

THE WHY? BEHIND THE BUY™

U.S. Hispanic Shopper Study, 6th Edition



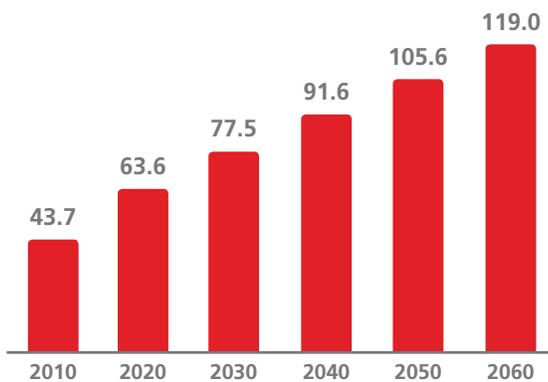
The Powerhouse Hispanic Market

Hispanics in the U.S. are forecast to continue to grow in both population size and purchasing power. The U.S. Census indicates the Hispanic population at 57 million, and it is projected to increase to more than 77 million by 2030. Additionally, Hispanic purchasing power shows a strong growth trend with consumer spending expected to reach nearly \$2 trillion by 2024.

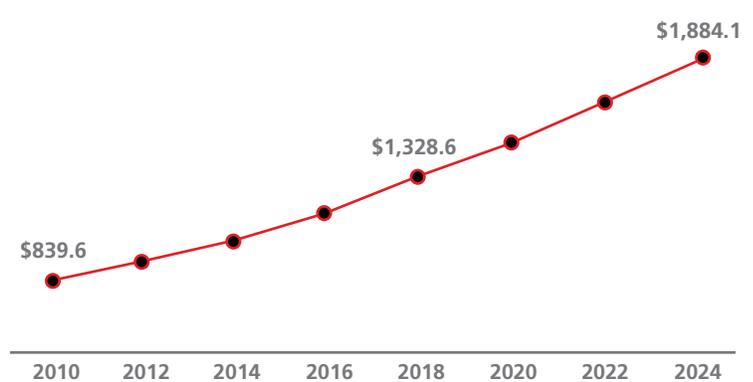
In addition to population size and purchasing power, U.S. Hispanic consumers are some of the most valuable grocery shoppers in the aisle for many reasons: they often shop with their families in tow, grocery shop more often, show a strong interest in exploring new products, and are engaged with digital grocery tools.

In the 6th Hispanic edition of *The Why? Behind the Buy™*, we will explore the grocery shopping habits trending with this important segment, how they use technology, the impact of their family and culture, and how U.S. Hispanic shopping behaviors compare to the total U.S. shopper. Learn how to leverage the grocery shopping preferences of U.S. Hispanics to capture their loyalty and spend.

U.S. Hispanic Population (Millions)



U.S. Hispanic Consumer Spending (Billions)



LEFT CHART SOURCE: U.S. Census Bureau National Projections; released December 2014
RIGHT CHART SOURCE: IHS Global Insight Market Monitor, 2015

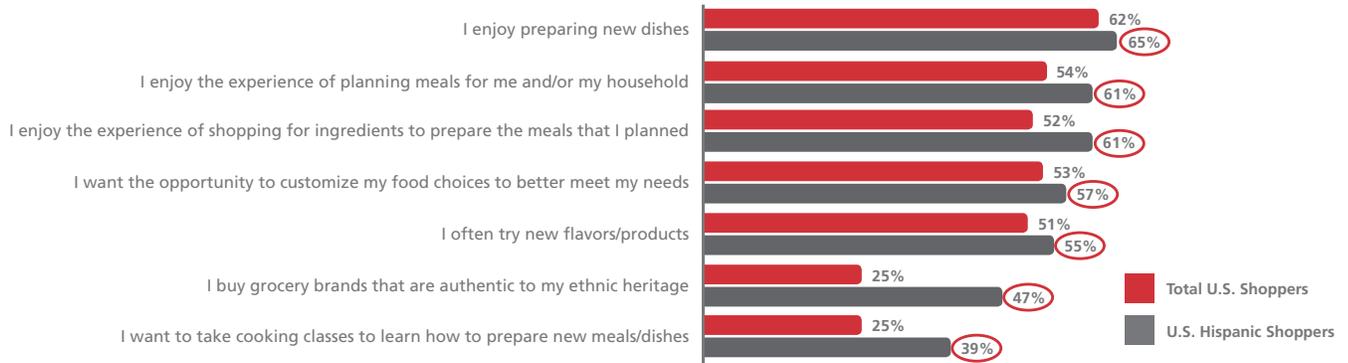
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Savoring Food, Enjoying Shopping

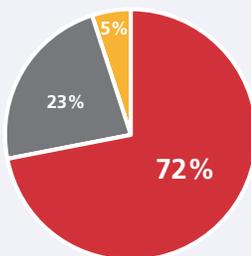
U.S. Hispanic shoppers enjoy meal planning and learning how to prepare new meals. Not only are they more open to food choices and experimentation with flavors than total U.S. shoppers, but they relish blending new flavors with their traditional dishes and trying new products. This openness to new food experiences contributes to the Hispanic shopper's enjoyment of grocery shopping. Seventy-two percent of U.S. Hispanic shoppers surveyed reported they enjoy grocery shopping, compared to 61 percent of total U.S. shoppers.



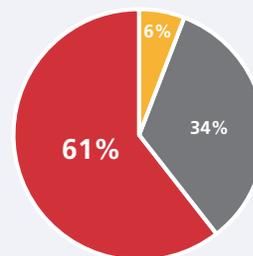
Indicates U.S. Hispanic Shoppers significantly higher than Total U.S. Shoppers at a 95% confidence level.

Which of the following best describes your overall attitude towards grocery shopping?

U.S. Hispanic Shoppers



Total U.S. Shoppers



■ I enjoy grocery shopping
■ I am indifferent towards grocery shopping
■ I don't like grocery shopping

U.S. Hispanic shoppers grocery shop more often, and across more channels than total U.S. shoppers. Although regular grocery stores/supermarkets remain the most popular channel for both Hispanic and total U.S. shoppers, more Hispanic shoppers than total U.S. shoppers are grocery shopping in club stores and dollar stores, with 30 percent indicating they also shop in Hispanic grocery stores. Factors that likely contribute to shopping frequency and channel surfing include taking pleasure in grocery shopping as an activity, in addition to pricing, product selection and convenience.

In the past six months, at which of these stores have you bought any household groceries?

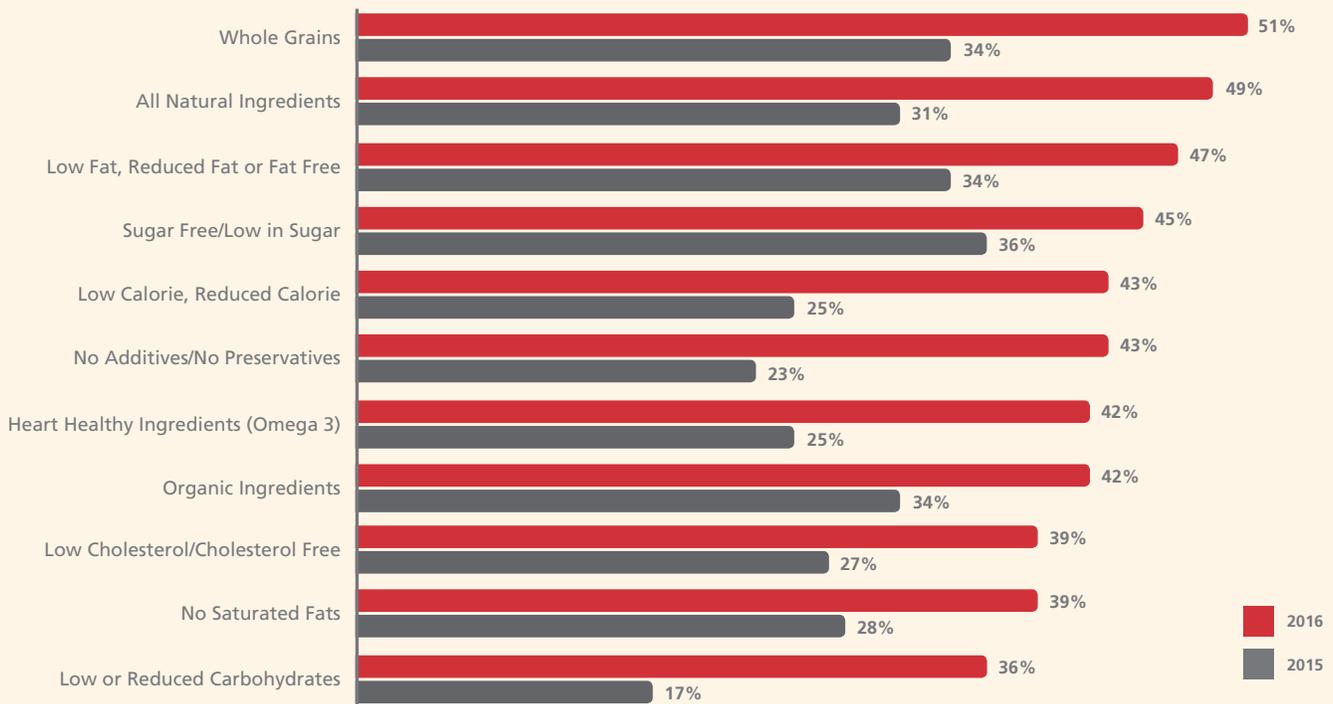
	Grocery Store/ Supermarket	Mass Merchant	Club Store	Dollar Store	Natural/Organic Grocery Store	Hispanic/Ethnic Grocery Store
U.S. Hispanic Shoppers	91%	80%	48%	44%	22%	30%
Total U.S. Shoppers	93%	77%	40%	39%	19%	3%

Healthier Purchases Increasing

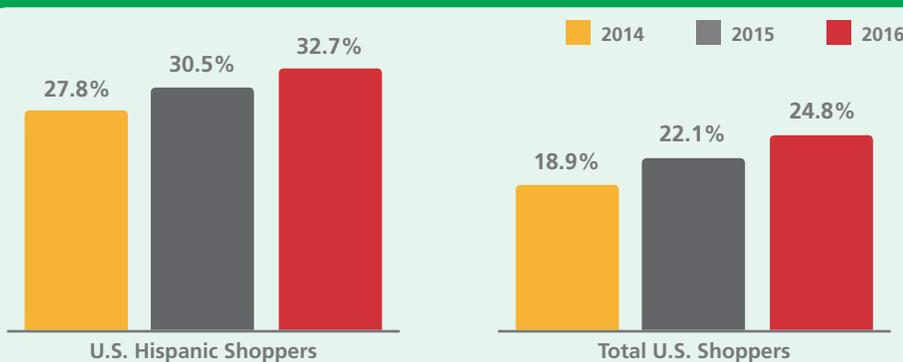
Hispanic shopper's engagement with healthier choices in the grocery store is growing. Compared to 2015, significantly more Hispanic shoppers indicated buying items with a broad range of healthy features. Hispanic shoppers also indicated that about one-third of their typical shopping cart was organic products, a greater percentage than reported by total U.S. shoppers, and growing in importance.



In the past three months, when grocery shopping, have you purchased any food or beverage products that specifically mentioned or included the following features? (% U.S. Hispanic Shoppers)



On a typical shopping trip, about what percentage of your grocery items are considered organic products?

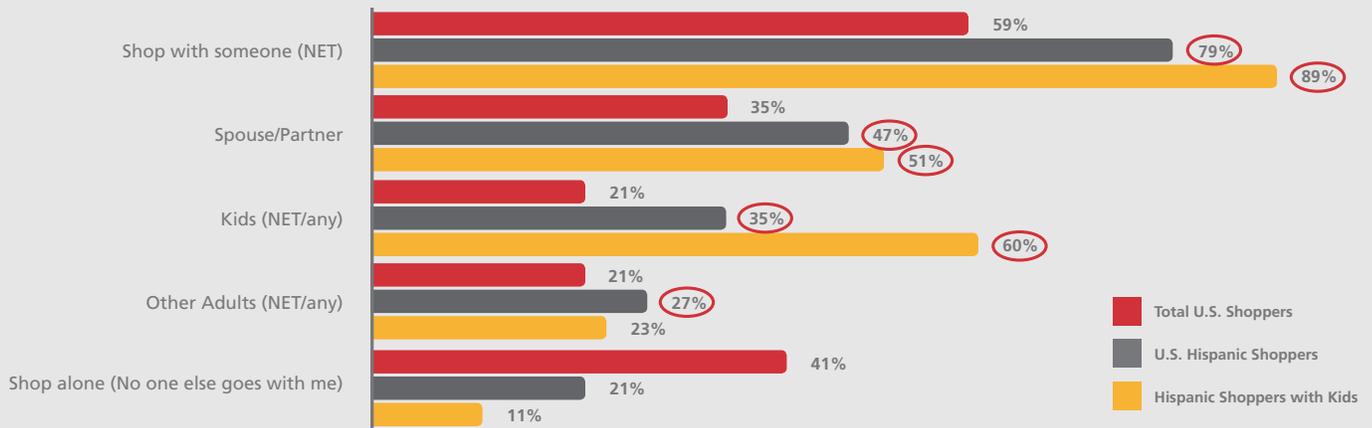




One Big Happy Family, Even at the Grocery Store

The Hispanic culture is centered on the family. This value system extends into menu choices and meal planning – and directly impact shopping. Hispanic shoppers enjoy including family in their shopping experience. Research shows that more Hispanic shoppers shop with their spouse, children, extended family, and even friends than total U.S. shoppers, who are more likely to shop alone. In fact, 79 percent of Hispanic shoppers shop with someone else. Among Hispanic shoppers with children in their household, 60 percent typically bring their kids along when they grocery shop. This group in particular makes significantly more monthly grocery trips, across trip types, including routine, stock-up, fill-in, last minute, and specialty trips. Hispanic shoppers with kids also spend significantly more than total Hispanic shoppers on their monthly groceries.

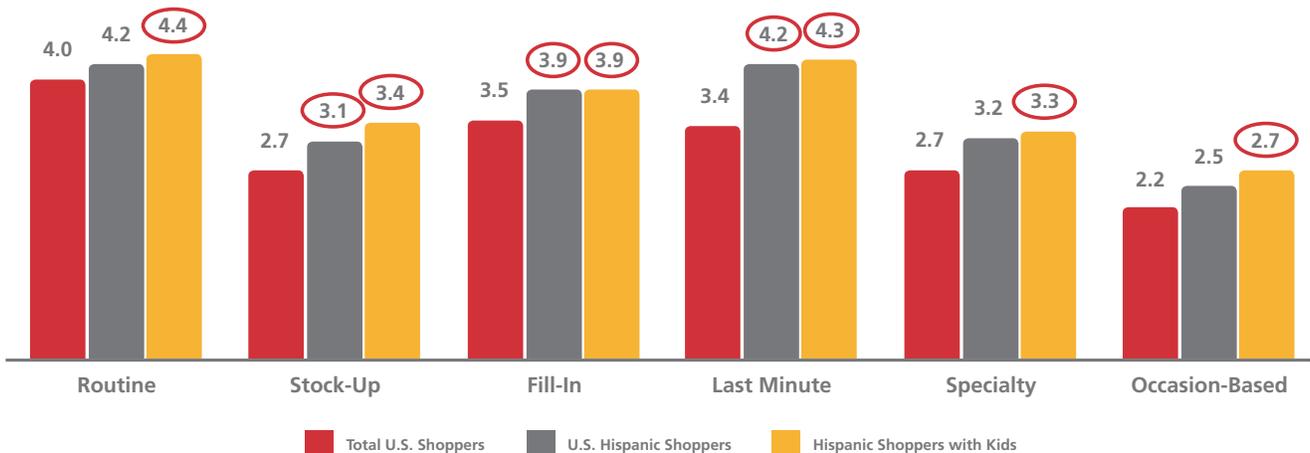
You mentioned making routine, regular grocery shopping trips. Who typically goes with you on these routine, regular shopping trips?



○ Indicates U.S. Hispanic Shoppers and Hispanic Shoppers with Kids are significantly higher than Total U.S. Shoppers at a 95% confidence level.

Hispanic Shoppers with Kids Spend Significantly More on Monthly Groceries

In an average month, about how many of each of the following types of shopping trips do you make?



○ Indicates U.S. Hispanic Shoppers and Hispanic Shoppers with Kids are significantly higher than Total U.S. Shoppers at a 95% confidence level.

Mom, I Want That!

Across the store, the influence of Hispanic children was much stronger than seen in total U.S. shopper households. Hispanic children are more likely to influence grocery purchase decisions in categories like cereal, salty snacks, chocolate candy and carbonated soft drinks, as well as in some of the Health & Beauty Care categories like toothpaste and cosmetics.

For each product category below, who in your household has influence on which specific product to buy?

Categories		% Purchase Influence by HH Member	
		Kids in Hispanic Shopper Households	Kids in U.S. Shopper Households
Cereal		30%	18%
Chips, Pretzels, Salty Snacks		28%	15%
Chocolate Candy		24%	18%
Carbonated Soft Drinks		21%	13%
Toothpaste		20%	7%
Cosmetics		17%	11%
Household Cleaners		12%	2%

 **Hispanic Shoppers with Kids: \$381.25**
Hispanic Shoppers without Kids: \$281.01

Online Grocery Shopping

While only 54 percent of Hispanic shoppers reported access to online grocery shopping solutions (as compared to 61 percent of total U.S. shoppers), 65 percent of Hispanic shoppers *with access* to online grocery options indicated that they had ordered grocery items online in the past year. This compares to the 59% of total U.S. shoppers *with access* to online grocery solutions who ordered grocery items online in the past year.

U.S. Hispanic Shoppers with Online Grocery Shopping Available

How often do you purchase grocery items online to have them delivered to you, or for pick-up at your local retailer?

46%

at least once a month or more frequently

19%

One to 11 times per year

35%

Didn't purchase grocery items online



The Power of Tech

Technology plays an important role for today's Hispanic shopper. Hispanic shoppers are comfortable using digital and online resources to facilitate their shopping experience. From trip pre-planning to shopping in the store, and post-shopping behaviors, more Hispanic shoppers agreed that digital tools are important in the grocery process, as compared to total U.S. shoppers.

58%

of Hispanic shoppers agree that "I enjoy using technology to make my life easier."

58%

of Hispanic shoppers agree that "I get recipes online."

45%

of Hispanic shoppers agree that "I am comfortable using digital/online tools to assist with grocery shopping."

Digital Tools Used Across The Path to Purchase



Trip Pre-Planning (% Extremely/Very Important)	Hispanic Shoppers	Total U.S. Shoppers
Read/review a store's digital flyer or circular	39%	36%
Use a search engine to find recipes online	39%	30%
Get a coupon on your mobile phone	36%	25%



Shopping In-Store (% Extremely/Very Important)	Hispanic Shoppers	Total U.S. Shoppers
Compare prices while shopping at other stores	37%	30%
Use a product coupon on your mobile phone at checkout	36%	27%
Use a shopping list on your mobile device	33%	25%



Post Shopping (% Extremely/Very Important)	Hispanic Shoppers	Total U.S. Shoppers
Log into a store loyalty program to update points, spending or trip info	35%	31%
Complete a store's customer satisfaction survey using receipt code	32%	28%
Share a promotion and/or coupon with friends or family via a social network	30%	24%



Watch & Learn

Hispanic shoppers are also more likely to use the internet to learn how to cook new dishes. Thirty-four percent of Hispanic shoppers said they watched cooking or baking videos, compared to only 22 percent of total U.S. shoppers. They are also more likely to visit social media sites for recipe ideas.

Product Influence

When deciding what brand to buy across these categories, more Hispanic shoppers prioritize **better quality**.

Total U.S. shoppers are more likely to select their **usual brand** than consider other brand attributes.



Check the Store Flyer

Although there is some variation seen by category, more Hispanic category buyers' purchases were impacted by the product on sale in the store flyer than total U.S. category buyers. More total U.S. category buyers purchases were impacted by the product on sale at the shelf.

In the past six months, please tell us if any of these promotions impacted what you bought in each category.

	Product on sale in the store flyer		Product on sale at shelf	
	Total U.S. Category Buyers	Hispanic Category Buyers	Total U.S. Category Buyers	Hispanic Category Buyers
Toothpaste	15%	29%	26%	19%
Cosmetics	17%	24%	28%	21%
Laundry Care	15%	23%	31%	28%
Carbonated Soft Drinks	24%	22%	31%	30%
Cereal	23%	22%	25%	32%
Household Cleaners	13%	21%	29%	27%
Chips, Pretzels, Salty Snacks	20%	20%	33%	30%
Chocolate Candy	15%	18%	31%	14%

What's New?

Across these categories, significantly more Hispanic category buyers agreed it is extremely/very important that new products are offered each year, compared to total U.S. category buyers. Some of the biggest differences seen between Hispanic category buyers and total U.S. category buyers were in the Toothpaste and Cereal categories.

Please tell us how important you feel it is to have new products offered each year (including a new brand, type or size) in the category.

Product Category	Total U.S. Category Buyers	U.S. Hispanic Category Buyers
Toothpaste	29%	59%
Cosmetics	41%	54%
Cereal	29%	50%
Laundry Care	32%	49%
Household Cleaners	24%	44%
Chips, Pretzels, Salty Snacks	26%	40%
Chocolate Candy	24%	40%
Carbonated Soft Drinks	24%	36%

 Indicates U.S. Hispanic Category Buyers significantly higher than Total U.S. Category Buyers at a 95% confidence level.

Television and In-Store Displays Drive New Product Awareness

Across many of these categories, more Hispanic category buyers indicated that television or radio advertising drove awareness of the new products purchased than total U.S. category buyers. Displaying new products in the store was also an effective awareness-building tactic indicated by some Hispanic category buyers.

Please tell us how you first became aware of the new product you purchased in this category.

Television or Radio Advertising*	Total U.S. Category Buyers	U.S. Hispanic Category Buyers
Laundry Care	15%	31%
Cereal	13%	30%
Toothpaste	12%	26%
Chips, Pretzels, Salty Snacks	8%	21%
Household Cleaners	10%	19%



Saw it displayed in the store % U.S. Hispanic Category Buyers
30% Chocolate Candy
28% Cereal
26% Chips, Pretzels, Salty Snacks
26% Cosmetics
25% Carbonated Soft Drinks

 Indicates U.S. Hispanic Category Buyers significantly higher than Total U.S. Category Buyers at a 95% confidence level.
* CAUTION: Small respondent base size (<100) for some categories may be statistically unstable.

Recommendations

Hispanic shoppers continue to be a strong force in the grocery marketplace. Hispanic shoppers' grocery spending, trip frequency and channel surfing indicate that retailers need to deliver an engaging mix of products they regularly buy (including brands that are authentic to their heritage), at competitive pricing, while also creating a positive in-store experience for the shopper and their family members that shop along with them.

Hispanic shoppers enjoy food and new flavors. Their enthusiasm for food choices, interest in new flavors and new product trial, ability to blend new flavors with their traditional dishes, and overall enjoyment of grocery shopping make them a receptive audience for targeting new product offerings.

Hispanic shoppers see the benefit of digital. Retailers and brands need to engage Hispanic shoppers using digital methods, whether it's viewing the store flyer or redeeming coupon offers on their mobile device, using shopping list apps, accessing loyalty programs or viewing cooking videos online. Six in 10 Hispanic shoppers agree that 'I enjoy using technology to make my life easier' so digital programs need to add value to have a real impact on Hispanic shoppers' behaviors.

Understand and respond to the differences in Hispanic shoppers' category buying behaviors. With more influence on category purchases from the children in their household, their interest in new product offerings, the influence of in-store marketing and more traditional media like television and radio has on their product purchases, Hispanic shoppers' exhibit unique buying behaviors across categories. Retailers and brands need to embrace these influences in order to develop meaningful strategies to gain Hispanic shoppers' purchases and loyalty.

ACOSTA

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