population</th>
<th>Life Expectancy</th>
<th>Median Age</th>
<th>Years of Effective Buying Power</th>
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<tbody>
<tr>
<td>White Non Hispanic</td>
<td>78.7</td>
<td>42</td>
<td>37</td>
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<tr>
<td>African-American</td>
<td>74.3</td>
<td>32</td>
<td>42</td>
</tr>
<tr>
<td>Asian-American</td>
<td>87.3</td>
<td>35</td>
<td>52</td>
</tr>
<tr>
<td>Hispanic</td>
<td>83.5</td>
<td>27</td>
<td>57</td>
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</tbody>
</table>

MULTICULTURAL CONSUMERS ARE TRANSFORMING THE MAINSTREAM

$3.4 TRILLION IN COMBINED MULTICULTURAL BUYING POWER

+2.3 MILLION NEW MULTICULTURAL CONSUMERS EVERY YEAR

MULTICULTURAL SUPER CONSUMERS
MULTICULTURAL SUPER CONSUMERS ARE THE NEXUS OF ALL MEGA TRENDS

CULTURALLY CONNECTED

ECONOMICALLY
HEAVY USER

HIGHLY INVOLVED

EMOTIONALLY

Source: Nielsen The Multicultural Edge:
### MULTICULTURAL SUPER CONSUMERS CATEGORIES

#### MC CONSUMERS AS % OF SUPER CONSUMER DOLLAR SALES

<table>
<thead>
<tr>
<th>Category</th>
<th>MC Consumers as % of Super Consumer Dollar Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRIED VEGETABLES &amp; GRAINS</td>
<td>67%</td>
</tr>
<tr>
<td>HOT SAUCE</td>
<td>53%</td>
</tr>
<tr>
<td>FAMILY PLANNING</td>
<td>53%</td>
</tr>
<tr>
<td>WOMEN'S FRAGRANCES</td>
<td>51%</td>
</tr>
<tr>
<td>MEN'S TOILETRIES</td>
<td>48%</td>
</tr>
<tr>
<td>PERSONAL SOAP &amp; BATH</td>
<td>48%</td>
</tr>
<tr>
<td>ASIAN NOODLES</td>
<td>46%</td>
</tr>
<tr>
<td>SHORTENING</td>
<td>43%</td>
</tr>
<tr>
<td>UNPREPARED MEAT/POULTRY/SEAFOOD FRZN</td>
<td>43%</td>
</tr>
<tr>
<td>JUICE DRINK REFRIGERATED</td>
<td>41%</td>
</tr>
<tr>
<td>BABY NEEDS</td>
<td>40%</td>
</tr>
<tr>
<td>EGGS</td>
<td>39%</td>
</tr>
<tr>
<td>BOTTLED WATER</td>
<td>38%</td>
</tr>
<tr>
<td>FEMININE HYGIENE</td>
<td>38%</td>
</tr>
<tr>
<td>SKIN CARE PREP</td>
<td>38%</td>
</tr>
</tbody>
</table>

#### SUPER CONSUMERS AS % OF CATEGORY DOLLAR SALES

<table>
<thead>
<tr>
<th>Category</th>
<th>Super Consumers as % of Category Dollar Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRIED VEGETABLES &amp; GRAINS</td>
<td>42%</td>
</tr>
<tr>
<td>HOT SAUCE</td>
<td>40%</td>
</tr>
<tr>
<td>FAMILY PLANNING</td>
<td>37%</td>
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<tr>
<td>WOMEN'S FRAGRANCES</td>
<td>45%</td>
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</table>

ALL SUPERS HAVE EPIPHANIES TO SHARE

BIG EMOTION

Do we have empathy for the quest Super Consumers are on?

BIG DATA

A Super Consumer of 1 category is a Super Consumer of 9 others
WHO BUYS THE MOST SALSA?

TOP 10% OF SALSA SUPER CONSUMERS (6MM HH) = 50% OF SALSA SALES
5MM OF THE 6MM ARE WHITE!
THESE SAME WHITE HH BUY ANOTHER $1B OF HISPANIC FOOD PRODUCTS
THE ‘HISPANIC FOOD MARKET’ IS UNDER-ESTIMATED BY 25%
SPICY IS NOT A MILLENNIAL THING...

• Hot Sauce is the 8th fastest growing industry in the U.S. (+5% annually)
• 75% of millennials saying they want more flavor experiences at restaurants

Source: Nielsen The Multicultural Edge: Super Consumers Rising March 2015 Report; TIME.com

• But....43% of millennials are multi-cultural, who have spicier palates
What happens when Super Consumers

SUPER GEOGRAPHIES!

Near each other?
SUPER GEOGRAPHIES: 1+1 = 11

- Super GEOs = markets with dense Super Consumer concentrations

Supers in Super GEOs behave similarly to Supers elsewhere, they are just more densely populated.

They also have a “network effect” on the rest of the market....

Total Spend among Non-Supers is +20%
Penetration among Non-Supers is 1.5x
SUPER GEO CLUSTERING – AN EFFECTIVE TOOL

Another reason to invest to reach them locally

SUPER GEOS FOR VEGETABLES AND DRIED GRAINS

NIELSEN DMAs

Top Multicultural Population Centers

1 dot = 10,000 Multicultural

Market Index

Hot! 121 to 149
Avg. 93 to 120
Below 70 to 92
Low 39 to 70

Category Spend as Percent of Total: Red is hot, Blue is not!

INSIGHTS NEED TO BE BUILT ON CULTURAL UNDERSTANDING


<table>
<thead>
<tr>
<th>MULTICULTURAL HEALTH AND BEAUTY CARE DEPT</th>
<th>NHWHITE HEALTH AND BEAUTY CARE DEPT</th>
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<tbody>
<tr>
<td>FRAGRANCES-WOMEN 145</td>
<td>DIET AIDS 109</td>
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<tr>
<td>FAMILY PLANNING 138</td>
<td>PAIN REMEDIES 108</td>
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<tr>
<td>MEN’S TOILETRIES 130</td>
<td>MEDICATION/REMEDIES 105</td>
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<tr>
<td>FEMININE HYGIENE 125</td>
<td>COUGH &amp; COLD REMEDY 105</td>
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<td>BABY NEEDS 124</td>
<td>SHAVING NEEDS 104</td>
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<td>VITAMINS 102</td>
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<td>FIRST AID 102</td>
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<td>GROOMING AIDS 113</td>
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<td>ORAL HYGIENE 111</td>
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<td>HAIR CARE 109</td>
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<td>DEODORANT 107</td>
<td></td>
</tr>
<tr>
<td>COSMETICS 101</td>
<td></td>
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</tbody>
</table>
MULTICULTURAL MINDSET

“I BUY ORGANIC FOOD”
29% ASIAN-AMERICAN
18% HISPANIC
18% NHWHITE
14% AFRICAN-AMERICAN

“I EXPECT THE BRANDS I BUY TO SUPPORT SOCIAL CAUSES”
43% HISPANIC
39% AFRICAN-AMERICAN
38% ASIAN-AMERICAN
34% NHWHITE

“MY CULTURAL/ETHNIC HERITAGE IS AN IMPORTANT PART OF WHO I AM”
78% AFRICAN-AMERICAN
71% HISPANIC
61% ASIAN-AMERICAN
60% NHWHITE

“GOING ONLINE IS ONE OF MY FAVORITE THINGS TO DO WITH MY FREE TIME”
60% ASIAN-AMERICAN
57% HISPANIC
55% AFRICAN-AMERICAN
47% NHWHITE
UNDERSTANDING CULTURAL NUANCES

- FRESH AIR
  - PRODUCT USAGE
- BAR
  - PRODUCT FORM
- NOURISH
  - PRODUCT BENEFITS
- DIP
  - METHOD OF CONSUMPTION

- AMBIENCE
- LIQUID
- MOISTURIZE
- SPOON

SO... CAN WE CONNECT THIS TO MEDIA?

- HOW DO ADVERTISERS FIND AND TARGET SUPER CONSUMERS IN MEDIA?
- WHAT ABOUT SUPER CONSUMERS OF MEDIA (CONTENT, PRODUCTS)?
TECHNOLOGY PROVIDES A BRIDGE BETWEEN CULTURAL, NATIONAL AND INTERNATIONAL BORDERS

INTERNET-CONNECTED SMARTPHONE USAGE FOR HEAVY CONSUMERS OF KEY CATEGORIES

82% 70%

MULTICULTURAL  NON MULTICULTURAL

88% 76% 86%

ASIAN  BLACK  HISPANIC

MULTICULTURAL CONSUMERS ARE SUPER USERS OF SOCIAL MEDIA MOBILE APPS

MOBILE APPLICATION DURATION INDEX FOR HEAVIEST USERS OF MOBILE APPLICATION

SUPER CONSUMERS ARE A GREAT ADVERTISER GOAL

Networks Advertised on by Brand X
(Adults 18+ GRPs; Super Consumer Index)

Source: Nielsen and TCG Analysis, Nielsen Catalina Solutions
THEY EXIST IN MEDIA TOO ... 
AND ARE HUGE DRIVERS OF NEW PLATFORMS

TV/Video Super Consumers

Super Consumers: 10%

Other Consumers: 90%

TV/Video HH

TV/VIDEO SUPER CONSUMERS SPEND...

- 2.3X on TV/video content overall
- 3.3X on streaming subscriptions
- 5X on EST/downloads

...vs all other TV/video consumers

WHILE THEY ARE HEAVY USERS OF NEW PLATFORMS,
THEY STILL SPEND 2X ON TRADITIONAL TV

AND, THEY ARE ~50% MORE LIKELY
TO BE MULTI-CULTURAL

Note: Media Super Consumers defined as the top 10% of highest spending HHs spend on video content (e.g. TV, streaming subscription, digital/EST)
Source: TCG Media Survey
MULTI-CULTURAL = THE NEXUS OF ALL MEGA-TRENDS
THREE INCREMENTAL OPPORTUNITIES

Three Opportunities
1. Redefining mainstream
2. Mashup Innovation
3. Authenticity adventures

Mainstream Products/Media
Minority Products/Media

PRODUCTS/SERVICES

Minority (Ethnic)

CONSUMERS

“I’ll wait until 2050”

$$$
“Margin”

$“Mission”$
ETHNICALLY DRIVEN INCREMENTAL OPPORTUNITY

1. AUTHENTICITY ADVENTURES
2. MASHUP INNOVATION
3. REDEFINING MAINSTREAM
WHO IS WATCHING KOREAN DRAMAS?

ETHNIC BREAKOUT OF DRAMAFEVER VIEWERS

- Asian: 15%
- African American: 15%
- Hispanic: 30%
- White Non-Hispanic: 40%

MONTHLY MINUTES VIEWED BY SUBSCRIBERS

- Dramafever: 3,234
- Netflix: 644
- Hulu: 223

- Online streaming service specializing in Asian TV series and films
- 20M monthly unique viewers
- “Korea’s most favorite program” per Gallup Korean 2014
- Advertisers include Toyota, AT&T, Verizon, Samsung

Source: Vox.com, Here’s why millions of Americans are binge watching Korean dramas, 12/21/14
HOW CAN MULTICULTURAL SUPER CONSUMERS DRIVE MY BUSINESS STRATEGY?

INTEGRATE MULTICULTURAL INSIGHTS INTO YOUR CORE BUSINESS STRATEGY.

MARKETING TO MILLENNIALS AND YOUNGER GENERATIONS MUST BE DRIVEN BY MULTICULTURAL INSIGHTS.

PRIORITIZE BRANDS WITHIN YOUR PORTFOLIO WHERE OPPORTUNITY EXISTS WITH THE MULTICULTURAL SUPER CONSUMER.

IDENTIFY SUPER GEOS IN ORDER TO CONCENTRATE MARKETING EFFORTS AND LEVERAGE THE NETWORK EFFECT OF MULTICULTURAL SUPER CONSUMERS.

APPROACH DIGITAL AND TRADITIONAL MEDIA ACTIVATION THROUGH A MULTICULTURAL LENS.

WHO TO CONTACT FOR MORE INFORMATION

Use the “Download the Deck” widget at the bottom of your screen to save this list

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3. SUPER CONSUMERS AND SUPER GEOGRAPHIES
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4. NIELSEN CATALINA SOLUTIONS
   John.Stermer@ncsolutions.com
   (Advertising demographics)
TWEETABLE TAKEAWAYS
Share these key insights with your networks now!

• 92% of the total growth in the U.S. population from 2000 to 2014 came from multiculturals. –via @Nielsen  http://bit.ly/1JA84Pn

• Multicultural #SuperConsumers comprise the top 10% of HHs, but at least 30% of sales, 40% of growth, 50% of profits http://bit.ly/1JA84Pn

• Multicultural #SuperConsumers drive growth, sales & profits in categories like family planning and men’s toiletries http://bit.ly/1JA84Pn

• Multicultural consumers in Super Geographies have a stronger influence on other consumers' buying habits in the area. http://bit.ly/1JA84Pn
DOWNLOAD THE FULL REPORT HERE
The Multicultural Edge: Super Consumers Rising