



Multicultural Marketing

RIGHTMINDSSM

U.S. Multicultural Population

The U.S. multicultural market is growing at a rapid pace.

Fact: one-third of the nation's population is now "minority"

Tuesday, October 17, 2006

U.S. population reaches 300 million

Currently, the nation's minority population totals 100 million

2005 ranking in size:

Hispanics 43 million

Blacks 40 million

Asians 15 million

2004-2005

Hispanics accounted for 49% of the population growth in the U.S.

U.S Population by Race and Origin

	2005	2004	CHANGE	% CHANGE
Total Population	296,410,404	293,656,842	2,753,562	0.9%
White	237,854,954	236,063,846	1,791,108	0.8%
Black	37,909,341	37,496,357	412,984	1.1%
Am. Indian/ Alaska Native	2,863,001	2,825,460	37,541	1.3%
Asian	12,687,472	12,320,873	366,599	3.0%
Native Hawaiian/Pacific Islander	516,612	506,331	10,281	2.0%
Hispanic (of any race)	42,687,224	41,337,762	1,349,462	3.3%
Not Hispanic (of any race)	253,723,180	252,319,080	1,404,100	0.6%

Source: U.S. Census Bureau, Annual estimates of the population by sex, race, and Hispanic or Latino origin for the United States: April 1, 2000 to July 1, 2005, releases May 10, 2006.

Official “Majority-Minority” States

California - 56%

Hawaii - 77%

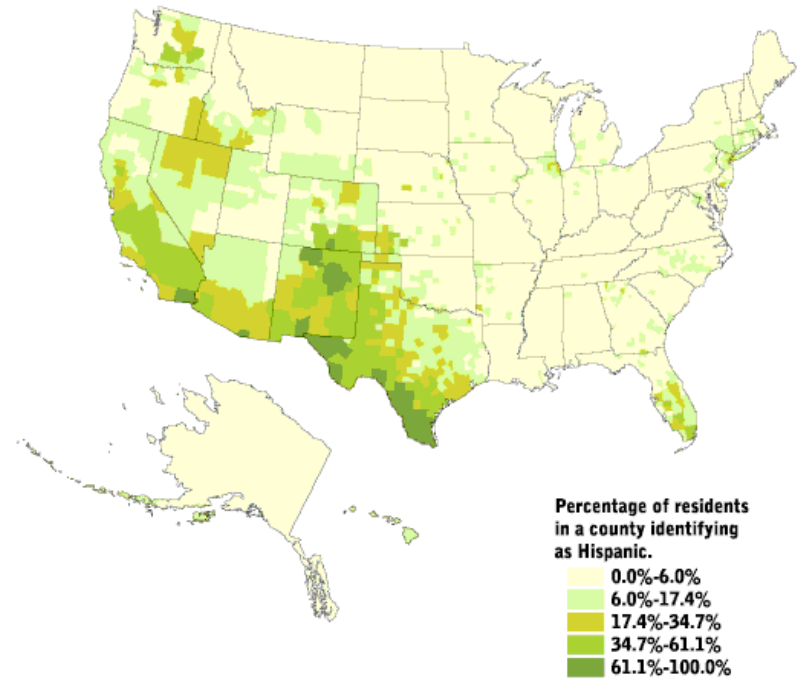
New Mexico - 57%

Texas - 50.2%

Next up

Arizona, Georgia, Maryland, Mississippi,
New York and Nevada

*each have minority populations of 40% or more



U.S. Hispanic Population

Hispanic populations worldwide

1. Mexico 

2. United States 

Since 1990, the Hispanic population has grown 85% compared to an 18% growth rate in the overall population (Selig Center for Economic Growth)

U.S. Hispanic Population

After 2020, the Hispanic population is projected to add more people to the U.S. population every year than all other minorities combined (US Census Bureau)

Projected U.S. Hispanic Population

YEAR	HISPANIC	TOTAL U.S.	HISPANIC % TOTAL
2000	35,621,721	282,124,631	12.6%
2010	47,755,585	308,935,581	15.5%
2020	59,755,555	335,804,546	17.8%
2030	73,055,166	363,594,435	20.1%
2040	87,584,907	391,945,658	22.3%
2050	102,559,846	419,853,587	24.4%

U.S. Hispanic Population

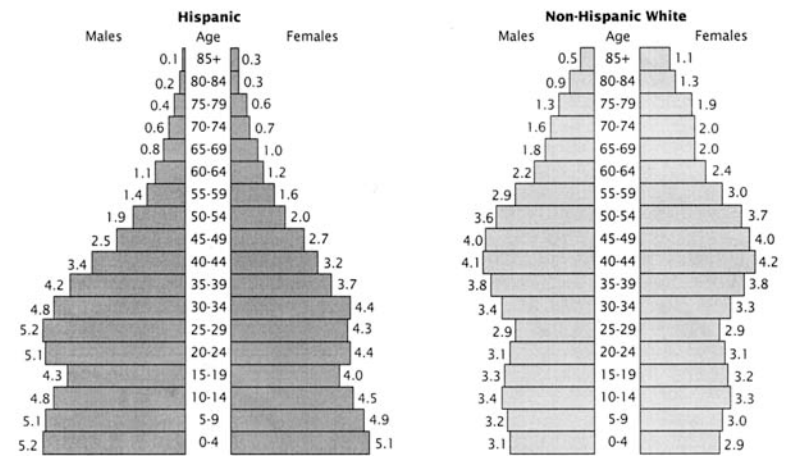
According to Census 2000:
35% of U.S. Hispanics are under 18

Median age for Hispanic
population: 25.9

Median age for entire U.S.
population: 35.3

Today, one in five teens is of
Hispanic descent

Figure 4.
Population by Hispanic Origin, Age, and Sex: 2002
(In percent)¹



¹Each bar represents the percent of the Hispanic (non-Hispanic White) population who were within the specified age group and of the specified sex.
Source: U.S. Census Bureau, Annual Demographic Supplement to the March 2002 Current Population Survey.

U.S. Hispanic Households

Hispanics live in family households that are larger than non-Hispanic White households

30.6% of Hispanic households consist of five or more people

11.8% of non-Hispanic White households are this large



Hispanic Buying Power

Five years ago, Hispanics became the largest minority group in the nation, surpassing blacks.

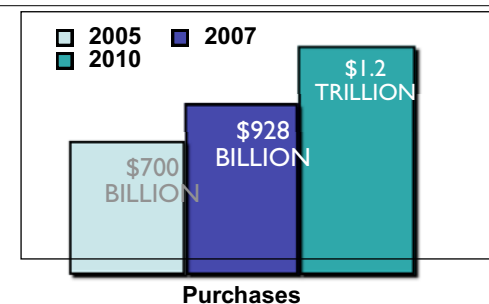
In 2007 Hispanics will control more disposable income than any other minority group in the U.S.

What caused this? Mostly, immigration and population growth. However, better job opportunities and higher business ownership are also a factor.

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Hispanic Disposable Income

1,399,999,971,328
1,199,999,975,424
999,999,979,520
799,999,983,616
599,999,987,712
399,999,991,808
199,999,995,904
0



Acculturation vs. Assimilation

Assimilate: the process of consistent integration whereby members of an ethno-cultural group are "absorbed" into an established, generally larger community

Acculturate: to preserve cultural traits while adopting a complimentary set of cultural dimensions from the mainstream

Historically, most immigrants assimilate. Typically, Hispanics are known for acculturating.

Why? Continued immigration, Hispanic-targeted media and inexpensive global communication have made acculturation simplistic for the first time in history



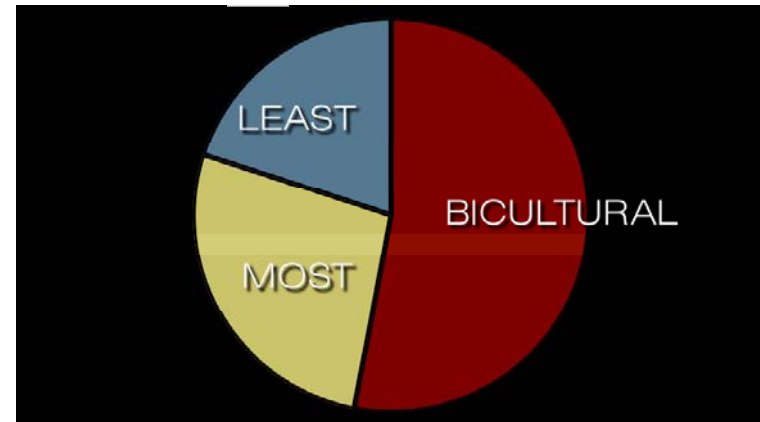
Acculturation vs. Assimilation

The Cultural Point Model

Least acculturated Hispanics — typically first generation or recent immigrants, Spanish-dominant — most divergent consumption patterns from mainstream

Most acculturated Hispanics — typically 2nd or 3rd generation. May be bilingual/bicultural or English dominant — very similar consumption patterns to mainstream

Bicultural Hispanics — neither culturally isolated or fully integrated, largest segment (53%)
— AC Nielsen, March 2005



Language Preferences of U.S. Hispanics

47% primarily Spanish speakers
28% bilingual
25% primarily English speakers

Language by Generation

	1st generation	2nd generation	3rd generation
English dominant	4%	46%	78%
Bilingual	24%	47%	22%
Spanish dominant	72%	7%	0%

Retroacculturation

As Americans continue to embrace Hispanic culture, many Hispanics are reconnecting with their history and roots.

Through observing festive holidays, partaking in celebrations and cooking authentic recipes, Hispanics are looking to re-engage with their fascinating culture.

Many third generation Hispanics are now raising children to be bilingual.

Spanish dominant media consumption has dramatically risen.



Media Consumption

According to Market Segment Research,
every week Hispanics spend:

17.3 hours watching Spanish
language TV and 11.6 hours
watching English TV

12 hours listening to Spanish
language radio and 7 hours listening
to English radio

1.6 hours reading Spanish language
magazines and 1.7 hours reading
English magazines

1.2 hours reading Spanish language
newspapers and 2 hours reading
English newspapers



Hispanic Media Facts

In the United States and
Puerto Rico, there are:

250 Hispanic TV stations

650 Hispanic radio stations and shows

762 Hispanic newspapers,
magazines and newsletters

340 Hispanic media websites

11 AP-style wire services and news
syndicates serving U.S. Hispanic
media outlets



Hispanics and the Internet

Out of 16 million online U.S. Hispanics, 81% are mostly or partially acculturated, while only 19% are relatively unacculturated

More than two-thirds (68%) of the online Hispanic population consider the Internet to be the best source in making final brand decisions



Online Hispanics and Internet Purchasing Decisions

In 2006 more than three quarters (77%) of online Hispanics use the Internet to learn about brands of products, compared to 51% in 2004

When learning about brand features and benefits, 75% of online Hispanics use the Internet, compared to 61% in 2004

When searching for the best product prices, 72% of online Hispanics get online first, compared to 59% in 2004

*Source: The AOL Latino 2006 Hispanic Cyberstudy



Online Market and Acculturation

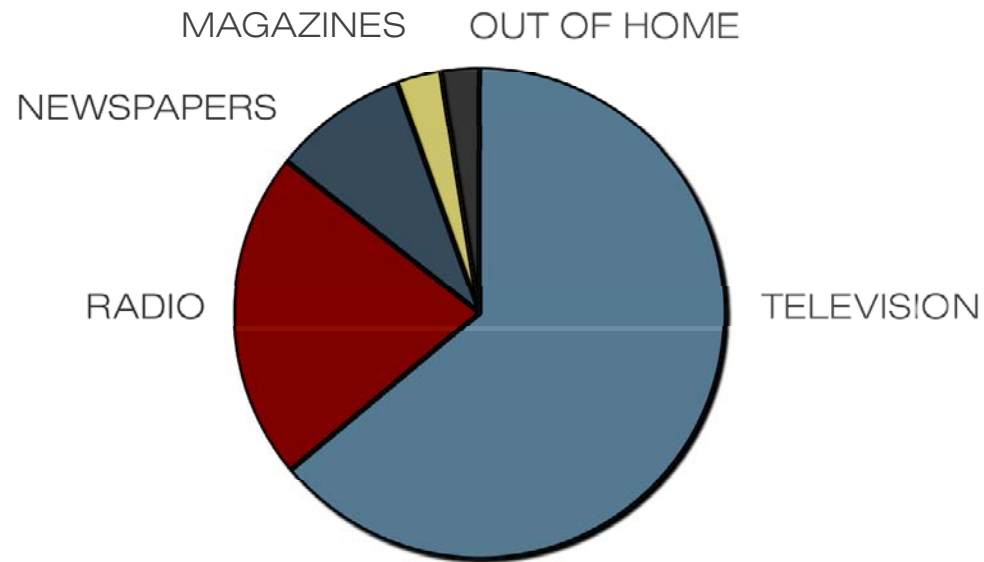
Acculturated Hispanics mostly visit websites that focus on finance, entertainment and nutrition



Less acculturated Hispanics often visit websites that focus on Latin American news and sports, especially soccer



Hispanic Advertising Spending by Medium



Source: HispanTelligence

Direct Marketing

Hispanics are responsive and receptive to many marketing vehicles

A key factor with direct marketing to Hispanics is acculturation

Questions that direct marketers must ask are:

What are their language preferences?

Which generation Latino is this person?

Bilingual techniques have become standard methodology for attracting Hispanics

To build customer-relationships and gain customer retention, the advertiser should confirm the target's language preference and communicate in that language



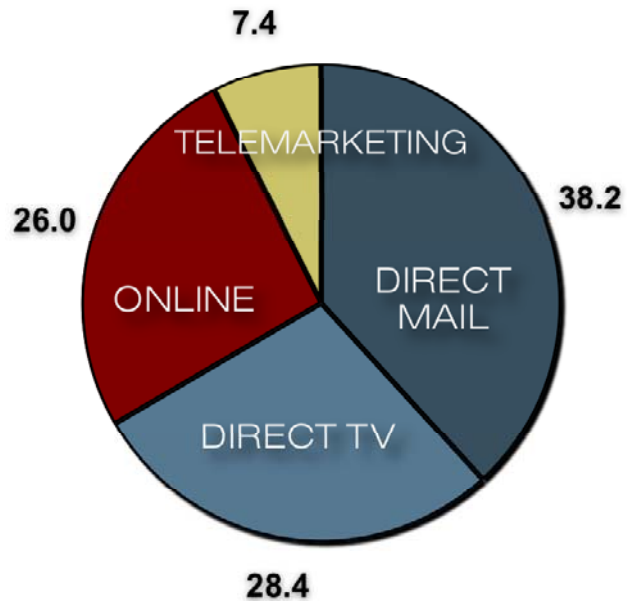
A Closer Look at Direct Marketing to Hispanics

DMA's 2005 Hispanic Market Report

Hispanic households are 3.5 times more likely to respond to a direct mail solicitation than a non-Hispanic household

72 % of Latinos say they always read their mail, including direct marketing materials

60% of the direct mail sent to homes is in English



Hot Off the Presses: Corporate America's Best Thinking

La Experiencia Sony

Background

Attempting to extend its existing marketing message to the Hispanic community, Sony Electronics has scheduled a five-month tour through Southern California.

Strategies

Allowing Hispanics to try out Sony's products

Stopping at over 80 retailers and events

Reaching over 60,000 Latinos

Building a Spanish-language website

Publishing a bilingual shopping guide

Results

Dramatic increases to average holiday sales

U.S. Latinos recognized Sony as the best overall and most trustworthy brand

SONY®

Hot Off the Presses: Corporate America's Best Thinking

Community Concept

Background

Already the No. 1 music retailer among U.S Hispanics, Wal-Mart wants to extend that dominance to other products. By connecting with the lifestyle and culture of its audience, the retailer hopes to build a lasting successful relationship with the U.S. Hispanic market.

Strategies

Opening Houston based pilot store of a Hispanic-targeted Wal-Mart

Contracting with Viacom to brand its music section under MTV Tr3s in 900 Wal-Marts

Committing to a \$3 million donation to the Hispanic Scholarship Fund

Current results

Pilot store is generating sales 7.6% higher than the surrounding Houston supercenters



[RightMinds Staff Retail Experience]

Target Chicano

In order to increase its profile among Hispanics in the West and Southwest, Target partnered with actor Cheech Marin to develop a traveling exhibit of art and cultural objects that represented the Mexican-American influence on the U.S.

Dan Durazo's team developed a media strategy for the exhibit that included a gala launch event with celebrities, community and elected leaders and headline entertainers that netted tremendous media coverage.

The exhibit and its accompanying **results** publicity succeeded in providing Target with credibility among its Hispanic customers and positioned the company as a leader in big box retailing to the U.S. Hispanic market



Case Study

Background

Terra.com is the leading portal for U.S. Hispanics and Latinos.

Strategies

In an effort to raise awareness of Terra.com, we developed high profile events that attracted thousands of participants and garnered extensive media coverage.

Results

More than 50 media outlets covered Terra's events, generating more than 4 million targeted media impressions.

More importantly, thousands of event participants registered on terra.com and hundreds of thousands more registered as a result of the media coverage.



Events included:

Terra Rock, a battle of the bands competition held in L.A., New York, Chicago and Miami.

Terra Gol, a soccer tournament with a culminating championship game on the beach in Los Angeles

Terra Music, a CD giveaway promotion with McDonald's

Hot Off the Presses: Corporate America's Best Thinking

Confia en Ti. Confia en Chase.

Background

Recognizing that less than 45% of U.S. Hispanics have credit cards, Chase is embarking upon a multimillion-dollar Spanish-language ad campaign.

Strategies

Running television ads on Univision, Telemundo, Telefutera and Galavisión

Placing online ads on AOL Latino, MSN Latino, Terra Online and Univision Online

Sponsoring and supporting numerous Hispanic causes and events

Expected results

Chase will be brand of choice among U.S. Hispanics and will earn confidence of consumers.



Merrill Lynch

Partnership for Economic Achievement

A \$150 million pilot program targeting minorities

Includes small business loans and mortgages

Provided community grants,
internships and financial education

Community Council offered guidance,
relationships and credibility

Outreach included advertising, PR, community
relations, special events

Special collateral included opinion leader
newsletter, in-language information

Results:

All business goals met or exceeded,
positioned ML as leader in its field

Merrill Lynch

SOUTHERN CALIFORNIA PARTNERSHIP FOR ECONOMIC ACHIEVEMENT

UPDATE

Volume 1, Issue 1 Summer 1998

Los Angeles Neighborhood Housing Services Recognizes Merrill Lynch with Corporate Partnership Award

A Word from Pete Case...

Back in September 1996, Merrill Lynch launched the Southern California Partnership for Economic Achievement, a three-year, \$77 million pilot program to create financial opportunities for historically underserved communities in Los Angeles and Orange Counties.

With the inaugural issue of this newsletter, I am pleased to report that the Partnership is delivering tangible benefits to families, businesses and individuals throughout the region. Several of these accomplishments are addressed in this publication.

In considering the success of this pilot program, I would especially like to recognize the members of our Community Partnership Council for their dedicated and capable leadership. The Council members are:

- Richard Amador, president and CEO, CHARO Community Development Corp.

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Merrill Lynch has been named the recipient of the 1998 Los Angeles Neighborhood Housing Services Corporate Partnership Award. The award was given in recognition of Merrill Lynch's collaboration with LANHS as part of the firm's Southern California Partnership for Economic Achievement. The award was presented on May 21, 1998 at an event at the Hyatt Hotel in Los Angeles.

(Continued on page 2)

Recommendation for Successful Strategies

Start with research:
who is your target market?

Know your target market:
levels of acculturation, language preferences, media consumption, etc.

Connect:
brand and pitch must be relevant to the audience

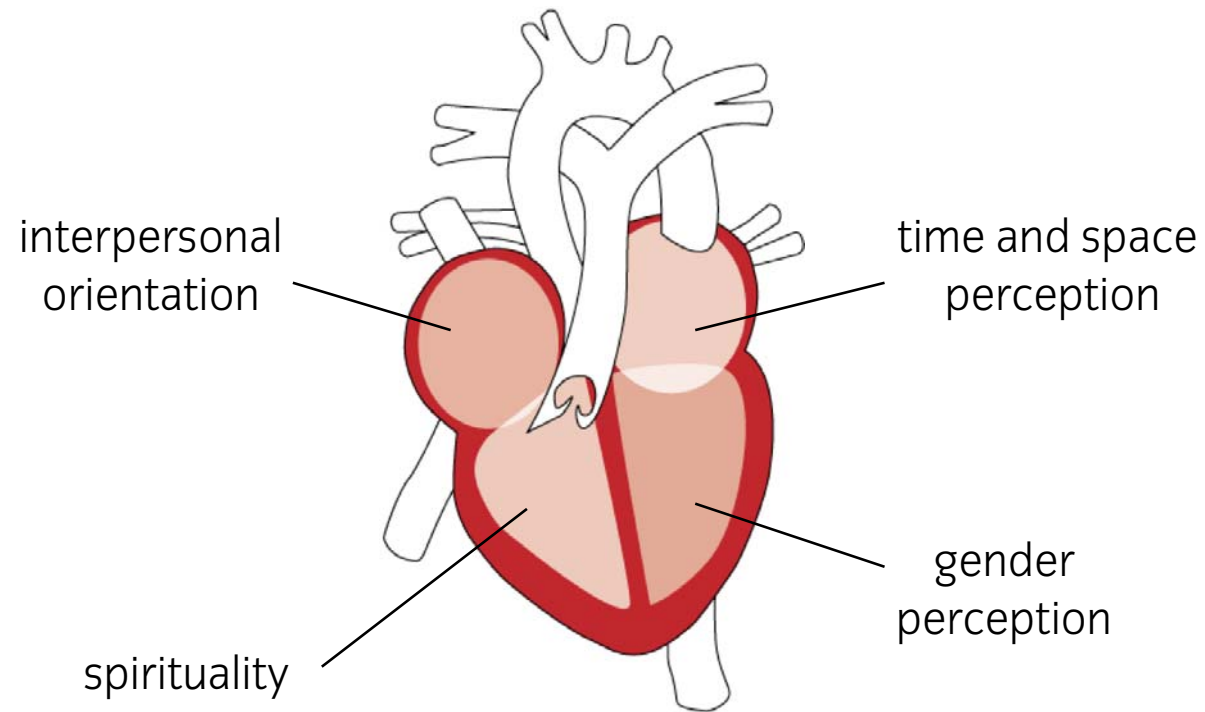
Test:
products, messages and creative

Be seen:
use brand ambassadors to gain credibility and recognition

Face to face:
events work

Walk the talk:
commit to the community through philanthropy

Latino Cultural Identity



Breakthrough with Cultural Values

Collectivism

Emphasizing personal interdependence, conformity, the good of the group, influenced by others and willingness to sacrifice for others

Smart marketing: use opinion leaders to build trust and interest, focus on benefits to family

Power Distance

Hispanic culture believes and supports that societies promote deference towards powerful groups

Smart marketing: use professionals and community leaders as spokespeople or brand ambassadors

Simpatía

Focus on behaving with respect, making people feel welcome, creating harmonious relationships

Smart marketing: use face to face marketing opportunities

Breakthrough with Cultural Values

Familialism

Involves strong identification with family,
providing for the family, supporting a
family, modeling after relatives

Smart marketing: family oriented creative,
push word of mouth marketing,
demonstrate benefits for the family,
connect the brand to the family

Time Orientation and Mañana

Hispanics are more relaxed, flexible
and present oriented

Smart marketing: offer flexibility in
scheduling appointments, educate about
the importance of building for the future

Summary

The Hispanic market is rapidly growing and changing — it takes hard work to keep up

Setting clear goals for your marketing efforts is the best way to plan to succeed

Target your communications to the right market segment

Use an integrated marketing approach

Walk the Talk: Support your target through philanthropy and diversity initiatives

Encourage training and education of customer service and marketing staff

Get buy-in from the top

Get expert advice

RightMinds Multicultural Marketing Capabilities

In response to the growing U.S. ethnic population, RightMinds has created a Multicultural Marketing Unit to reach these 100 million Americans through appropriate planning and execution.

Our Multicultural Marketing Services include the development and implementation of:

Marketing strategies	Sales, P.O.S. and Promotional Materials
Sales and Outreach Strategies	Certified Adaptation/Translations
Community Relations Planning/Events	Management of Multicultural News Bureaus
Employee/Vendor Diversity	In-Language Electronic Media Vehicles: including VNRs, ANRs, SMTs
Strategic partnerships	Internet strategy
Philanthropic partnerships	
Training front line staff	