EMBRACING THE HISPANIC CONSUMER

SPOTLIGHT ON LATINA MILLENNIALS

People EN ESPAÑOL
The Hispanic Market Is A Primary Driver Of Growth And Change In The U.S. Marketplace

55.4 MILLION HISPANICS

17.4% OF U.S. POPULATION

+200% POPULATION WILL MORE THAN DOUBLE 2014-2060

REACHES 1 IN 5 HISPANIC ADULTS*

1 IN EVERY 6 INDIVIDUALS
1 IN EVERY 4 CHILDREN

1.3+ TRILLION IN BUYING POWER

AMONG MILLENNIALS
40% ARE MULTICULTURAL
20% ARE HISPANIC

MILLENNIALS ARE 30% OF AUDIENCE

SOURCE: US CENSUS DATA, AS OF JULY 1, 2015; *MRI DOUBLEBASE 2014 / VIA GRAVITY MEDIA 2015; PEW HISPANIC CENTER 2015; SELIG CENTER OF ECONOMIC GROWTH
Hispanic Women are an Economic Force

- **17.9 Million** Hispanics in the U.S. are women (15% of total U.S. population)
- **6.7 Million** Hispanic Female Millennials (19% of Total U.S.)
- 86% of Latinas say a woman is the primary shopper in their households.
- A majority of Latinas embrace their ambicultural duality
- 73% of high school graduates enrolled in college, surpassing non-Hispanic enrollment
- Latina households earning more than $75k annually increased by 5% over past decade

30% of the total female population will be Hispanic by 2030
Digital Consumers

- 80% of Hispanic adults access the internet through mobile devices via their cell or smartphone, or tablet.
- 94% young Latinos ages 18 to 29, access the internet with mobile devices.
- 35% Latinos 65+, use mobile devices for internet access.
- Hispanic shoppers are more engaged than U.S. Shoppers with many digital tools, including social media, along the grocery path to purchase.
- Hispanics spend more than 52 hours/week using apps or the web on a smartphone, 8 hours more than non Hispanic whites.

SOURCE: PEW RESEARCH, DIGITAL DIVIDE IS NARROWING FOR LATINOS, 7/2016
We are the most trusted voice in Hispanic culture—a window into the lives, hearts and style of celebrities and people who matter to today’s U.S. Hispanic. With intimate stories and an open dialogue with our audience, we understand and unite the fastest growing market in the U.S.
The Hispanic Market Leader

#1 MAGAZINE REACHING HISPANIC WOMEN & MEN

4.56MM Hispanic Women

2.57MM Hispanic Men

2.3MM Millennials
For 15 years, People en Español’s Hispanic Opinion Tracker (HOT) Study has provided marketers with a comprehensive immersion into the Hispanic market in context of the General Market.

With Hispanic women driving U.S. Market growth and enjoying financial power like never before, it is important to understand Latinas’ challenges and journey towards success.

HOT Study results provide organizations never-before insights to help brands connect with this key audience in ways that truly resonate with their attitudes and lifestyle.
An Industry Leader


Values & Traditions
Retro-acculturation
Shopping Technology Skincare
Recessionary Times
Identity, Influence and Impact
Latinas @ Work

Media Habits
Next Generation
A Day in the Life
The New Cultural Identity
Beneath the Surface
BEAUTY & FASHION: BENEATH THE SURFACE
BEAUTY & FASHION: BENEATH THE SURFACE

PeopleHOT STUDY
EN ESPAÑOL
COSMETICS
SKINCARE
HAIRCARE
FRAGRANCE
Hispanic Women Make Spontaneous Purchases Often

How often do you end up spending more than intended (Online vs. at a Store)?

<table>
<thead>
<tr>
<th>Category</th>
<th>Hispanic Millennial</th>
<th>Non-Hispanic White</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cosmetics</strong></td>
<td>Often (Online/In-Store)</td>
<td>28/35%</td>
</tr>
<tr>
<td><strong>Skincare</strong></td>
<td>Often (Online/In-Store)</td>
<td>38/35%</td>
</tr>
<tr>
<td><strong>Haircare</strong></td>
<td>Often (Online/In-Store)</td>
<td>25/29%</td>
</tr>
<tr>
<td><strong>Fragrance</strong></td>
<td>Occasionally (Online/In-Store)</td>
<td>48/63%</td>
</tr>
</tbody>
</table>

2014 PEOPLE EN ESPAÑOL HOT STUDY
Displays Drive Impulse Purchases Across Every Category

Why do you purchase cosmetics on impulse?

**COSMETICS**
- The product display was appealing: 55% Hispanic, 51% No Hispanic
- I got an in-store discount: 51% Hispanic, 48% No Hispanic
- I had an in-store coupon: 37% Hispanic, 46% No Hispanic

**SKINCARE**
- The product display was appealing: 63% Hispanic, 53% No Hispanic
- I got an in-store coupon: 53% Hispanic, 58% No Hispanic
- I got a gift with purchase: 41% Hispanic, 30% No Hispanic

**HAIRCARE**
- I got an in-store discount: 58% Hispanic, 49% No Hispanic
- The product display was appealing: 57% Hispanic, 47% No Hispanic
- I had an in-store coupon: 26% Hispanic, 42% No Hispanic

**FRAGRANCE**
- The product display was appealing: 50% Hispanic, 31% No Hispanic
- I got an in-store discount: 46% Hispanic, 41% No Hispanic
- The product was new: 25% Hispanic, 18% No Hispanic
Shopping at Retail

TOP STORES

HISPANIC MILLENNIAL

Walmart
Target
Sephora
CVS
Ulta
Walgreens

NON-HISPANIC WHITE MILLENNIAL

Walmart
Target
Sephora
CVS

TOP BRANDS

MAC
Avon
NYC
Revlon
L'Oreal
Maybelline
Clinique
Covergirl
Neutrogena
MAC
Maybelline
Sephora
L’Oreal
Revlon
Urban Decay
Mary Kay
Clinique
Neutrogena
Almay
Avon

Shopping at Retail

TOP STORES

HISPANIC MILLENNIAL

target  walmart  macys  sephora

NON-HISPANIC WHITE MILLENNIAL

target  walmart  sephora

TOP BRANDS

SKINCARE

clean and clear  clearasil  clinique  mary kay

neutrogena  olay

aveeno  ponds  loreal

maybelline  proactiv
Shopping at Retail FRAGRANCE

TOP STORES

HISPANIC MILLENNIAL

macys
walmart
sephora
victorias secret
ulta
Bath and Body Works
jcpenny

NON-HISPANIC WHITE MILLENNIAL

macys
ulta
sephora
Bath and Body Works
walmart
kohls
jcpenny

TOP BRANDS

CHANEL
VICTORIA'S SECRET
bath and body works
marc jacobs
eternity
victorias secret
beyoncé
rafael lauren
lace
kendall
jennifer lopez
herئت
michael kors
dolce and gabbana
juicy couture
celebrity

Key Takeaways

1. Whether it’s a planned, monthly shopping or a spontaneous purchase, Latina millennials are spending twice as much on cosmetics, skincare, haircare, and fragrance as non-Hispanic white millennial women.

2. While Latina millennials are more likely to say they shop for cosmetics, skincare, haircare, and fragrance both online and at retail, they prefer shopping at retail.

3. Latina millennials are most likely to buy cosmetics, skincare, and haircare at mass merchandisers like Walmart and Target. Cosmetics and skincare are also purchased at specialty stores like Sephora and Ulta. Fragrance shopping is mostly done at department stores like Macy’s or JCPenney.

4. Attractive displays are the #1 motivator of impulse purchases for Latina millennials, followed by in-store discounts and coupons.
Best In Class Ads

COSMETICS

PRO-GLOW FOUNDATION INFALLIBLE

LOREAL PARIS

COVERGIRL

NUEVA CLEAN MATTE BB CREAM

LOREAL PARIS

MAYBELLINE

COLOR TATTOO EYE CHROME

INTENSIDAD METÁLICA. HASTA 24 HORES DE TÍTANAE

Visión de los párpados con crema líquida.

Heavy metal. Eso es lo mío.

Emite monturas de cromos en tus ojos.

MAKE IT HAPPEN NEW YORK

COVERGIRL

MAGNÉTICA A ZENDAYA

NACISTE PARA BRILLAR. PERÚ TO CADA NO.

PRODUCIDO EN CHINA, EE.UU. AND EXTRAS.

¿QUIÉN EN DECIBEL PUEDE BEBER UNA CERVEZA?"
Best In Class Ads

HAIRCARE
Best In Class Ads

SKINCARE

¿Quieres lucir más joven, por más tiempo? Comienza bien, comienza ya.

Neve ABSOLUTELY AGELESS® Restorative Night Cream de Aveeno®. Se formula con un poderoso Compuesto de Hidro activo con NATURALLY Ageless, respetar tiendo y alimentando tu piel. Realiza efecto más joven en sólo una semana. Un tratamiento para una piel más bella.

¿28 o 38?

Olay Luminous, la clave para una piel luminosa. Adiós piel no delataba tu edad.

HIDRATACIÓN

la clave para una piel luminosa de adentro hacia afuera.
Neutrogena® Hydro Boost Water Gel


¿CUÉLES son los MEJORES productos?
El ácido Hialurónico es un polisacárido hidratante, que mantiene húmedo tu piel durante horas. Con ácido Hialurónico, tu piel se sentirá más hidratada y renovada.

Valora tus experiencias. Para obtener más información, te invitamos a visitar el sitio www.neutrogena.com/hydroboost
Additional Insights
A PROFILE OF THE U.S. HISPANIC SHOPPER

THE WHY BEHIND THE BUY

MAKING SIGNIFICANTLY MORE STOCK-UP GROCERY TRIPS

- 4.3 PER MONTH U.S. HISPANIC MILLENNIAL SHOPPERS
- 3.4 PER MONTH U.S. HISPANIC SHOPPERS
- 2.5 PER MONTH TOTAL U.S. SHOPPERS

IN-STORE ACTIVITY IMPACTS SALES

- COUPONS AVAILABLE AT THE SHELF
- DISPLAYS IN THE AISLE
- END OF THE AISLE DISPLAYS

ROOM FOR GROWTH IN ONLINE GROCERY

- 7/10 HISPANIC SHOPPERS UNAWARE OF ONLINE GROCERY OPTIONS
- YET 69% OF THESE HISPANIC SHOPPERS WOULD CONSIDER USING ONLINE GROCERY SERVICES IF AVAILABLE

A SOCIAL SHOPPING EXPERIENCE

- 68% OF HISPANICS ENJOY GROCERY SHOPPING
- 8/10 HISPANICS SHOP WITH SOMEONE ELSE

UPWARD TREND IN ORGANIC PURCHASES

+69% vs. +52% FOR TOTAL U.S.

14.4% 2013
27.8% 2014
30.5% 2015

ONLINE ADVERTISING IMPACT

- 6/10 HISPANIC SHOPPERS NOTICE ONLINE ADS

SOURCE:
Hispanic Shopper & Supermarkets

Hispanics spend at least $10 more per visit than the total market (Hispanic and Non-Hispanic combined) on all forms of consumer packaged goods (CPG).

Average Spend per Visit on Consumer Packaged Goods

- **Food**: $71 (Total) vs. $81 (Hispanic)
- **Adult Beverages**: $39 (Total) vs. $51 (Hispanic)
- **Household Products**: $32 (Total) vs. $47 (Hispanic)
- **Health and Beauty Aids**: $30 (Total) vs. $43 (Hispanic)
- **Over-the-Counter Medications**: $26 (Total) vs. $37 (Hispanic)

Source: Nielsen Share of Wallet Study, US, 18+, November 2014
Profile of U.S. Hispanic Shopper

- 68% of Hispanic shoppers, and 70% of Hispanic millennials, say they enjoy grocery shopping, compared to 59% of total U.S. shoppers.

- While 39% of total U.S. shoppers report shopping alone, 79% of Hispanic shoppers go grocery shopping with someone else, such as a spouse, child or friend. 88% of Hispanic millennials do the same.

- More Hispanic shoppers indicated they enjoyed shopping many of the departments found in the perimeter of the store, including the bakery, fresh meat, service deli counter, fresh produce and prepared foods sections.

- Hispanic shoppers are also utilizing their stores’ special departments, services and areas more than total U.S. shoppers.

Profile of U.S. Hispanic Shopper

- 33% of U.S. Hispanic shoppers research a new grocery item online compared to 22% of total U.S. shoppers.

- 35% of U.S. Hispanic shoppers read their grocery retailer’s digital circular, compared to 30% of total U.S. shoppers.

- 26% of U.S. Hispanic shoppers indicate that coupons available at the shelf impact their purchase decision, compared to 21% of total U.S. shoppers.

- 18% indicate that product tastings or demonstrations influence what they bought, compared to 11% of total U.S. shoppers.

- 32% of U.S. Hispanic shoppers sign up for contests and sweepstakes after shopping, compared to 21% of total U.S. shoppers.

2016
LATINA @ WORK

PeopleHOT STUDY
¡Gracias!