Numerator

CONSUMER DEEP DIVE

Honoring Hispanic & Latino Heritage in America

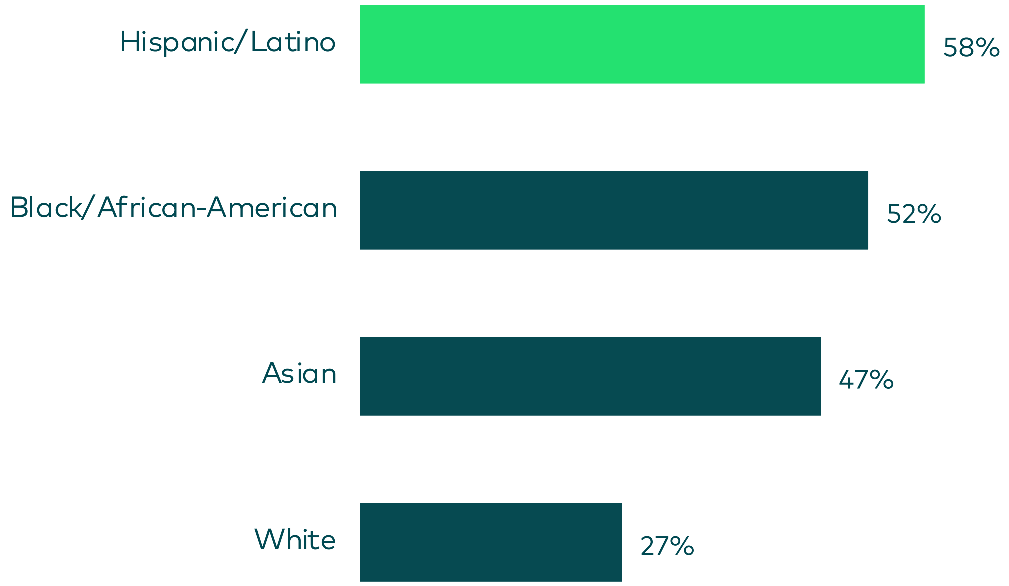
A SINGLE DATA SOURCE. INFINITE INSIGHTS.

Heritage is a distinct value all brands need to consider with Hispanic/Latino homes.

Nearly 3 in 5 consider heritage to be central to their identity—the largest of any ethnicity. When asked why heritage is important to the products they purchase, Hispanic/Latino consumers mentioned nostalgia and familiarity which also dictates where they shop.

CONSIDERS HERITAGE EXTREMELY / VERY IMPORTANT

% of Households



“

I mostly **BUY THE BRANDS I KNOW** because I was raised eating and trying those specific items.

I feel like heritage steers us more toward the brands and stores **WE GROW UP WITH**.

Food is a huge part of my heritage. I seem to always buy brands that I grow up with. I **PREFER TO GO STORES** that carry those brands.

Source: Numerator Insights | Latest 12 Months Ending 7/31/2022

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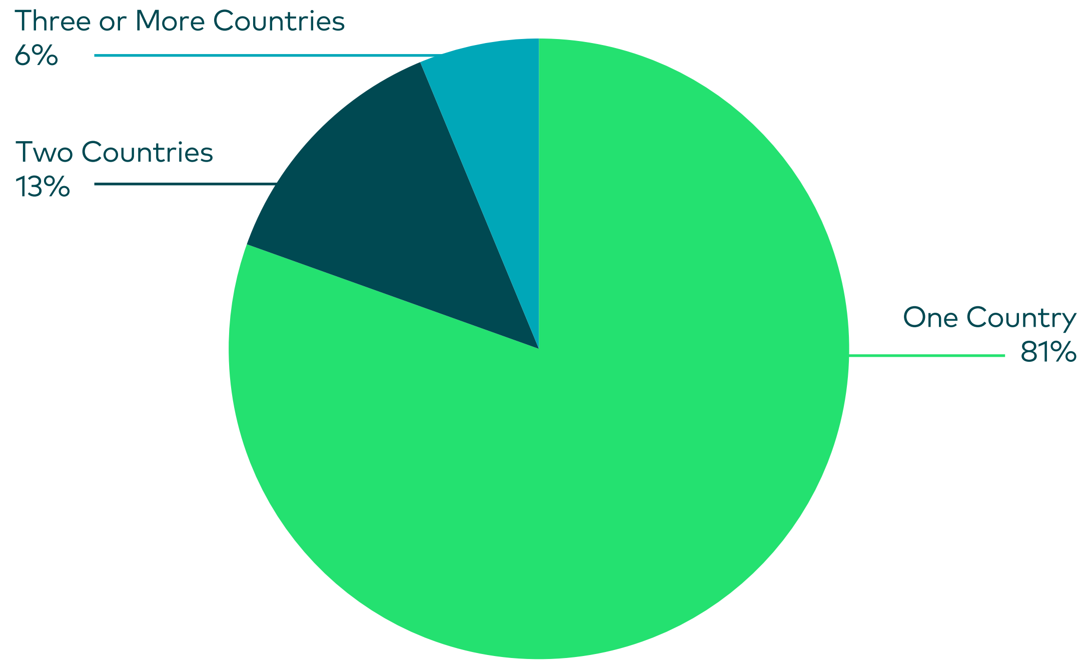
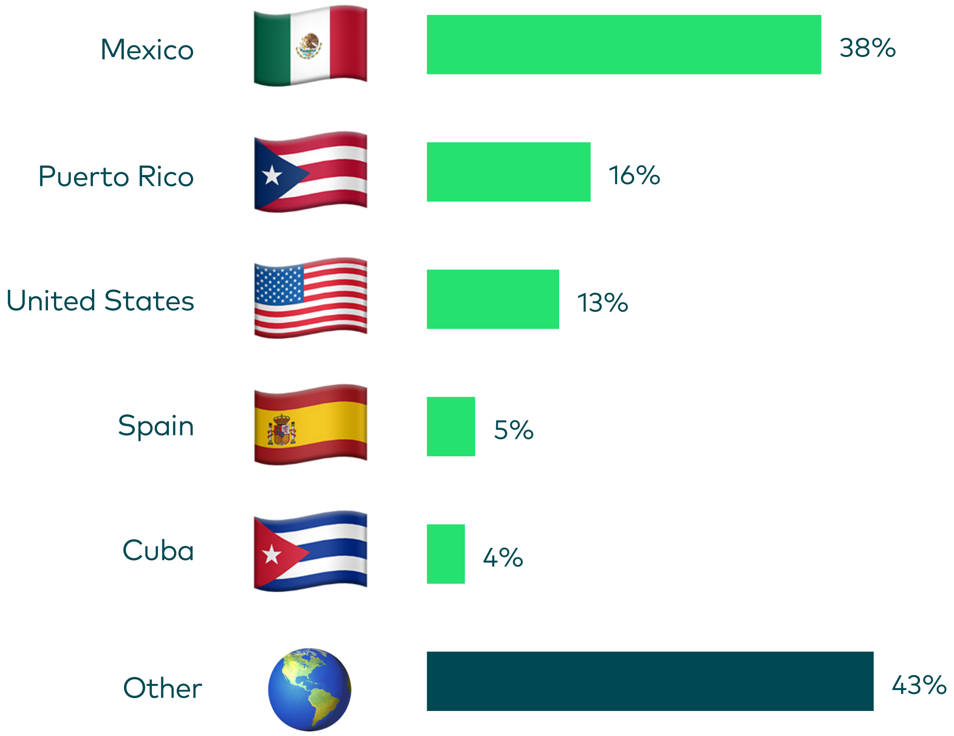
While Hispanic/Latino heritage is diverse, it is also centralized.

4 in 5 Hispanic/Latino consumers only identify their heritage with one country. Of Hispanic/Latino consumers describing their heritage, no country takes majority with only 38% considering their heritage stemming from Mexico, 16% from Puerto Rico and 13% from the US.

NUMBER OF COUNTRIES IDENTIFIED AS PART OF HERITAGE



TOP 5 COUNTRIES CENTRAL TO HISPANIC/LATINO HERITAGE



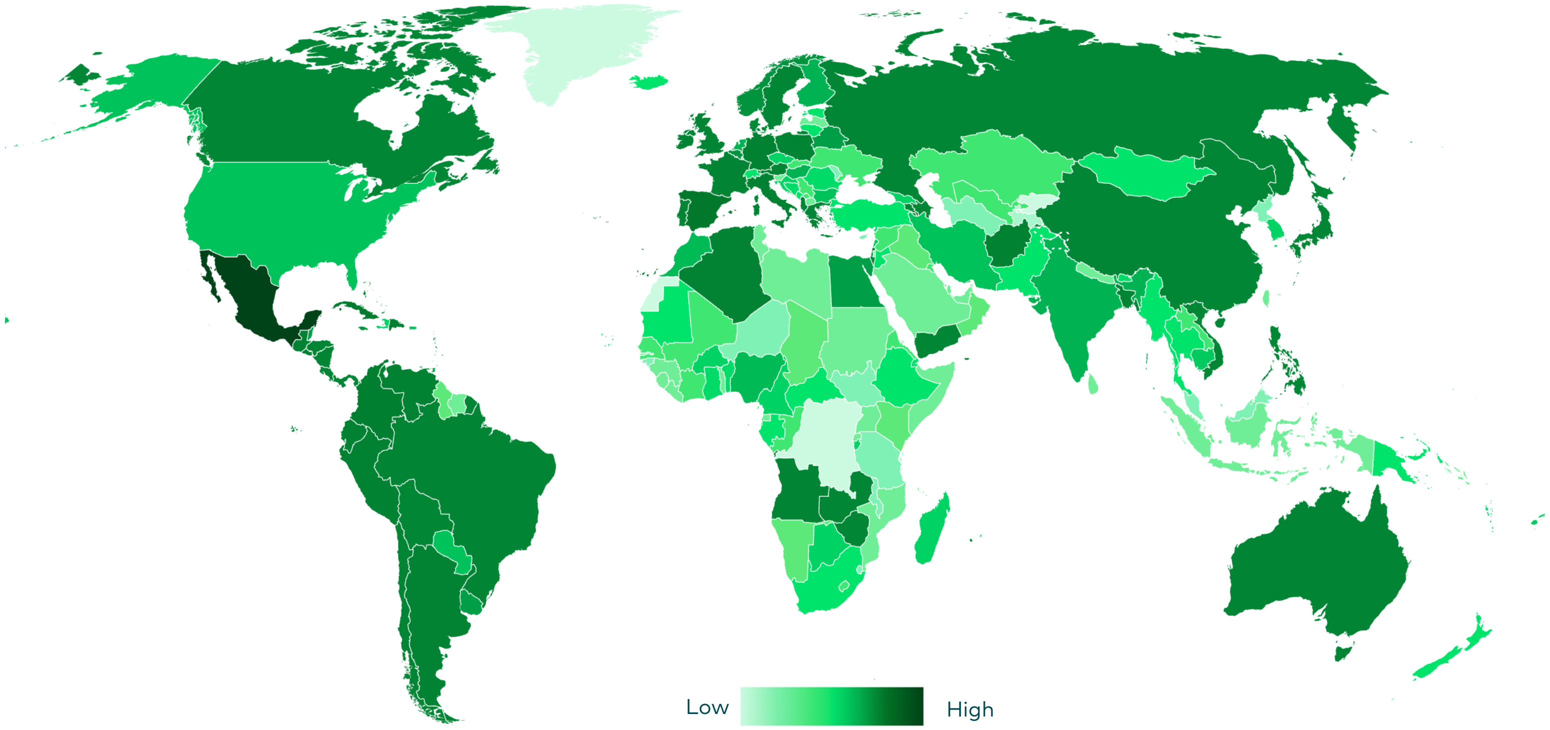
Brands and retailers need to resonate across heritage for Hispanic/Latino consumers.

There are five main regions that capture most Hispanic/Latino consumers: Mexico/Central America, Caribbean, North America, Western Europe & South America.

HERITAGE BY TOP REGIONS FOR HISPANIC/LATINO HOUSEHOLDS[1]

Mexico/Central America	51%
Caribbean	25%
North America *excl. Mexico, Caribbean*	14%
Western Europe	14%
South America	12%

COUNTRIES IDENTIFIED AS PART OF HERITAGE BY HISPANIC/LATINO HOUSEHOLDS



With the range of heritage, winning with Hispanic/Latino consumers requires a nuanced approach given their diverse demographic and psychographic background.

PROFILES OF HISPANIC/LATINO CONSUMERS OF TOP FIVE REGIONS

Index to Total Hispanic/Latino

	MEXICO/ CENTRAL AMERICA	CARIBBEAN	NORTH AMERICA	WESTERN EUROPE	SOUTH AMERICA
AGE GENERATION	Millennial & Gen X 82% | 105	Boomers+ 21% | 157	Gen X & Boomers+ 61% | 115	Gen X & Boomers+ 64% | 120	Millennial & Gen X 81% | 104
HOBBIES	Surfing the Internet 30% | 128 Watch Sports on TV 15% | 135	Reading 33% | 137 Entertaining at Home 19% | 138	Listening to music 53% | 134 Scapbooking 11% | 184	Listening to music 54% | 138 BBQ/Grilling 22% | 196	Cooking 36% | 123 Entertaining at Home 19% | 138
SHOPPING STYLE	Impulse Buyer 21% | 130	Coupon Clipper 38% | 131	Impulse Buyer 23% | 140	Coupon Clipper 41% | 142	Deal Focused 32% | 128

Source: Numerator Insights | Latest 12 Months Ending 7/31/2022
*North America excludes Mexico & Caribbean

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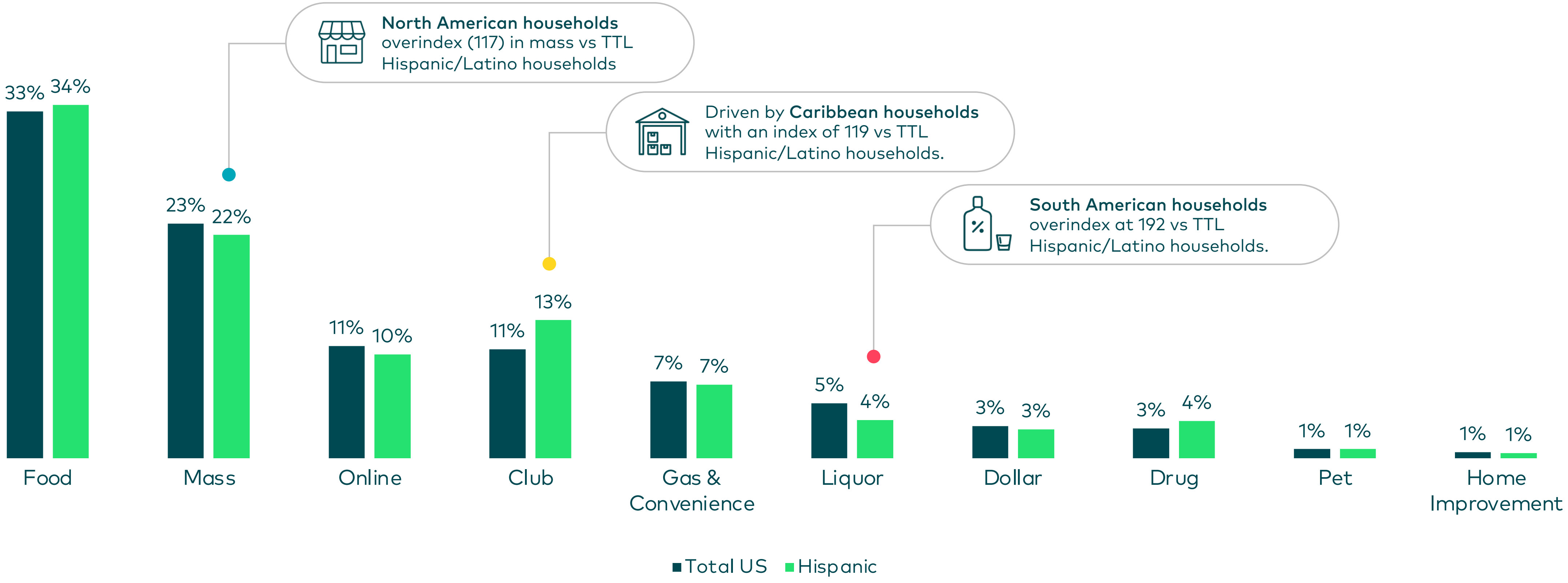
For example, while total Hispanic/Latino channel purchasing follows US trends, segmenting by heritage shows critical differences brands & retailers need to know to win.

TOTAL CPG DOLLAR SHARE BY CHANNEL



Source: Numerator TruView | L12M Ending 7/23/2022 | Numerator Insights | L12M Ending 7/31/2022
*North America excludes Mexico & Caribbean

We deep-dived into three central themes that were distinctly unique to Hispanics/Latinos and their implications across heritage.

THREE THEMES UNIQUE TO THE HISPANIC/LATINO HOUSEHOLD ACROSS HERITAGE

THE FAMILY

- Hispanic/Latino households are young and diverse. They are **raising the next generation** and **are dog lovers**.
- Brands need to deaverage the shopper base across heritage to **properly grow with the consumer**. For example:
  - South American homes are more likely to be deal-seekers when it comes to diapering.
  - North American, Western Europe, Mexico/Central American households drive dog ownership.

THE DINNER TABLE

- Be considerate of **dietary restrictions** as Hispanic/Latino homes are the most likely ethnicity to have them.
- Grocery categories overindexing on Hispanic/Latino households are growing share–a sign of **driving food trends**.
- To be part of the dinner table and understand needs, brands and retailers **need to segment across heritage.**
- Understand food consumption beyond grocery shopping. Hispanic/Latino homes **drive out of home consumption.**

THE LANGUAGE

- Linguistic diversity is key. Over 4 in 5 Hispanic/Latino homes **are multilingual**– nearly 9 in 10 for South American homes.
- Move beyond putting Spanish ads just in linear media, Hispanic/ Latino households are the **most likely** to be subscribed to a **video streaming** service.
- Drive purchasing with Hispanic/Latino households **by investing** in multilingual packaging and heritage brands because 1 in 4 multilingual consumers trust brands in their preferred language used at home.

Source: Numerator Insights | Latest 12 Months Ending 7/31/2022

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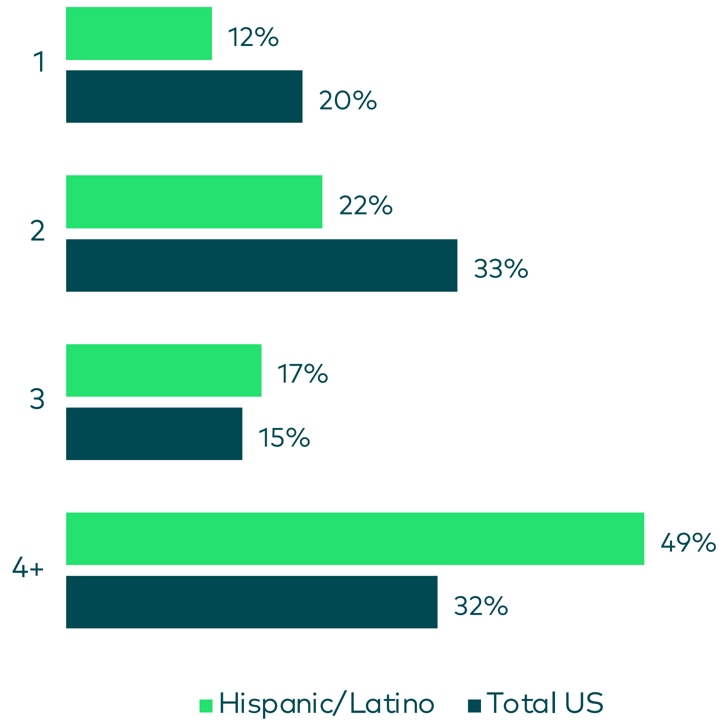
The Family

What does the family makeup look like and how does that affect how brands should target by heritage?

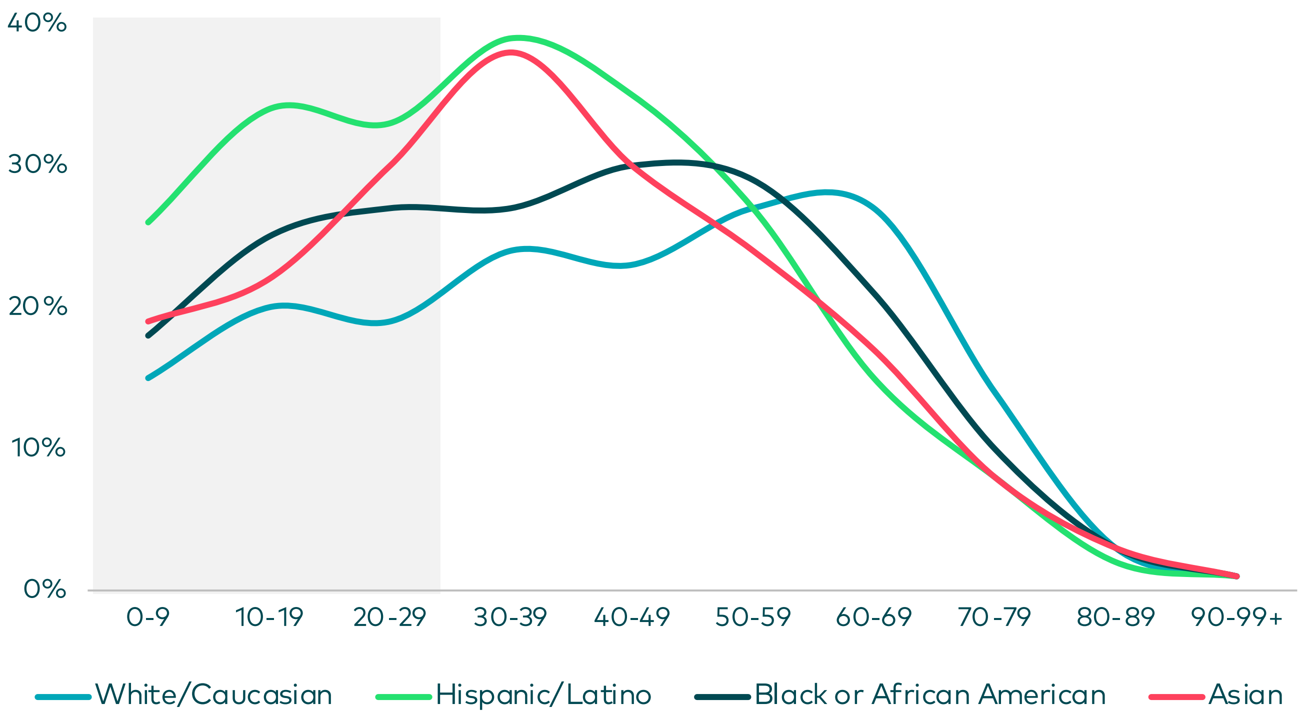
Hispanic/Latino homes are larger, emerging homes driving the next emerging generation.

Hispanic/Latino households are over 53% more likely to consist of 4+ members, and the age range of those members skew the youngest compared to any other ethnicity.

HISPANIC/LATINO HOUSEHOLD SIZE



% OF HOUSEHOLDS FOR HOUSEHOLD MEMBER AGE BY ETHNICITY



Source: Numerator Insights | Latest 12 Months Ending 7/31/2022

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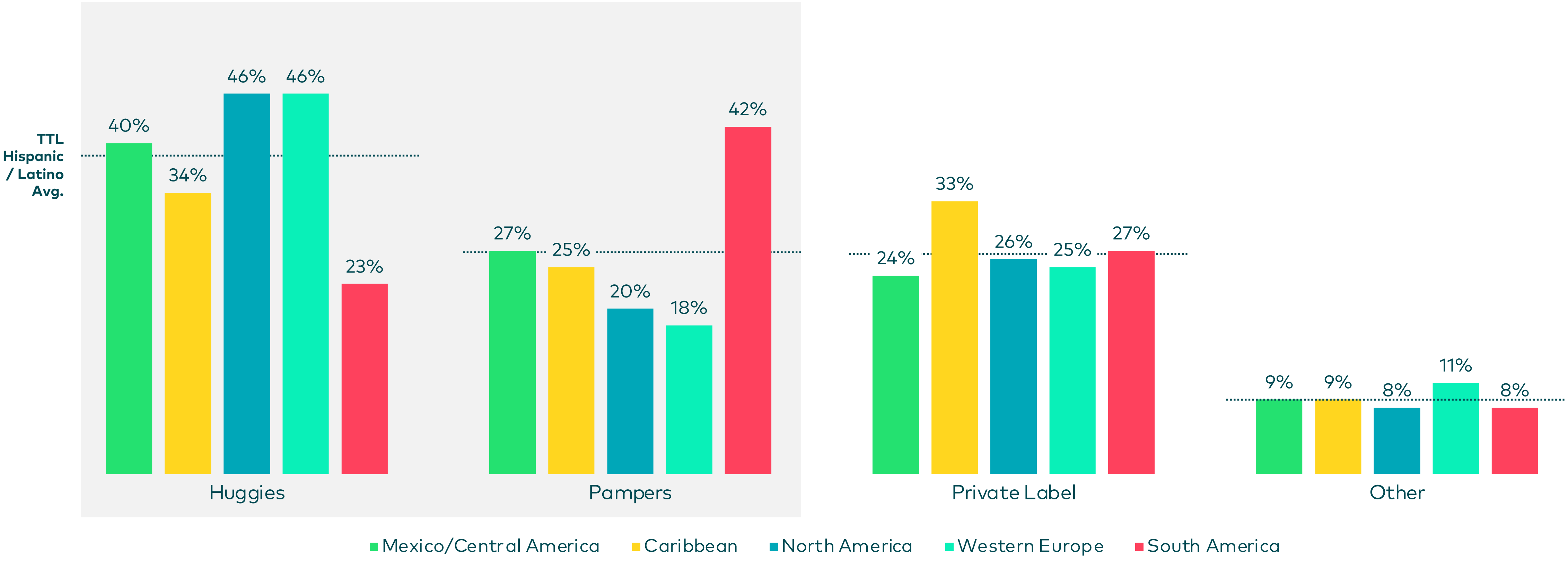
In the case of baby brands, delineating across heritage for Hispanic/Latinos is an imperative.

Those identifying with South American heritage share of spend on Pampers for diapering ranges from 1.5-2x as large compared to other heritage groups. Brands in children/baby categories should break down their shopper base to find pockets of opportunity to right-size their share.

DIAPERING SHARE OF WALLET BY HISPANIC/LATINO HERITAGE GROUP



Source: Numerator Insights | Latest 12 Months Ending 7/31/2022
*North America excludes Mexico & Caribbean

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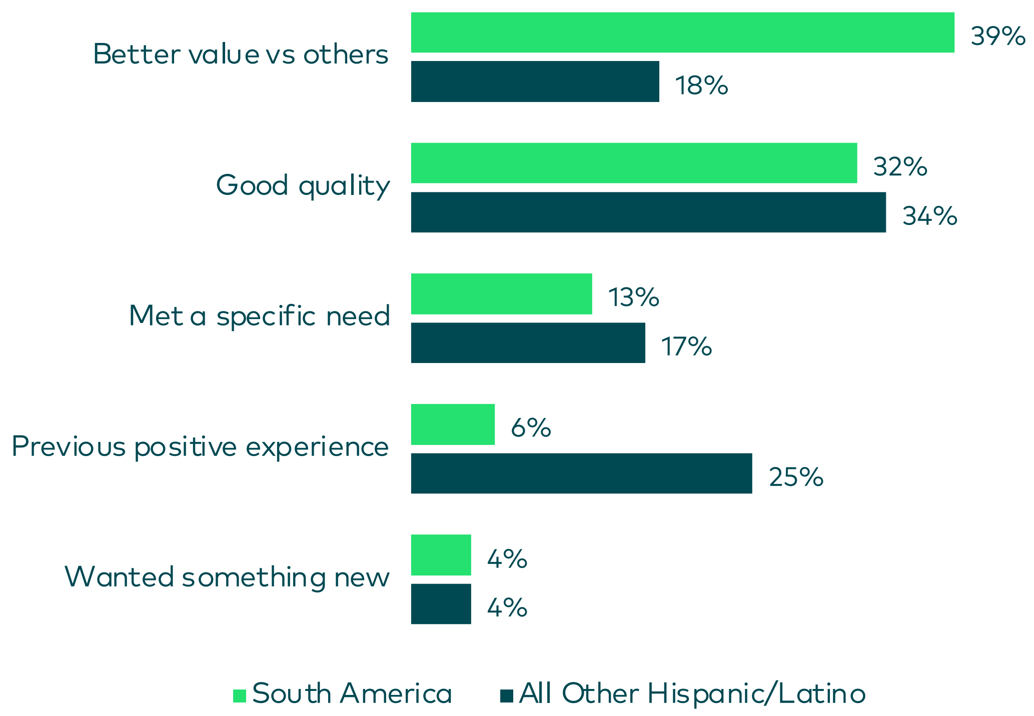
Sales & affordability drive purchases for South American Hispanics/Latinos.

When purchasing diapers, South American heritage households were 2x more likely to say they purchased Pampers because of being a better value vs all other Hispanic/Latinos. In fact, finding a good deal is unique to the group with 1 in 3 saying they would switch brands for savings.

PURCHASE DRIVER OF PAMPERS DIAPERING



32%

South American Hispanic/Latino households would switch brands if there was a deal.
(Total Hispanic 25% | 128 index)

#1 Most Promoted

Pampers has the largest share of promotional voice based on adblocks for Diapering.

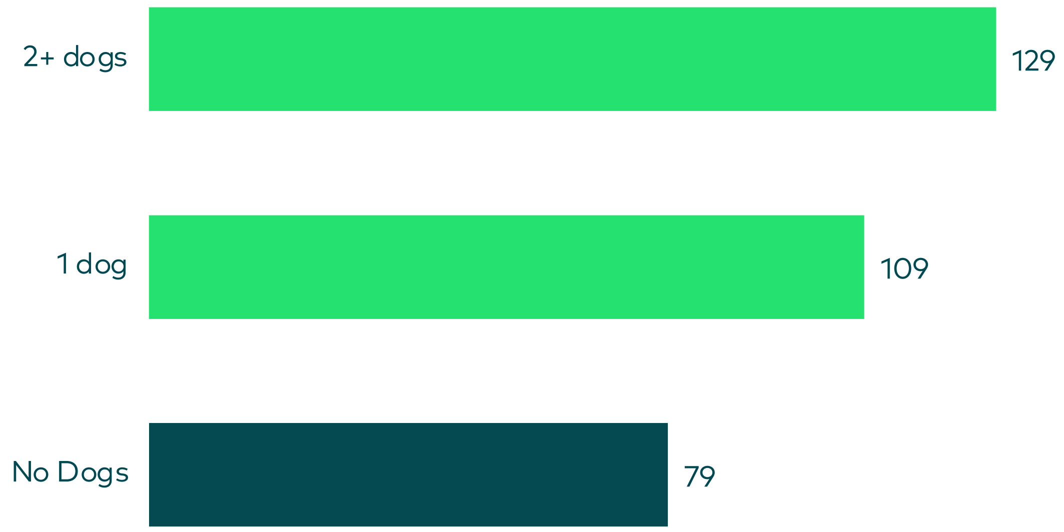
Source Left: Numerator Instant Surveys Fielded 8/29/2022-8/30/2022 (South American Hispanics/Latinos n=84and All Other N=208)
Source Right: Numerator Insights Latest 12 Months Ending 7/31/2022 | Numerator Promo Intel L12M Ending 7/31/2022

The Hispanic/Latino home also consists of another member—the dog.

Hispanic/Latino homes are 29% more likely to own more than 2 dogs. 1 in 3 are expected to be a mixed breed, but Hispanic/Latino homes are also more likely to own German Shepherds and Poodles.

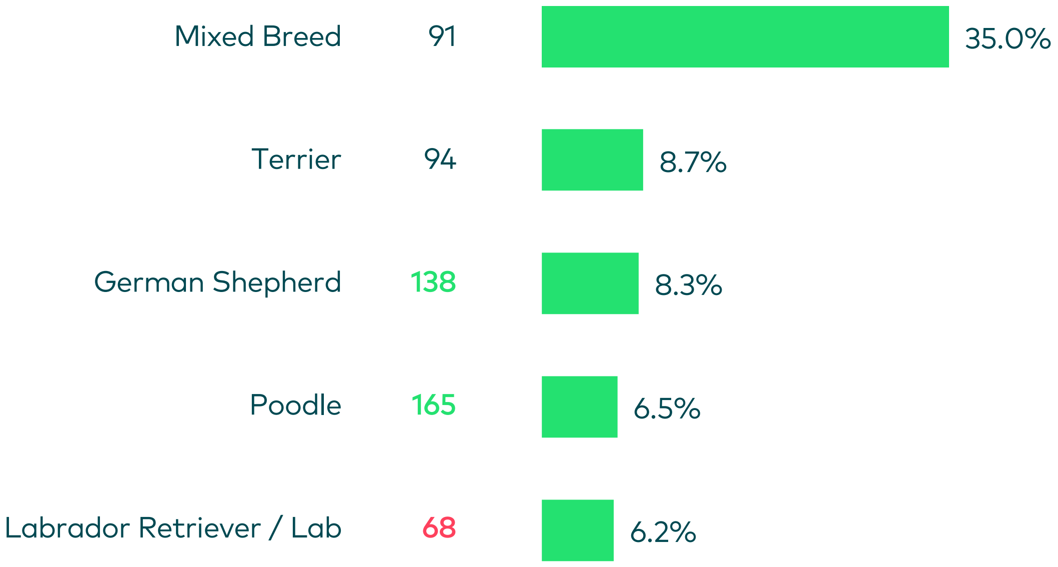
HISPANIC/LATINO DOG OWNERSHIP

Index to Total US



DOG BREED OWNERSHIP

% of Hispanic/Latino | Index to Total US



Source: Numerator Insights | Latest 12 Months Ending 7/31/2022

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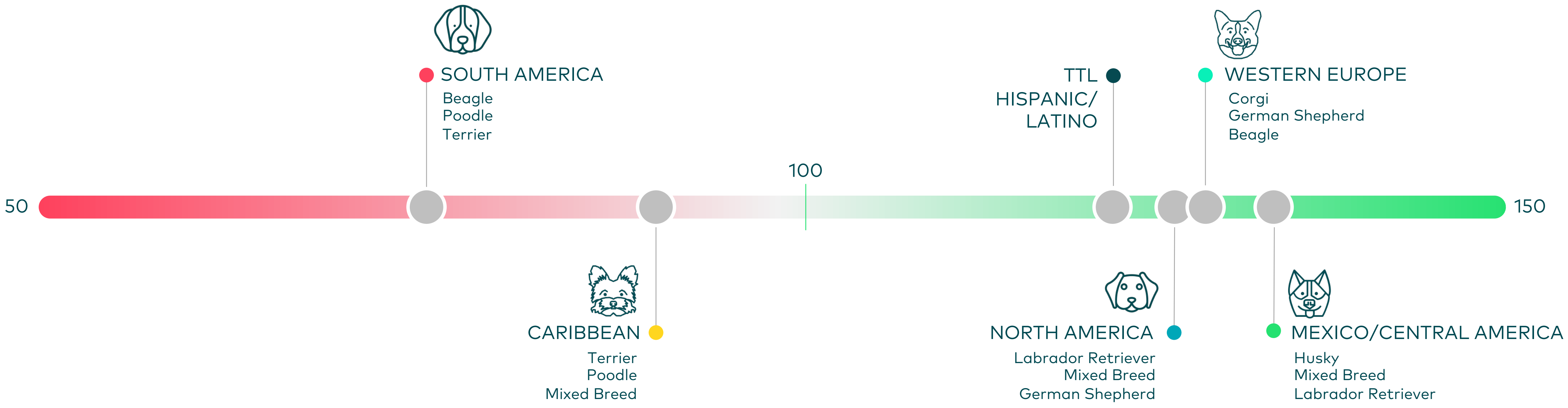
Pet brands need to target smart as ownership varies widely across heritage groups.

South American and Caribbean Hispanic/Latino households were even less likely compared to the Total US to own multiple dogs. Pet brands could see more effective advertising by targeting North American, Western Europe & Central American Hispanic/Latino homes and their respective breeds.

HISPANIC/LATINO 2+ DOG OWNERSHIP BY HERITAGE

Index to Total US | Top 3 Over-indexed Breeds to Total Hispanic/Latino (>5% Incidence)



Source: Numerator Insights | Latest 12 Months Ending 7/31/2022
*North America excludes Mexico & Caribbean

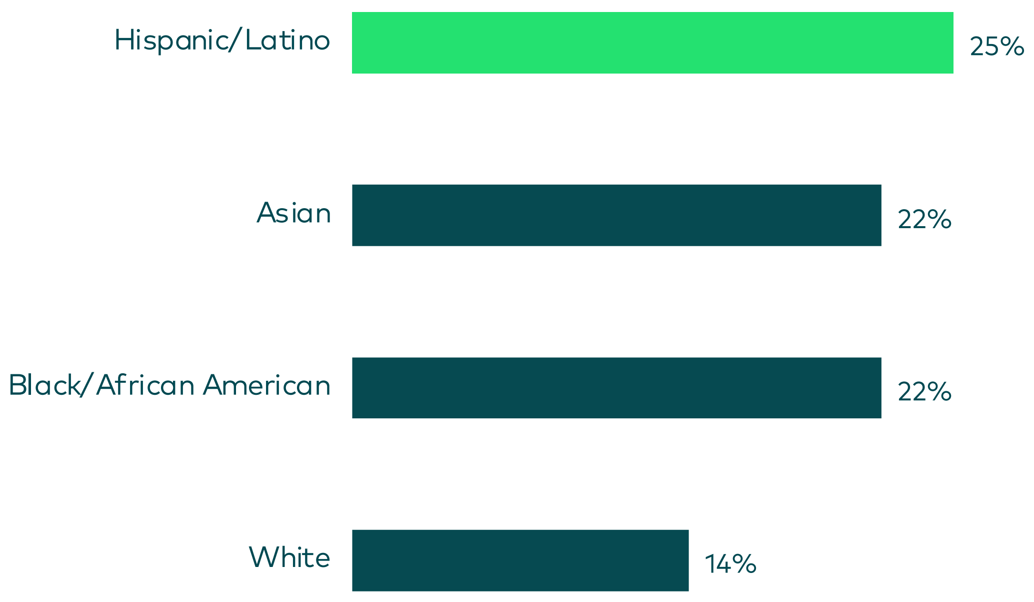
The Dinner Table

What does the table look like for Hispanic/Latino homes and how does that differ across heritage groups?

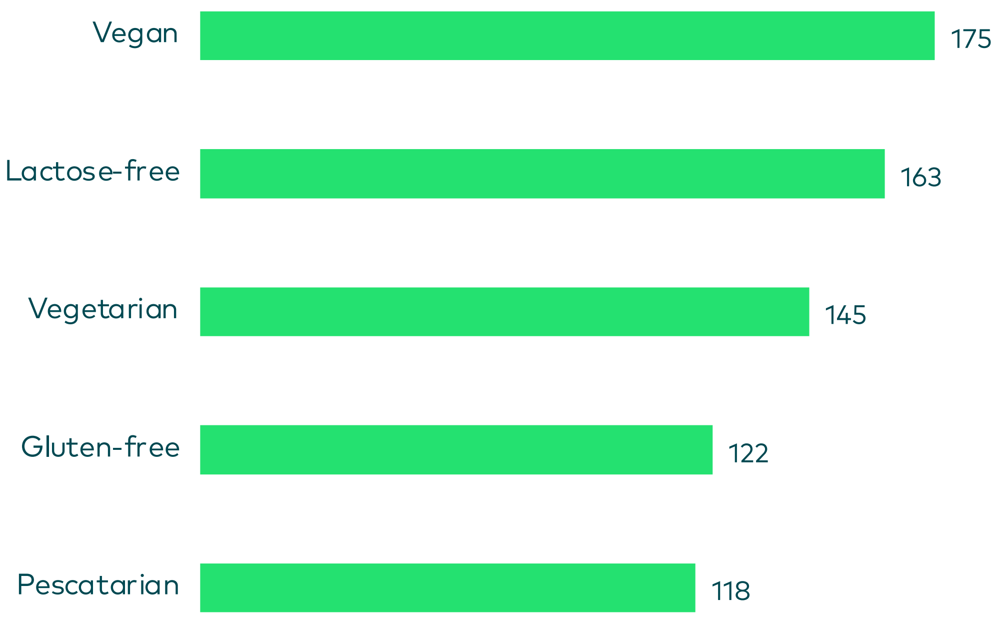
For brands to sit at the Hispanic/Latino dinner table, understanding their diet is key.

1 in 4 Hispanic/Latino homes have some sort of dietary restriction. Additionally, Hispanic/Latino households are more likely to be vegan, lactose-free and vegetarian compared to total US.

HOUSEHOLDS WITH DIETARY RESTRICTIONS



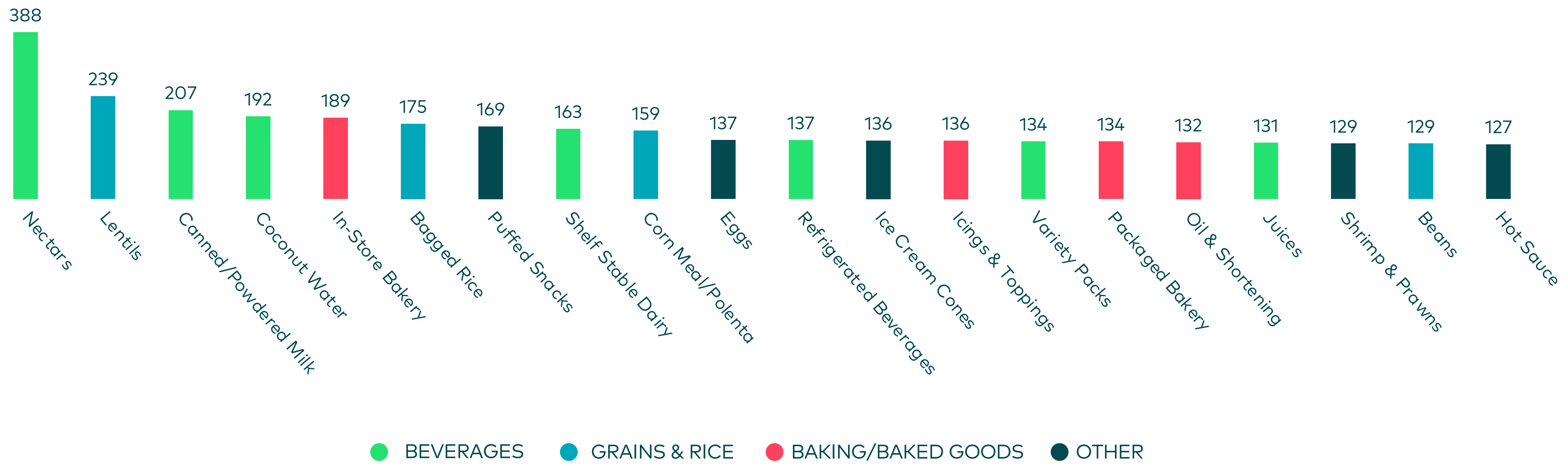
HISPANIC/LATINO DIETARY RESTRICTIONS INDEX TO US



Hispanics/Latinos showcase unique preferences for refreshing drinks, baking and grains.

In fact, Hispanics/Latinos could help identify food trends. Over 3 in 5 grocery categories Hispanic/Latino households overindex in are categories that are growing share within grocery.

HISPANIC/LATINO TOP OVERINDEXING CATEGORIES BASED ON GROCERY DOLLAR SHARE
Index to Total US



Source: Numerator TruView | L12M Ending 7/23/2022

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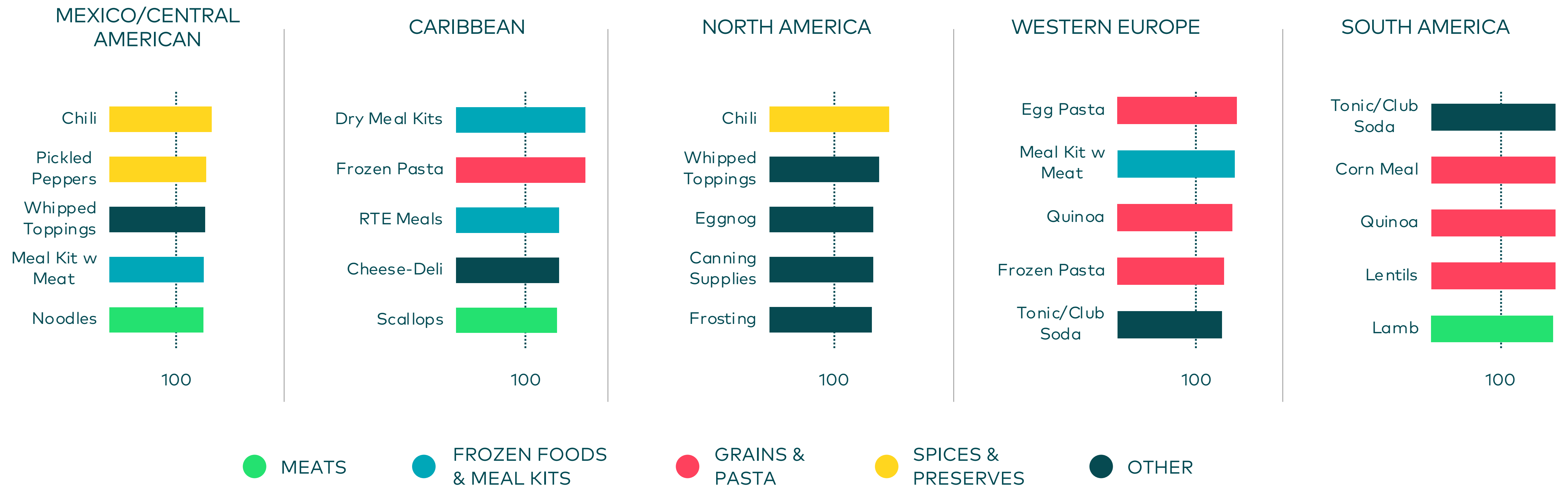
Brands operating in any category can find growth with Hispanic/Latino households.

Spices and pickled products rise to the top for those with heritage originating from within continental North America. Caribbean households seek convenience with ready to eat meals and frozen goods. Western Europe & South American homes lean towards Grains & Pasta.

TOP FIVE OVERINDEXING CATEGORIES BASED ON % OF HOUSEHOLDS

Index to Total Hispanic/Latino



Source: Numerator Insights | Latest 12 Months Ending 7/31/2022
*North America excludes Mexico & Caribbean

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Alcohol beverages accompanying the dinner table also range across heritage.

Wine culture holds strong for Hispanic/Latino households with heritage stemming from the Caribbean, Western Europe and South America. Preferences for beer is more skewed for those identifying with Mexico/Central America.

ALCOHOL BEVERAGE SHARE OF WALLET BY HERITAGE INDEX

Index to Total Hispanic/Latino

	BEER	WINE	SPIRITS	RTD ALC. BEV.	COCKTAIL COMPONENTS
MEXICO/CENTRAL AMERICA	114	85	91	102	96
CARIBBEAN	78	124	119	82	104
NORTH AMERICA	96	87	112	96	105
WESTERN EUROPE	86	135	100	88	94
SOUTH AMERICA	77	153	108	56	90

Source: Numerator Insights | Latest 12 Months Ending 7/31/2022
*North America excludes Mexico & Caribbean

The dinner table may not necessarily be at home—Hispanic/Latino homes are driving OOH.

Across every heritage, McDonald's & Chick-fil-A maintains similar share of wallet. Caribbean households are more likely to be place share within the top three QSRs. Taco Bell overindexes with households identifying with North America & Western Europe regions.

Hispanic/Latino consumers are

72%

More likely to eat out **6+ times a week** vs total US

FAST FOOD SHARE OF WALLET BY HERITAGE INDEX

Index to Total Hispanic/Latino | Top Four Banners

			Wendy's	TACO BELL
MEXICO/ CENTRAL AMERICA	97	98	80	100
CARIBBEAN	112	115	157	100
NORTH AMERICA	98	93	107	111
WESTERN EUROPE	96	94	100	124
SOUTH AMERICA	98	108	95	79

Source: Numerator Insights | Latest 12 Months Ending 7/31/2022
*North America excludes Mexico & Caribbean

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The Language

How does language play a role in the multilingual household and does it affect brand purchasing?

4 in 5 Hispanic/Latino households are multilingual–three times higher than national avg.

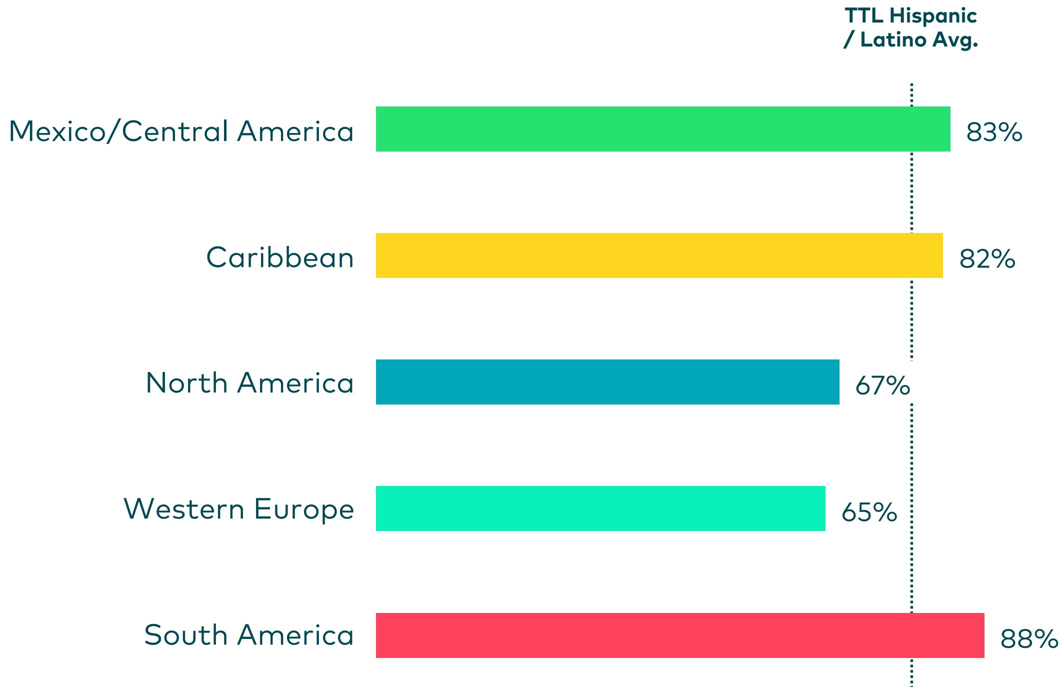
While North American & Western European heritage households see lower incidence of being multilingual, they are still more than twice as likely to be multilingual compared to total US.

MULTILINGUAL HISPANIC/LATINO HOUSEHOLDS

80%

of Hispanic/Latino homes use another language other than English (Total US: 25%)

HISPANIC/LATINO HOUSEHOLDS MULTILINGUAL BY HERITAGE



Source: Numerator Insights | Latest 12 Months Ending 7/31/2022
*North America excludes Mexico & Caribbean

Language diversity is important for Hispanics/Latinos when speaking and watching.

South Americans show the strongest preference for speaking and listening to Spanish compared to other heritage groups. Interestingly, while Mexico/Central Americans do not prefer to speak or watch television in Spanish, they do drive viewership of Telemundo & Univision.

HISPANIC/LATINO LANGUAGE AND TELEVISION WATCHING PREFERENCES

SPEAKING PREFERENCE

1 in 4

Hispanic/Latino consumers prefer to speak Spanish over English

TV LANGUAGE PREFERENCE

1 in 10

Hispanic/Latino consumers prefer watching Spanish-speaking television

SPANISH TELEVISION

7.7x

more likely to watch Telemundo and/or Univision vs total US

Index to Total Hispanic/Latino

- MEXICO/ CENTRAL AMERICA
- CARIBBEAN
- NORTH AMERICA
- WESTERN EUROPE
- SOUTH AMERICA

Source: Numerator Insights | Latest 12 Months Ending 7/31/2022
*North America excludes Mexico & Caribbean | Television viewership is survey-based

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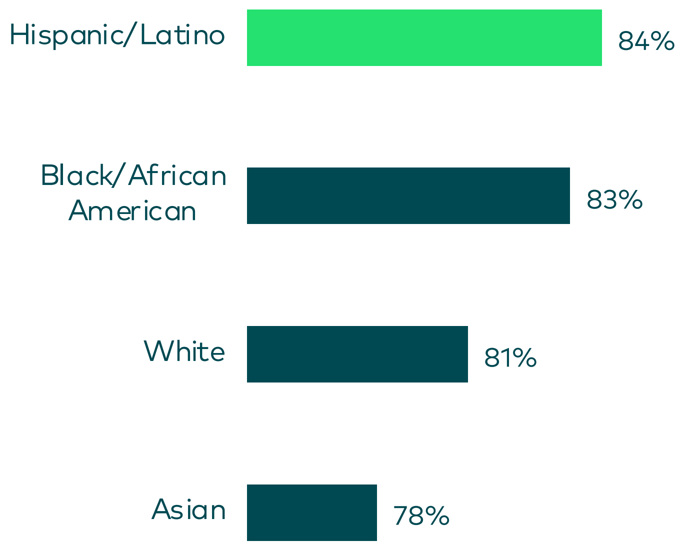
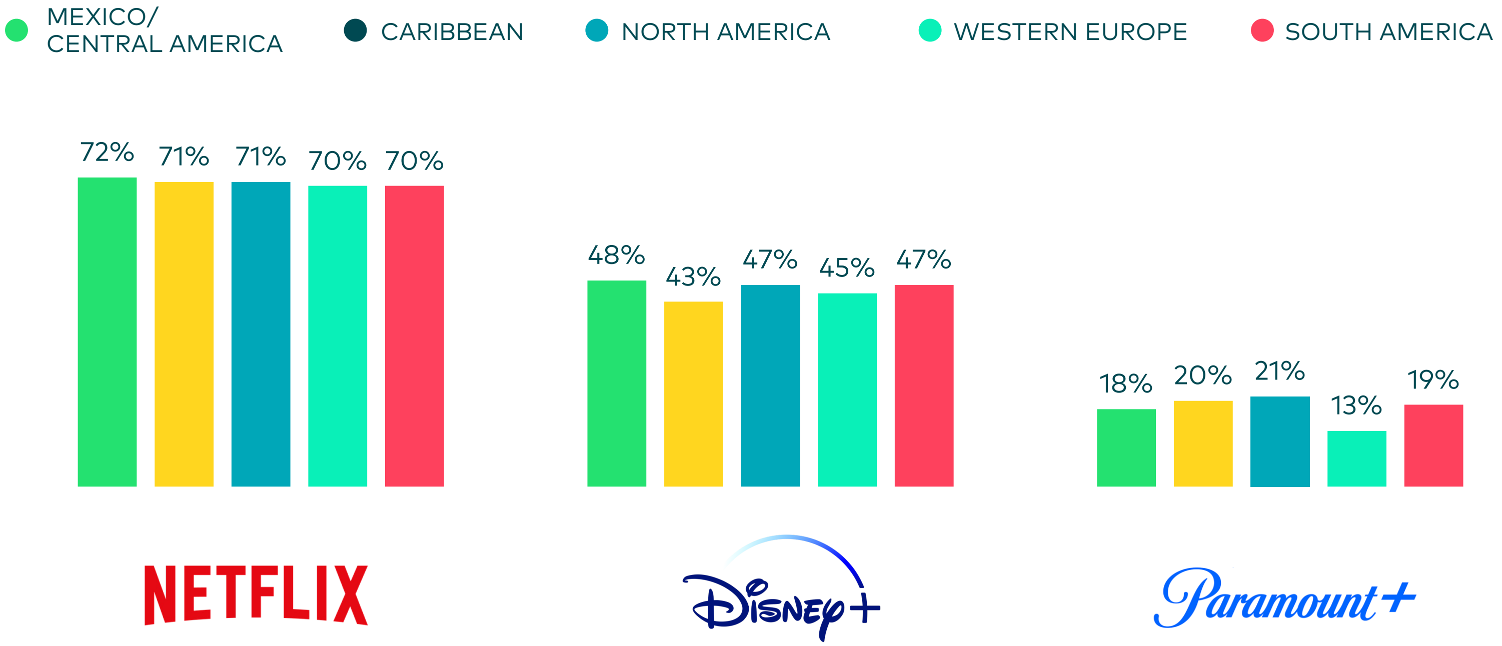
Engaging in ad-supported video streaming could help reach Hispanic/Latino consumers.

Hispanic/Latino households are the most likely to be subscribed to at least one streaming service. Subscriptions were mostly similar across all heritage groups for Netflix, Disney+ and Paramount+. Western Europe households saw slight underindices to Paramount+ and Disney+.

SUBSCRIBED TO AT LEAST ONE STREAMING SERVICE



HISPANIC/LATINO TELEVISION STREAMING ACROSS HERITAGE GROUPS

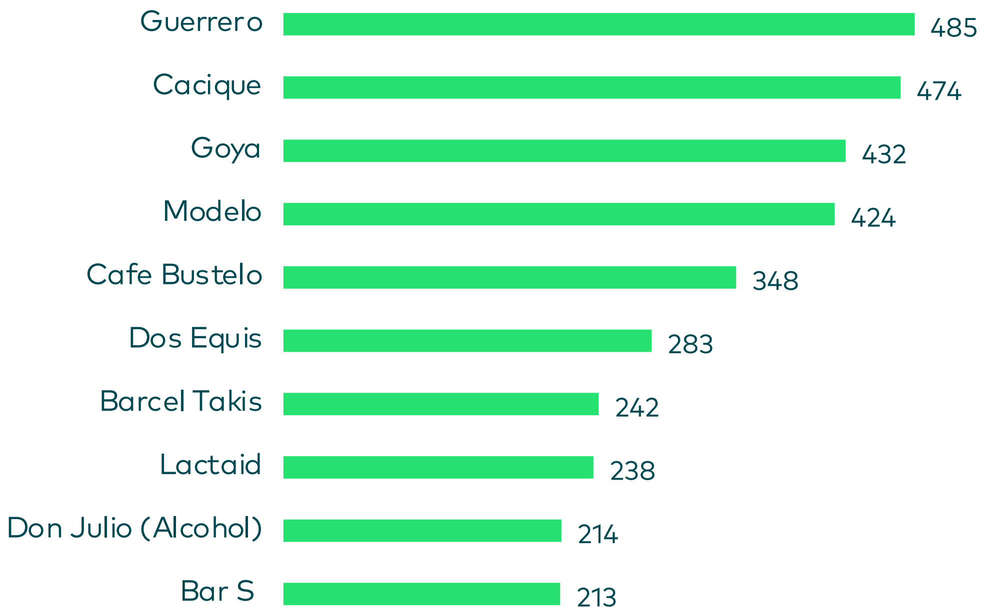


Investing in Spanish heritage brands and crafting Spanish-specific SKUs could help drive purchasing with Hispanic/Latino households.

Hispanic/Latino shoppers show a preference for brands with Spanish names packaging. When split between multilingual & non-multilingual homes, the preference grows even stronger.

HISPANIC/LATINO GROCERY SHARE BY PARENT BRAND

Index to Total US | Top 10 Parent Brands



MULTILINGUAL VS NON-MULTILINGUAL HISPANIC/LATINO

% of Households | Index to Non-Multilingual Hispanic/Latino

GOYA: 68% | 127 index

GUERRERO: 50% | 118 index

Cacique: 44% | 118 index

1 in 4

Multilingual Hispanic/Latino consumers **trust brands using the language spoken at home** more than brands that do not.

Source Left: Numerator TruView | Latest 12 Months Ending 7/23/2022
Source Right: Numerator Insights | Latest 12 Months Ending 7/31/2022

Large manufacturers have been taking steps to diversify their portfolio.

PepsiCo, Coca-Cola and Constellation Brands have all invested in growing with the Hispanic/Latino shopper by acquiring brands heavily over-index with Mexican households and have history stemming from the region.

MANUFACTURER	PEPSICO	Coca-Cola	Constellation Brands
ETHNIC BRAND ACQUISITION	+ Sabritas	+ Topo Chico	+ Cerveza Modelo 1925
HERITAGE	Mexico - 1943	Mexico - 1895	Mexico - 1925
SHOPPER DIVERSIFICATION	**2 in 5** have heritage from Mexico	**1 in 4** have heritage from Mexico	**1 in 4** have heritage from Mexico

Source: Numerator Executive Insights | Latest 12 Months Ending 3/31/2022 | US Average of Households with Heritage from Mexico is 7%

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Know your consumer with certainty.

Interested in learning more about Hispanic & Latino consumers and how they buy your brand? Numerator has what you need for the deepest, most comprehensive understanding of consumers with 2500+ demographic, psychographic and premium segmentation attributes available.

Reach out to us at hello@numerator.com or visit our website for the latest research.