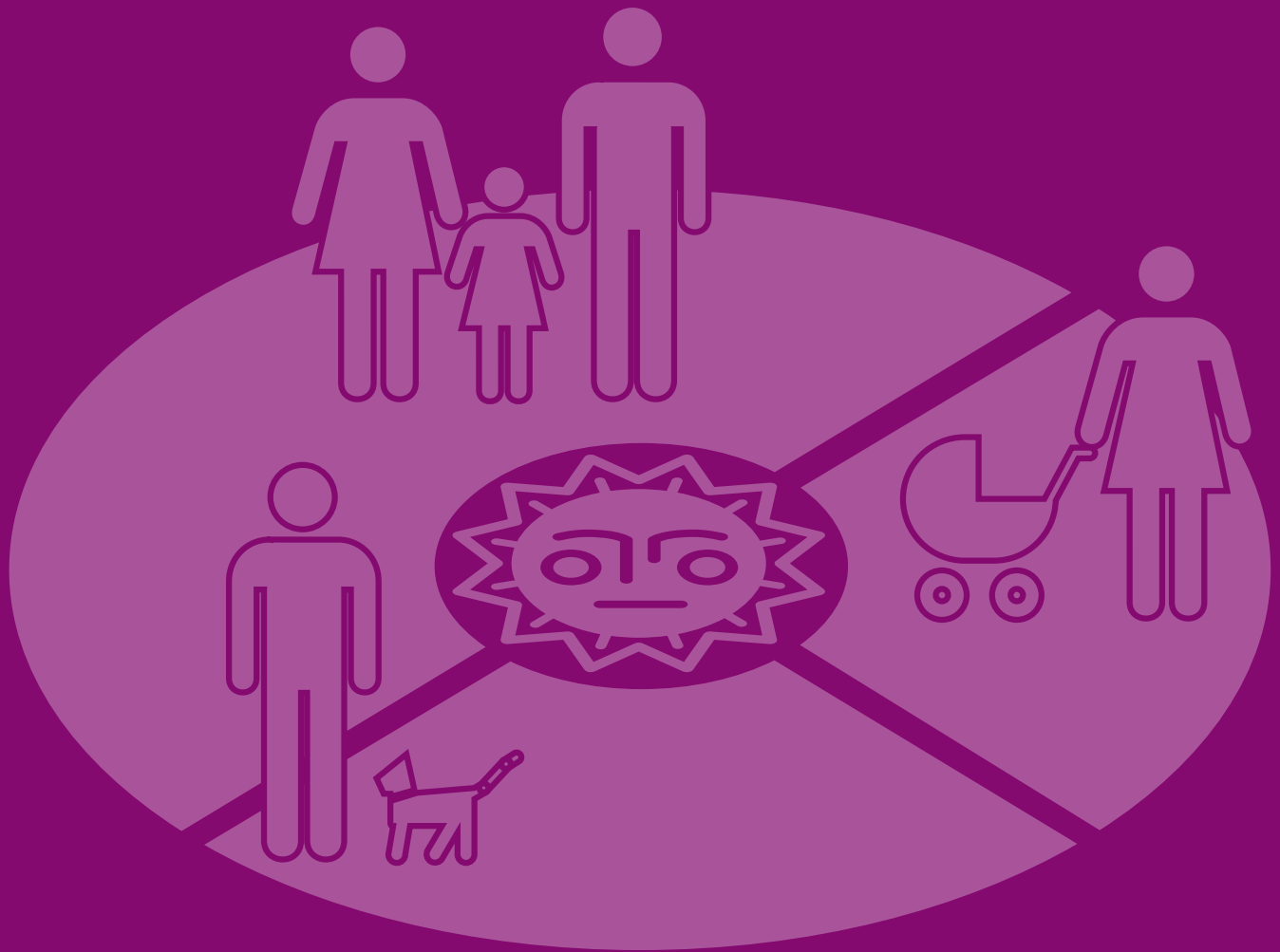


The New American Consumer:

State of the Hispanic Consumer Marketplace



An Experian white paper

Demographic Report

Delivering the mindset of the Hispanic consumer

The influence of the growing Hispanic population on American culture can be felt everywhere from the food we eat to the music we enjoy to even the ways we celebrate. A great example is the explosion of the quinceañera in recent years. While the quinceañera, the commemoration of a girl's fifteenth birthday, is widely celebrated in many parts of Latin America, demographic trends ensure that the tradition will continue to grow in popularity in the U.S. Last year alone, 1,008 Latina girls in the United States turned 15 every day, up from 934 who turned 15 each day in 2006.

Even though the Hispanic population is growing among all age groups, it's these younger generations where we can see the greatest influence. In fact, while 12% of Americans age 35 and older are Hispanic today (up 10% in 2006), nearly a quarter of Americans ages 6 to 34 are Hispanic or of Latin origin (up from 19% in 2006).

To help forward-thinking marketers stay ahead of this growing demographic and cultural trend, Experian Marketing Services offers this report, which identifies key trends among Hispanic-American consumers. Drawing on insights from Experian Simmons, a recognized leader in delivering trusted insights on the Hispanic marketplace, and Experian Hitwise, this report highlights important trends in demographics, economics, language, attitudes and online behaviors of this increasingly influential consumer set.

In this report, we will specifically:

- Track the growth of the Hispanic population among key age groups
- Size the market in terms of share of discretionary spend controlled by Hispanics
- Map the top Hispanic growth markets
- Trend Consumer Expectations of Hispanics relative to all U.S. adults
- Identify language preferences by generation
- Examine attitudes towards advertising in Spanish
- Pinpoint top shopping websites visited by Spanish-inclined consumers

For more information about Hispanic consumers, contact your Experian Marketing Services account manager or visit www.experian.com/simmons.

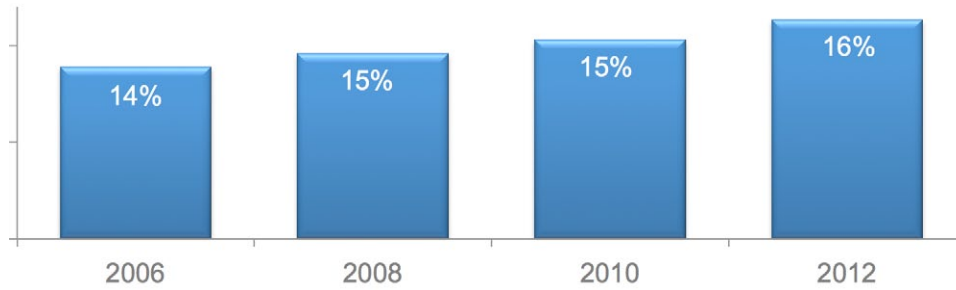
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Hispanic Population Continues Strong Growth

Hispanic population growing, especially among young cohorts

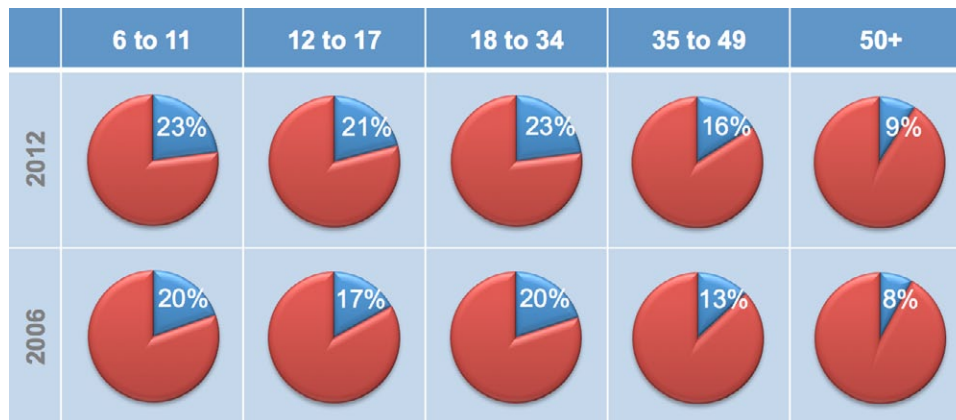
As the largest racial/ethnic minority group in the United States, the Hispanic population is only growing larger. In 2012, 16% of Americans age six and older identified as Hispanic or Latino, up from 14% in 2006. While the Hispanic population is increasing in share across all age cohorts, the fact that Hispanics already represent a much larger share of younger cohorts foretells even greater growth and influence of this segment on the American population in the years to come. Nearly a quarter of Americans age 6 to 34 today are Hispanic compared with less than 10% among those age 50 and older.

Percent of Americans age 6+ who are Hispanic/Latino



Source: Experian Simmons

Percent of U.S. adults by age group who are Hispanic/Latino, 2012 versus 2006



Source: Experian Simmons

Demographic Report

Discretionary Spending

Discretionary spending among Hispanics outpaces non-Hispanics

Hispanic households account for 10% of all discretionary spending in the United States, with annual expenditures of \$164.2 billion on non-essentials in 2012, up from \$143.9 billion in 2011. In fact, discretionary spending of Hispanic households grew 14% in the past year while spending among non-Hispanic households remained relatively flat.

Regionally, Hispanic households in the South and West control a much larger share of the region's total expenditures on non-essentials than in the Northeast and Midwest. Specifically, more than one-in-six dollars spent on non-essentials in the South (or 17%) are controlled by Hispanic households while in the Midwest, only one-in-twenty discretionary expenditure dollars come from Hispanic households.

Total Discretionary Spend and percent controlled by Hispanic households, 2012

	Total Annual Discretionary Spend of Hispanic households (in billions)	% of Total Discretionary Spend
All U.S.	\$ 164.2	10%
Midwest	\$ 17.4	5%
Northeast	\$ 21.3	7%
South	\$ 64.7	11%
West	\$ 60.8	17%

Source: Experian Simmons

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Discretionary Spending by Market

Hispanic control of discretionary spending varies greatly by market

Marketers need to understand the degree to which Hispanic households control total discretionary spend. In the San Antonio Designated Market Area (DMA), for instance, Hispanic households account for fully 60% of the area's \$11.2 billion dollars in annual discretionary spending compared with just 6% of the Washington, D.C. DMA's \$41.6 billion in annual discretionary spending that comes from Hispanic households.

% of total discretionary spend controlled by Hispanic households in select DMAs, 2012



Source: Experian Simmons

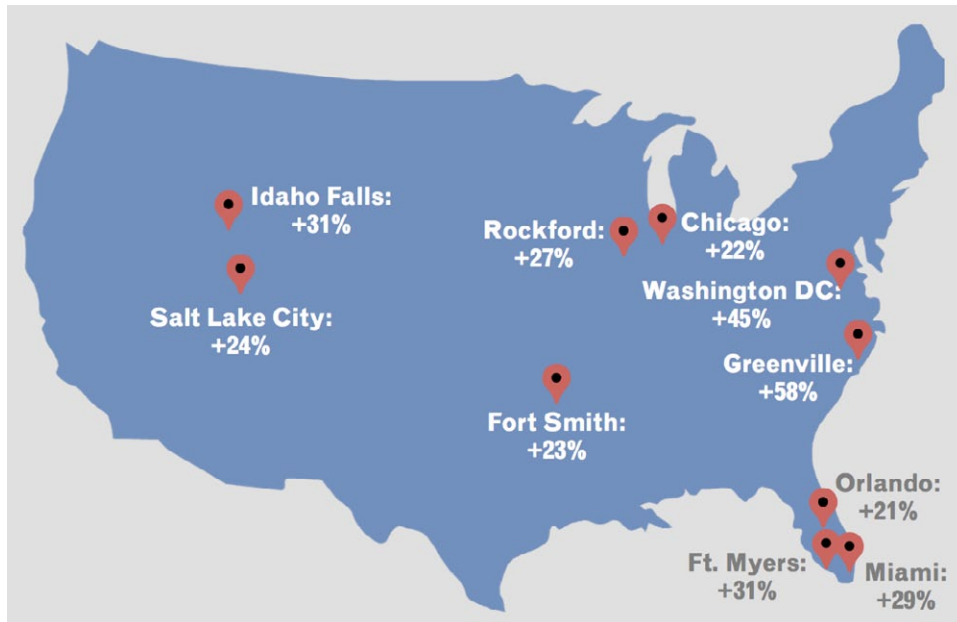
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Hispanic Growth Markets

Markets across the nation see significant increases in Hispanic population

Between 2006 and 2012, the Hispanic adult population nationwide grew from just under 13% of the population to just over 15%. On the map below, we've identified the 10 Designated Market Areas (DMAs) where the Hispanic adult population as a share of the total adult population grew the most since 2006. Markets from North to South, East to West are represented, reflecting the fact that Hispanic influence is growing across the country. Today, 8.7% of the adult population in the Greenville-North Bern-Washington, North Carolina DMA is Hispanic, up from 5.5% of the adult population in 2006, meaning that the Hispanic population as a percentage of the total population grew by a relative 58% in just a few short years. Even in many Florida markets, where the Hispanic population was already at or above the national average, we see the Hispanic population growing much faster than that of non-Hispanics.

Top 10 DMAs where Hispanic population grew the most between 2006 and 2011 relative to total adult population



*Filtered by DMAs with at least 200,000 adult residents and Hispanic population >5% in 2006

Source: Experian Simmons

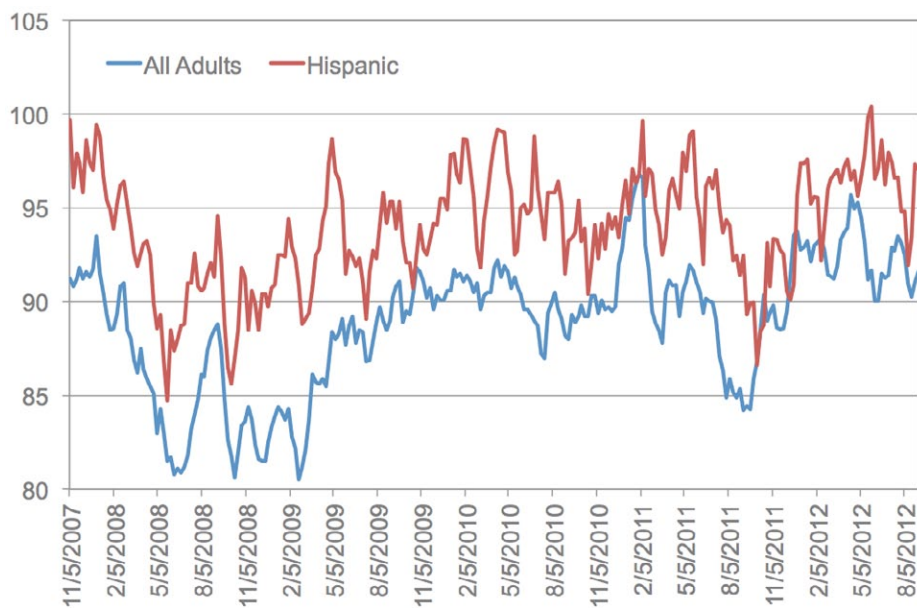
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Consumer Expectations

Hispanic consumers are more optimistic about their financial future

Using the Experian Consumer Expectations Index (CEI), we can track expectations week-by-week from November 5, 2007 through today. We see that, with few exceptions, Hispanic consumers, on average, are more optimistic about their personal financial situation and that of the United States as a whole than the rest of the population. Even during the great recession, when expectations of all adults dropped dramatically, Hispanics remained more optimistic. Since reporting of the CEI began, Hispanic consumers score five index points above the all adult average. This optimism should translate into better opportunities for marketers, since Hispanic consumers are more likely to feel like they'll have more money and that the country, as a whole, will be doing better in the year to come.

Consumer Expectations Index by ethnicity, weekly November 2007 through August 2012



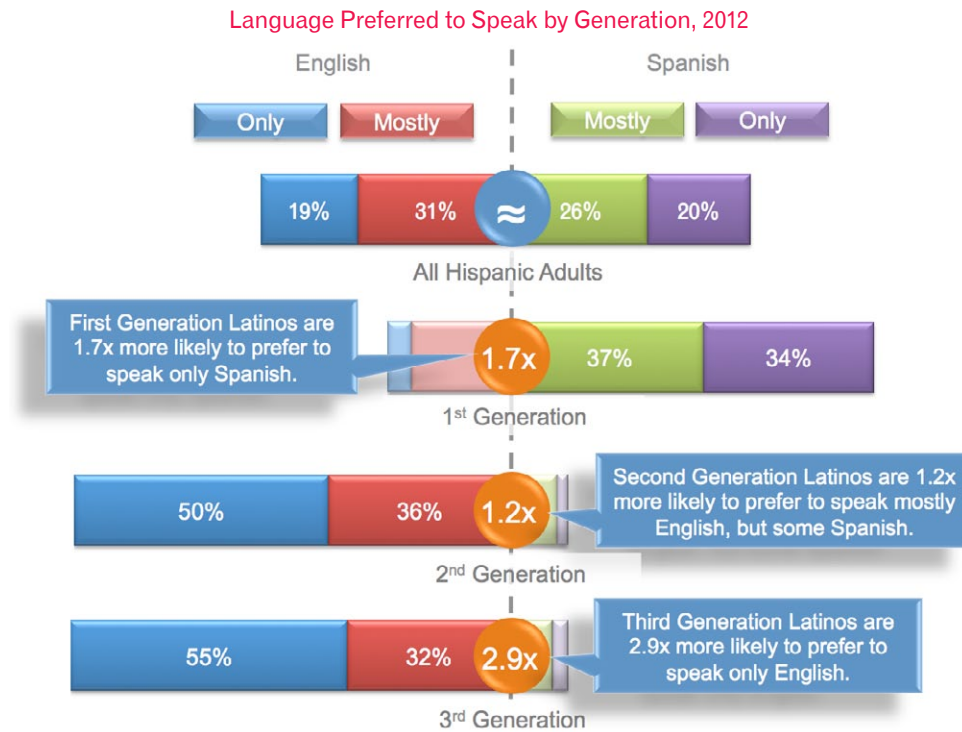
Source: Experian Simmons

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Language Preferences

Three-quarters of Hispanic adults prefer to speak at least some Spanish

Among all Hispanics, there is about an even split between the percentage who prefer to speak mostly or only English versus only or mostly Spanish. However, when we look at Hispanics by generation, those born outside the U.S. (first generation) favor speaking Spanish by a wide margin. Among second generation Hispanics, those born in the U.S. to at least one foreign-born parent, a clear majority prefer to speak either all or mostly in English. Even though 55% of third generation Hispanics, those born in the U.S. to American-born parents, say they prefer to speak only in English, the remainder say that they still prefer to speak Spanish at least some of the time.



Source: Experian Simmons

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Attitudes Towards Advertising

Advertising in Spanish matters, even among English-dominant Hispanics

Hispanics, even many English-dominant Hispanics, still have emotional ties to the Spanish language that carry over to companies that advertise in Spanish. For instance, 52% of Spanish-dominant Hispanics and 29% English-dominant Hispanics say, "When I hear a company advertise in Spanish, it makes me feel like they respect my heritage and want my business."

Attitudes towards advertising by language preference, 2012



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Top Shopping Websites

Technology sites skew towards Spanish-inclined Web users

As we just explained, being able to access Websites in Spanish is especially important for Spanish-dominant Hispanics. Looking at the Shopping and Classified-categorized Websites that are visited at above average rates by Spanish-inclined adults¹, we see a number of technology-related sites, such as Google Play, the Apple Store and Virgin Mobile, which reflects the larger tendency of Hispanic consumers to be early adopters and heavy users of mobile devices. Specifically, Spanish-inclined adults are 70% more likely to visit the Google Play site than the average online adult. We also see that Spanish-inclined adults are more likely to visit toy sites, like LEGO Worlds and Toys 'R' Us. These companies and others like them, may indeed enjoy greater loyalty and respect from the Hispanic population—English- and Spanish-dominant alike—by providing visitors the option to experience their sites in Spanish.

Top indexing Shopping/Classified sites among Spanish-inclined adults, 2012

Rank	Website	Index	Rank	Website	Index
1	Google Play	170	11	Victoria's Secret	127
2	LEGO Worlds	163	12	Old Navy	125
3	Apple Store	160	13	Costco	125
4	Virgin Mobile USA	151	14	Alibaba.com	121
5	TOYS 'R' US USA	143	15	Apple iPod & iTunes	118
6	GameStop	142	16	Nordstrom	112
7	Autozone.com	141	17	Ticketmaster	112
8	Shopping.com	141	18	Kmart.com	109
9	Macy*s	135	19	Amazon.com	109
10	Best Buy	130	20	Office Depot	109

Source: Experian Hitwise

¹ "Spanish-inclined" is defined as U.S. online adults who visited select Spanish-language Websites or who are categorized as one of four Hispanic Mosaic USA consumer segments

Experian Marketing Services
1271 Avenue of the Americas
45th Floor
New York, NY 10020
www.experian.com/simmons
1 800 918 9064



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