



DIVERSE INTELLIGENCE SERIES | 2019

INFORMED INFLUENCERS AND POWERFUL PURCHASERS

The Asian American Consumer Journey

PREFACE

A lot has happened for the Asian American community in the last year. We packed theaters to cheer on “Crazy Rich Asians,” lauded for its Asian representation and cried over Oscar-winning short film “Bao,” helmed by Pixar’s very first Asian director. Hasan Minhaj and Lilly Singh made late-night history by signing on to host their own shows and Sandra Oh’s declaration at the Emmys, “It’s an honor just to be Asian” became an iconic statement now seen on T-shirts and mugs. New York Fashion Week presented its first-ever all-Asian runway show by designer Claudia Li; K-pop hit No. 1 on the Billboard album chart with “Love Yourself: Tear” by BTS; and a Hmong-American baby beat out 544,000 others to become the 2019 Gerber Baby of the Year. In November, we saw a record number of Asian American Pacific Islanders up and down the ballot and in January, Congress swore in a record number of Asian American Pacific Islander elected officials.

These headlines represent moments of pride for Asian Americans, a community that has grown to embrace the diversity within it, while harnessing the power of its unified voice. It is a community that is evolving with a rise in U.S.-born Asian Americans who move fluidly in and out of their cultural, ethnic and American identities. More than ever, Asian Americans are leaning into their cross-cultural identity; from influencer Eva Chen speaking Chinese to her parents in an Instagram story to Hasan Minhaj devoting an episode of his show Patriot Act on the political election in India. These dramatic cultural changes are impacting the behavior of Asian American consumers who have become a key force in shaping America’s mainstream.

As the fastest-growing ethnic or racial group in the U.S. with a buying power that reached \$1 trillion in 2018, Asian Americans have become a burgeoning consumer segment for marketers. From manufacturers to retailers, content creators to distributors, understanding the cultural drivers of behavior is essential for marketers to exercise empathy and establish real connections with Asian American consumers. We have seen all too often, the costly consequence of brands not getting the marketing right, leading to disasters of epic proportions for those businesses.

In the pages of this year’s Asian American consumer report, Informed Influencers and Powerful Purchasers: The Asian American Consumer Journey, marketers will find valuable insights on how cultural heritage impacts decision-making and behavior for this young and influential group. The report is framed in the context of the ever-evolving path to purchase so that marketers can hone in on touchpoints that are relevant, impactful and effective to building an authentic and sustainable connection. We hope that insights on these pages will serve as a strong foundation for increasing the collective cultural IQ of the marketplace to best meet the needs of Asian American consumers.

We are in the midst of a seismic demographic shift in this country, and it is increasingly evident that winning with Asian Americans, and in fact all Multicultural Americans, will be imperative for all brands to drive relevance and growth in the future.



Mariko Carpenter
VP, Strategic
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Mia Scott-Aime
VP, Communications

EDITOR’S NOTE

For the purpose of this report, Asian American is defined to include all who identify on the U.S. Census as Asian, Native Hawaiian or Pacific Islander, whether alone or in combination with some other race. As noted in the methodology section of this report, the sample design of our research is not managed in Asian languages; however, as a result of our efforts to accommodate non-English-speaking respondents, our panelists include English- and non-English-speaking populations.

EXECUTIVE SUMMARY

Asian Americans today represent one of the biggest growth opportunities for brands and content creators in America. They have more household income, are more aspirational and present more opportunities for advertisers to reach them with culturally relevant messaging.

At 22.6 million strong, Asian Americans have spending power that rose to \$1.0 trillion in 2018 and is expected to reach \$1.3 trillion by 2023, with a powerful long tail of younger and bigger spenders. Thus, over the next decade and well beyond, Asian Americans will offer an unparalleled marketing opportunity for businesses and brands.

Asian Americans have the highest growth rates in population and spending power of any U.S. ethnic or racial group, while continuing to lead in household income and education. These consumers continue to make gains as tech-enabled, digitally vocal influencers with immense spending power, which has risen 68% since 2010 (versus 32% for the total U.S.) Magnified by the relative youth and larger household sizes, Asian Americans are positioned to be a primary source of growth for brands.

Asian Americans are reshaping the American path to purchase via their leadership of the online shopping revolution and global purchasing perspective. They exhibit the highest rates of internet connectivity, connecting to TV through broadband and subscription video on demand (SVOD) faster than the general population. And they are voicing their opinions and posting influential reviews at a market-changing pace.

Asian Americans hail from a rich tapestry of more than two-dozen countries—and an even greater diversity of cultures—that collectively make up nearly 60% of the world's population. Additionally, this group has grown 45% over the past 10 years, compared to the total U.S. population, which has grown 8%. Asian Americans have taken their place as expert navigators between the influences of their native cultures and those of mainstream America.

EVOLVING MIX

A significant generational change is occurring within the Asian American community: 80% of Asian Americans age 35 and older were born in another country, while only 34% of Asian Americans under 35 were. While staying connected to their unique cultures, a growing number of Asian Americans speak fluent English. Ninety-five percent of Asian Americans under age 35 speak English (well, very well, or exclusively) vs. only 80% of those 35 and older.

HOUSEHOLDS HOLD THE KEY

Compared with the average U.S. household, Asian American households are 17% larger, with more children and more generations living together, which affects not only their purchases but also their consumer journey. These larger households are also a factor in higher mean household income (\$85,000 vs. \$60,000 for the total population).



ASIAN AMERICANS HAVE SPENDING POWER THAT ROSE TO \$1.0 TRILLION IN 2018 AND IS EXPECTED TO REACH \$1.3 TRILLION BY 2023.

DISCOVERY BEGINS ONLINE

Ninety-nine percent of Asian American households (versus 93% of the total population) have internet access. Overall reach of internet-connected devices is 16% higher among Asian Americans, with video on computer and social networking over-indexing by 19% and 14%, respectively. Ninety-one percent of Asian Americans agree the internet is a great way to gather information on products and services when considering a purchase.

LEADING A TV CONNECTION REVOLUTION

Asian Americans spend nearly 23 hours each week watching TV and lead the movement toward broadband and SVOD connection: 18% of Asian American households are classified as “broadband only” homes, while 17% are “broadband only” plus a subscription video on demand (SVOD) service (over-indexing against the total population by 81%). Eighty-one percent of Asian American households subscribe to at least one SVOD service, such as Netflix, Hulu or Amazon Prime Video (19% higher than the total population). Asian Americans have very different genre preferences than the general market and very different preferences between younger and older Asian American ages.

PASSIONATE CONSUMERS AND CREATORS OF REVIEWS

Asian Americans are fervent consumers of reviews and are passionate about sharing their opinions on products and services: 74% read online reviews when considering a purchase, while 71% typically recommend food products, 68% recommend autos and 43% are eager to share their technology opinions. Building loyalty among these vocal consumers can build awareness of and exposure for many different types of products.

A DIVERSE FUTURE OF CONNECTIVITY AND COMMERCE

Asian Americans are leaders in online shopping, buying at a 34% higher rate than the total population: 87% made an online purchase in the last 12 months, and 68% used the internet or apps in the past 30 days for shopping (each over-indexing by 22%). Armed with a wider array of international shopping, news, music, search and social-media platforms due to cultural ties with home countries, Asian Americans are forging a diverse future of connectivity and e-commerce.

A HIGHER PURPOSE

Asian Americans feel a sense of responsibility to the environment and their families’ well-being: 52% are willing to give up convenience in return for a product that is environmentally safe, and 57% buy natural products because they are concerned about the environment. Additionally, 54% are more likely to purchase brands that support a cause they care about, 80% prefer to cook with fresh food, and 58% buy natural products because they are concerned about their families’ health.

THE NON-LINEAR PATH TO PURCHASE

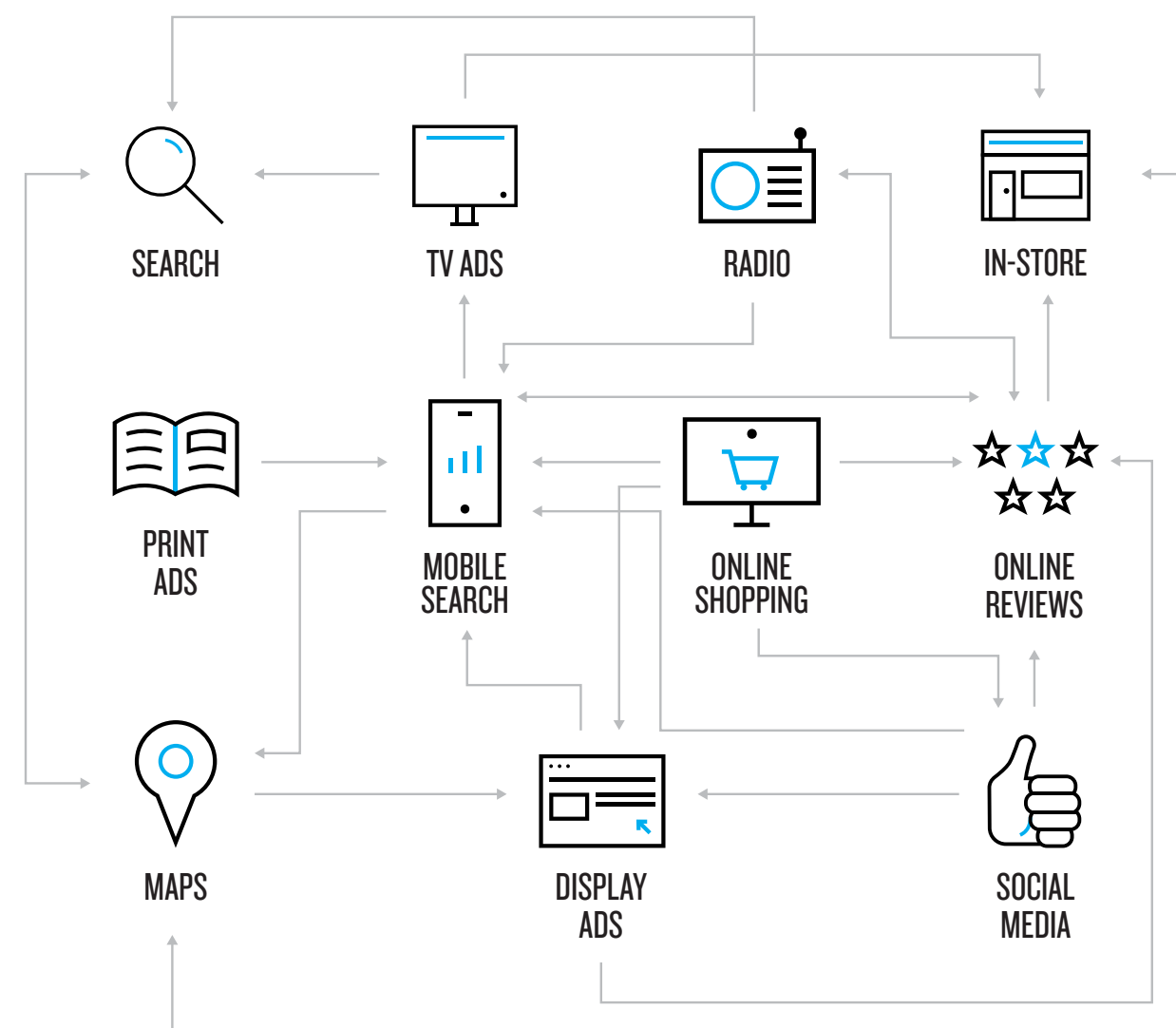


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THE ASIAN AMERICAN CONSUMER JOURNEY FROM AWARENESS AND EXPOSURE TO PASSIONATE INFLUENCE



The path to purchase—the process of shopping in which consumer demand is connected to what consumers actually buy—has often been viewed as a linear sequence of events beginning with awareness and ending with a transaction. For Asian Americans in particular, this consumer journey can better be viewed as a circular model in which scouring reviews during discovery and providing feedback after the transaction are essential. This path is changing rapidly in today's evolving interactive-media landscape and has become increasingly complex for all consumers and especially for Asian Americans.

For Asian Americans, as for all consumers, the first step in the path to purchase is discovering the product or service. Shoppers are exposed to products through a plethora of messages and media channels based on their needs and desires, and as they become aware of choices from a wide range of options, they whittle down those choices and decide where and what to buy. Awareness and exposure build sentiment about choices that motivate consumers to buy. For Asian Americans, the process of building awareness through exposure is affected by a myriad of influencers, including family members, friends and U.S. popular culture, as well as the rich traditions and consumer behaviors originating in their diverse countries of heritage.



FAMILY, FRIENDS AND POPULAR CULTURE AS INFLUENCERS

When Asian Americans are researching products and services, recommendations from family and friends are most often the starting point on the path to purchase. Fifty-three percent of Asian Americans agree with the statement “My spouse has a significant impact on the brands I choose.” More than four in 10 also cite the influence of their children (42%). Additionally, 29% of Asian Americans agree with “I prefer to buy things my friends or neighbors would approve of” (over-indexing by 15%).

Popular-culture trends play an even stronger role in Asian American purchases than they do in the total population. Thirty-three percent of Asian Americans agree with “I am influenced by what’s hot and what’s not” (over-indexing by 19%).

Reviews also are a strong influencer among Asian Americans at the outset of their consumer journey. Thirty-nine percent of Asian Americans report having used the internet or apps in the last 30 days for consumer reviews, over-indexing the total population by 50%. Additionally, 74% of Asian Americans agree with the statement “Before purchasing a product online, I typically read online reviews submitted by others.”



74%

READ ONLINE REVIEWS SUBMITTED BY OTHERS BEFORE PURCHASING A PRODUCT ONLINE.



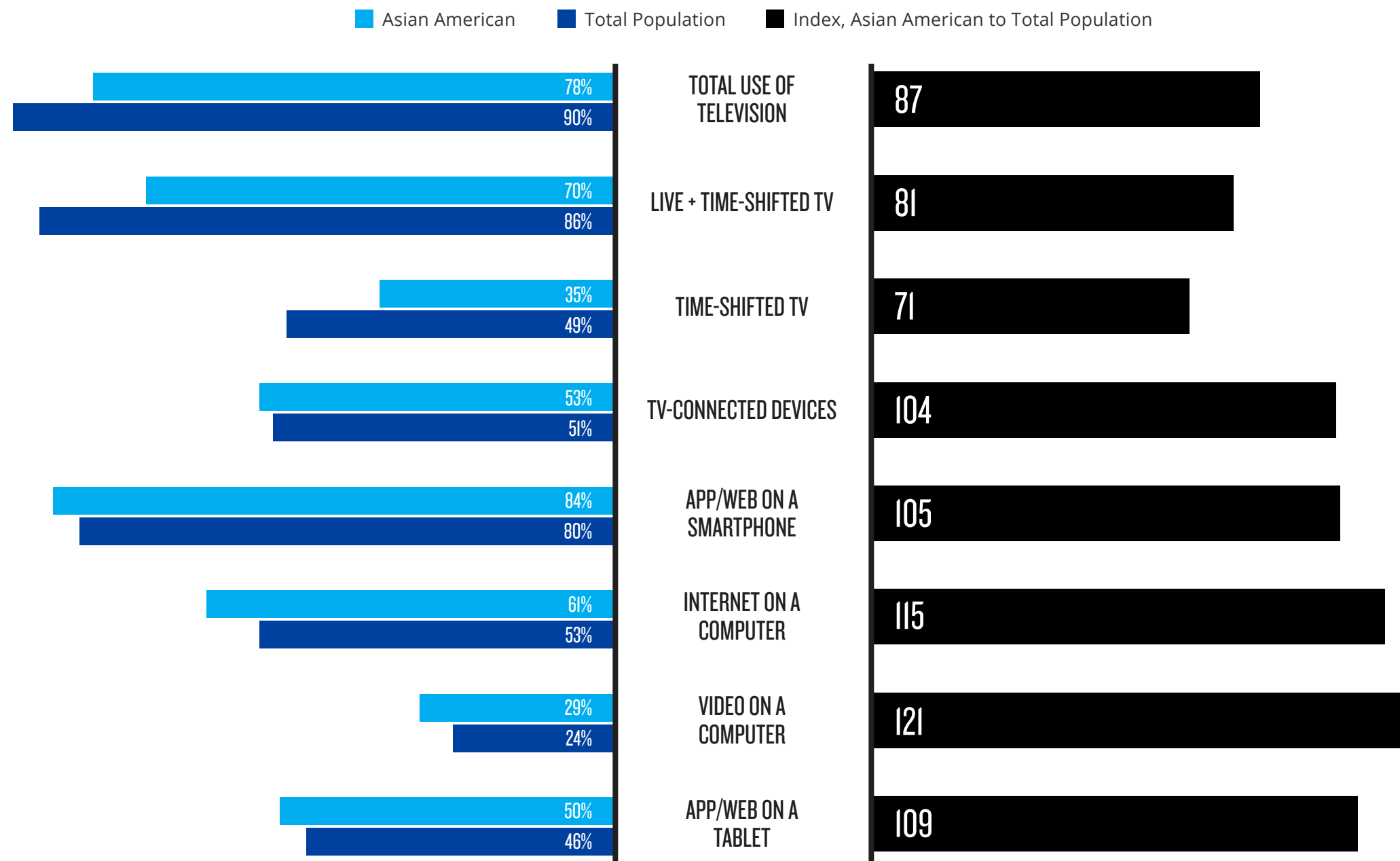
FAVORITE DEVICES ON WHICH ASIAN AMERICANS CAN BE REACHED

When marketers consider the options for building awareness with consumers, advertising is, of course, a primary purchase influencer. In determining which advertising channels to use to best reach Asian American consumers, however, one has to consider reach and time on device in order to maximize return on investment (ROI).

Ninety-seven percent of Asian American households have a smartphone, over-indexing against the total population by 6%, and 89% have a computer, over-indexing by 13%. Though television and apps and web on a smartphone have the highest weekly reach among Asian Americans (78% and 84%, respectively), the reach of social networking on a computer, and video on a computer are where Asian Americans over-index most against the total population.

Overall, the reach of internet-connected devices is 22% higher among Asian Americans—with video on a computer, social networking on a computer, and internet on a computer over-indexing by 21%, 24% and 15%, respectively. This tracks with the fact that 99% of Asian American households have internet access, versus only 93% of the total population. Asian Americans also over-index for the reach of apps and web on a table.

WEEKLY REACH (PERCENTAGE OF ADULTS USING DEVICE WEEKLY)



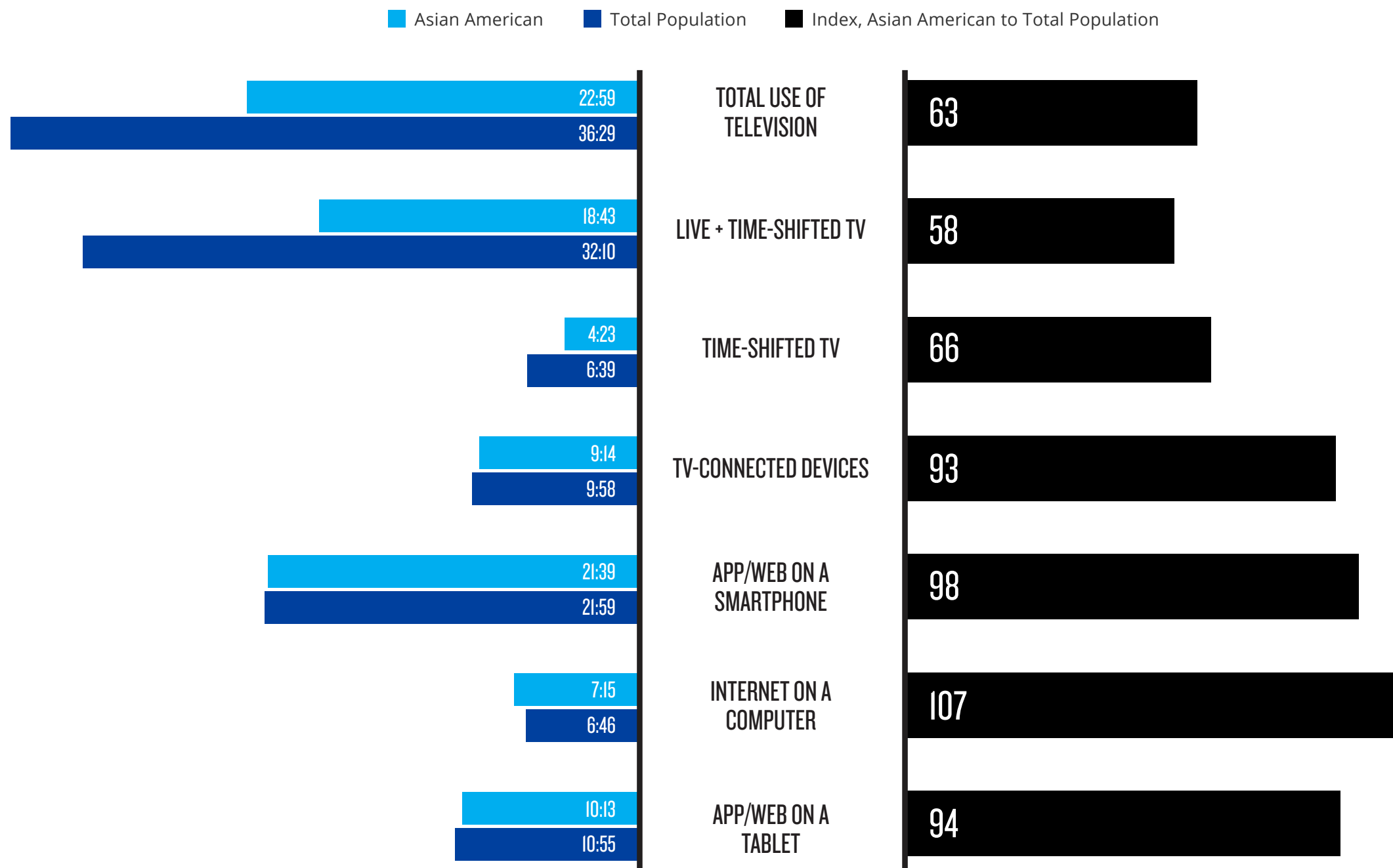
Source: 3Q 2018 Total Audience Report

Not only do television and apps and web on a smartphone have a high weekly reach among Asian Americans, but these platforms also occupy more of Asian Americans' time each week than other devices. Asian Americans spend the most time each week watching TV—almost 23 hours. This behavior and their 21-plus hours each week on smartphones indicate ample opportunity for messages to connect. Given their early adoption of tech, Asian Americans represent a growing consumer bloc, with characteristic audience behaviors on internet-connected devices. Activities where Asian Americans over-index against the total population are internet on a computer, streaming audio and social networking on a smartphone, and video on a computer and on a tablet.



ASIAN AMERICANS SPEND THE MOST TIME EACH WEEK WATCHING TV—ALMOST 23 HOURS.

WEEKLY TIME ON DEVICE (HOURS: MINUTES) AMONG USERS AGED 18+



Source: 3Q 2018 Total Audience Report

TV USE: HOW ASIAN AMERICANS ARE CONNECTING AND WHAT'S BEING WATCHED

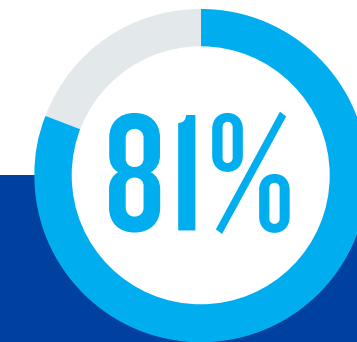
Asian Americans are leading the evolution of how Americans connect to their favorite TV programs. They far exceed the total population in connecting to TV through broadband only. Eighteen percent of Asian American households are classified as “broadband only.” Additionally, 17% of Asian American households are broadband only and subscribe to a subscription video on demand (SVOD) service, over-indexing by 81% to the total population. SVOD platforms such as Netflix, Hulu, Amazon Prime Video and a rapidly growing number of new offerings allow users to choose the programming they want to watch and puts them in control of what can be seen and when it can be seen. These platforms are extremely popular with Asian American households, with 81% subscribing to at least one of them (19% higher than the total population).

TYPES OF TV CONNECTIONS IN U.S. HOUSEHOLDS

TV Household Classification	% OF ASIAN AMERICAN HOUSEHOLDS	% OF TOTAL U.S. HOUSEHOLDS	INDEX Asian American Households vs. Total U.S. Households
Traditional cable	67%	76%	87
Over the air	15%	14%	106
Broadband only	18%	10%	193
Household with SVOD service	81%	68%	119
Traditional cable with SVOD subscription	53%	50%	106
Over the air with SVOD subscription	11%	8%	126
Broadband only with SVOD subscription	17%	9%	181

Source: NPOWER, percent of households within the National TV Panel, December 2018

When deciding where to place messaging that will connect with Asian American consumers, marketers should take into consideration the genres or types of shows preferred. As in the general population, the no. 1 genre is participation variety, which includes reality shows, followed by awards ceremonies and quiz shows. Asian American viewers and the total population begin to diverge at the fourth-most-popular genre: Asian Americans prefer evening animation shows on multiple networks. News, sports events and instruction or advice shows all fall into the top 10 preferred genres. Notably, daytime dramas do not fall into the Asian American top 10 shows as they do for the total population. But that could be changing, given the rising popularity of Korean dramas (K-dramas)—soap-opera-like miniseries that combine over-the-top story lines with chaste romance. “DramaFever,” which sold to Warner Brothers in 2016, brought the trend to the U.S. in 2009. Since then, VIKI, Netflix and Hulu have all gotten in on the action, and K-dramas now has around 18 million viewers in the U.S. (according to Korea Creative Content Agency via Forbes).



81%
OF ASIAN AMERICAN HOUSEHOLDS SUBSCRIBE TO AT LEAST ONE SVOD PLATFORM—19% HIGHER THAN THE TOTAL POPULATION.



The preferences of younger Asian Americans, aged 18–34, differ from those of their older counterparts. The younger viewers are driving the evening animation genre, which is ranked in third place for 18- to 34-year-olds and is not even in the top 10 for adults 35 and older. Still, participation variety (reality driven) and award ceremonies both appear in the top two genres for both age groups. The younger viewers also prefer popular-music shows, general variety, and general drama, while those 35 and older include children’s shows, news, audience participation and sports events, none of which makes the top 10 of the younger group.



TOP 10 TV GENRES AMONG VIEWERS, AGES 18+

ASIAN AMERICAN 18+ TOP 10 TV GENRES	
Rank	Genre
1	Participation variety
2	Award ceremonies
3	Quiz give away
4	Evening animation
5	Child, live
6	Concert music
7	News
8	Audience participation
9	Sports event
10	Instruction, advice

TOTAL POPULATION 18+ TOP 10 TV GENRES	
Rank	Genre
1	Participation variety
2	Award ceremonies
3	Quiz give away
4	Child, live
5	Concert music
6	Daytime drama
7	Audience participation
8	Evening animation
9	Conversations, colloquies
10	News

Source: Nielsen NPOWER, Broadcast and Cable programming, Live+7 Days, January 1, 2018–December 31, 2018, excludes repeats.

TOP 10 TV GENRES AMONG ASIAN AMERICANS, BY AGE GROUP

YOUNGER VIEWERS (18-34)	
Rank	Genre
1	Award ceremonies
2	Participation variety
3	Evening animation
4	Quiz giveaway
5	Sports event
6	Popular music
7	Concert music
8	Instruction, advice
9	General variety
10	General drama

OLDER VIEWERS (35+)	
Rank	Genre
1	Participation variety
2	Award ceremonies
3	Quiz giveaway
4	Child, live
5	Concert music
6	News
7	Audience participation
8	Sports event
9	Instruction, advice
10	Evening animation

Source: Nielsen NPOWER, Broadcast and Cable programming, Live+7 Days, January 1, 2018–December 31, 2018, excludes repeats.

REACH AND INTENSITY OF WEBSITE AND APPS USAGE

Asian Americans are voracious app and website users with strong preferences as to where they devote their time. Given this online activity, well-placed in-category ads could be a highly effective way to connect with Asian Americans. The reach of different types of apps and websites visited daily by Asian Americans suggests how to connect authentically. Those focused on entertainment, news, and commerce all have high reach for Asian Americans relative to the total population. Financial and corporate information websites and apps are also used at a much higher rate by Asian Americans. With their larger households, higher numbers of children, and connections to many other countries, Asian Americans visit family, lifestyle and travel sites more than the total population does, suggesting these are pillar communication efforts for reaching Asian Americans.

REACH OF MOST POPULAR WEBSITES AND APPS FOR ASIAN AMERICANS

	WEBSITES	INDEX TO TOTAL POPULATION	APPS	INDEX TO TOTAL POPULATION
Search engines/portals and communities	96%	104	92%	103
Entertainment	94%	105	87%	103
Telecom/internet services	93%	105	66%	100
News and information	89%	106	72%	106
Multicategory commerce	87%	107	79%	106
Computers and consumer electronics	87%	106	86%	104
Finance, insurance, investment	82%	106	60%	103
Corporate information	82%	108	25%	113
Home and fashion	82%	108	52%	108
Family and lifestyles	78%	106	58%	114
Travel	66%	103	43%	107

Source: Nielsen Media Impact, 10/1/2018–10/31/2018

COMPARATIVE AD PLATFORMS AND AD TALENT EFFECTIVENESS IN CONTENT

For achieving awareness of goods and services, mobile and web advertising are the preferred path. Asian Americans agree at a higher rate than the total market that advertising on mobile phones and the internet provides them with meaningful information on what other consumers are buying and useful information about bargains and new products and services. An overwhelming 91% of Asian Americans agree that the internet “is a great way to gather information on products/services I’m considering purchasing.”

ASIAN AMERICANS’ ADVERTISING PLATFORM ATTITUDES

Vehicles, % who agree

	MAGAZINES	NEWSPAPERS	MOBILE PHONES	RADIO	INTERNET	TV
... provides me with meaningful information about the product use of other consumers.	28%	28%	24%	24%	36%	34%
... provides me with useful information about bargains.	28%	36%	26%	30%	41%	37%
... provides me with useful information about new products and services.	34%	32%	27%	31%	41%	43%

Source: Nielsen Scarborough/GfK MRI Attitudinal Insights R1 2018 USA+

Asian Americans constitute one of the fastest-growing consumer groups in the U.S., and are vital to reach for companies looking to drive future growth. Nielsen Consumer Neuroscience has found that advertising that features diverse talent can have broad appeal. The implication for brands and advertisers is that, to capture the true growth markets in the U.S.—multicultural consumers, who will be a numerical majority by 2044—they need to develop culturally relevant advertising. The general market consumer is not alienated by diversity; it’s what they see around them on a daily basis.

In a Neuroscience study featuring a personal care brand, Asian American consumers were identified by the brand as key early adopters of the product being advertised and so the brand created an ad that featured Asian American talent and tested the reactions of Asian American consumers’ response versus the general market.

The action intent (a summary score that predicts the likelihood of behavioral change, linked to in-market sales) was just as high among general market consumers as it was for Asian Americans. This outcome proves that companies seeking general market-share growth can leverage diverse talent in their advertising. Within a rapidly diversifying U.S. population, growth can only be achieved through multicultural consumers, who constitute some of the fastest growing demographic groups in the U.S.



WITHIN A RAPIDLY DIVERSIFYING U.S. POPULATION, GROWTH CAN ONLY BE ACHIEVED THROUGH MULTICULTURAL CONSUMERS, WHO CONSTITUTE SOME OF THE FASTEST GROWING DEMOGRAPHIC GROUPS IN THE U.S.

ACTION INTENT FOR AD FEATURING ASIAN AMERICAN TALENT

	ASIAN AMERICANS	GENERAL POPULATION
Action intent	60th Percentile	60th Percentile

Source: Nielsen Consumer Neuroscience, N=6,000 ads

SOCIAL MEDIA'S ROLE IN THE INTERACTIVE CONSUMER JOURNEY

Social-media interaction with Asian American stars of TV and the silver screen can be a major influencer in the path to purchase of Asian Americans. Social-media interaction adds context and a multiscreen layer to traditional TV viewership. It's in sync with the breakthrough of Asian-led TV shows and movies in 2018.

Priyanka Chopra, most recently the star of "Quantico," and Constance Wu, star of "Fresh Off the Boat"—both strong Asian and Asian-American female leads—were the top two most engaging and influential social accounts among the Asian-cast-led TV shows in 2018 across Facebook and Twitter. Chopra's social-media star has ascended through her budding Hollywood career in addition to her well-established Bollywood stardom. Despite her TV show finishing its run after 3 seasons, anticipation grew around her wedding last year to Nick Jonas in her home country of India. Their wedding exemplified the confluence of Asian and American cultures, as Nick Jonas tweeted in December: "One of the most special things that our relationship has given us is a merging of families who love and respect each other's faiths and cultures."

Constance Wu's star continued to rise in 2018, with starring roles in "Fresh Off the Boat" and "Crazy Rich Asians." The latter, featuring Asian Americans in all the lead roles, was a triumph at the box office, earning \$238 million globally, according to Box Office Mojo. Fans of this blockbuster movie were highly likely to influence others through tweets: those who tweeted about "Crazy Rich Asians" were 313% more likely than other Twitter users to tweet about ABC's "Oscars Opening Ceremony: Live from the Red Carpet."

Asian Americans exceed the total population in their use of social media for product research and engagement. Twenty-six percent of Asian Americans agree that finding out about products and services is an important reason for using social media (over-indexing by 14%), 19% agree rating or reviewing is an important reason (over-indexing by 24%), and 22% agree receiving exclusive offers, coupons or other discounts is important (over-indexing by 22%). Asian Americans also agree at a much higher rate that gaining access to VIP or members-only events is an important reason to use social media (14%, over-indexing by 31%).



24%

MORE ASIAN AMERICANS AGREE THAT RATING AND REVIEWING IS AN IMPORTANT REASON TO USE SOCIAL MEDIA.

PROFILES OF ASIAN AMERICAN HOUSEHOLDS



THE KATHURIA FAMILY

Nidhi, Age 43
Aman, Age 44
Sara, Age 12

Nationalities: Indian/American Indian

Responses submitted by Nidhi.

Q: What do you look for in a brand when making purchasing decisions?

A: Value for money

Q: When you're considering making a purchase, whose opinion is most important to you?

A: Mine

Q: Do you buy the same brands as your parents? Why or why not?

A: The products I buy the same as my parents would be those that I have seen in childhood, and it's the matter of habit, trust for the brand, something I grew up with. For example, certain spices of a particular brand. Products I might have moved away from would be those that I didn't really completely appreciate or the ones I found better alternatives for in terms of taste or something that requires less time to make. By and large I consider myself lazy and have little patience to try newer things, especially cooking-wise. I am game to try variety at restaurants and don't think twice about money I spend on that!

Q: Do you buy the same brands as your friends? Why or why not?

A: Not necessarily

Q: How do you hear about products and/or brands?

A: Friends

Q: How do you research brands and products?

A: Google, Reviews

Q: Do you use social media? If so, for what reasons?

A: Yes, to keep abreast with what's happening around the world, professional

Q: How do you feel when you see an ad in your social media feed?

A: Depends, I might or might not like it, but hate it during the videos

Q: On what device(s) do you watch the most video content?

A: Smartphone

Q: How do you decide whether to shop for a product in-store or online?

A: Prefer in store, to see the fit, feel

Q: What qualities matter to you for an in-store shopping experience?

A: Non interference, great products, sales

Q: What qualities matter to you for an online shopping experience?

A: Reviews

Q: Who goes with you on your shopping trips?

A: My daughter

These profiles were compiled via an independent online survey, and provide contextual background to the Nielsen data in the report. The responses reflect the opinions of the individual households and should not be interpreted as a scientific insight.

ASIAN AMERICANS PROVIDE PASSIONATE FEEDBACK AND REVIEWS IN A BROAD RANGE OF CATEGORIES

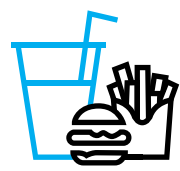
Besides being influenced by brands, Asian Americans are themselves influencers of other Asian Americans and mainstream consumers alike. Asian Americans use their digital voice to review products, film videos, write blogs and initiate other forms of feedback, and that can mean success or failure for brands. The sphere of influence of Asian Americans reverberates well beyond the Asian American community.

Asian American consumers are eager to share their opinions and recommendations on products and services. Thirty-two percent agree that they “like to share my opinions about products and services by posting reviews and ratings online,” and 38% agree that people “often come to me for advice before making a purchase.”

The influence of Asian Americans is pervasive in a broad range of categories. Here is a sampling of attitudes in select categories that brand marketers should be aware of:



Technology and electronics. Asian Americans are eager to share their technology opinions: 43% (over-indexing the general population by 29%) agree that they “give others advice when they are looking to buy technology or electronics.”



Food. Almost three in four (71%) of Asian Americans agree with the statement “When I find a food product I like, I typically recommend it to people I know.”



Automobiles. Once Asian Americans find a vehicle they like, 67% recommend it to people they know. Additionally, one-third (33%) take the opportunity to discuss their knowledge of automobiles with others and 29% say they are asked for advice by others about autos.



32%

AGREE THAT THEY “LIKE TO SHARE MY OPINIONS ABOUT PRODUCTS AND SERVICES BY POSTING REVIEWS AND RATINGS ONLINE.”

ASIAN INFLUENCES ARE DRIVING MAINSTREAM GROWTH IN MANY CATEGORIES

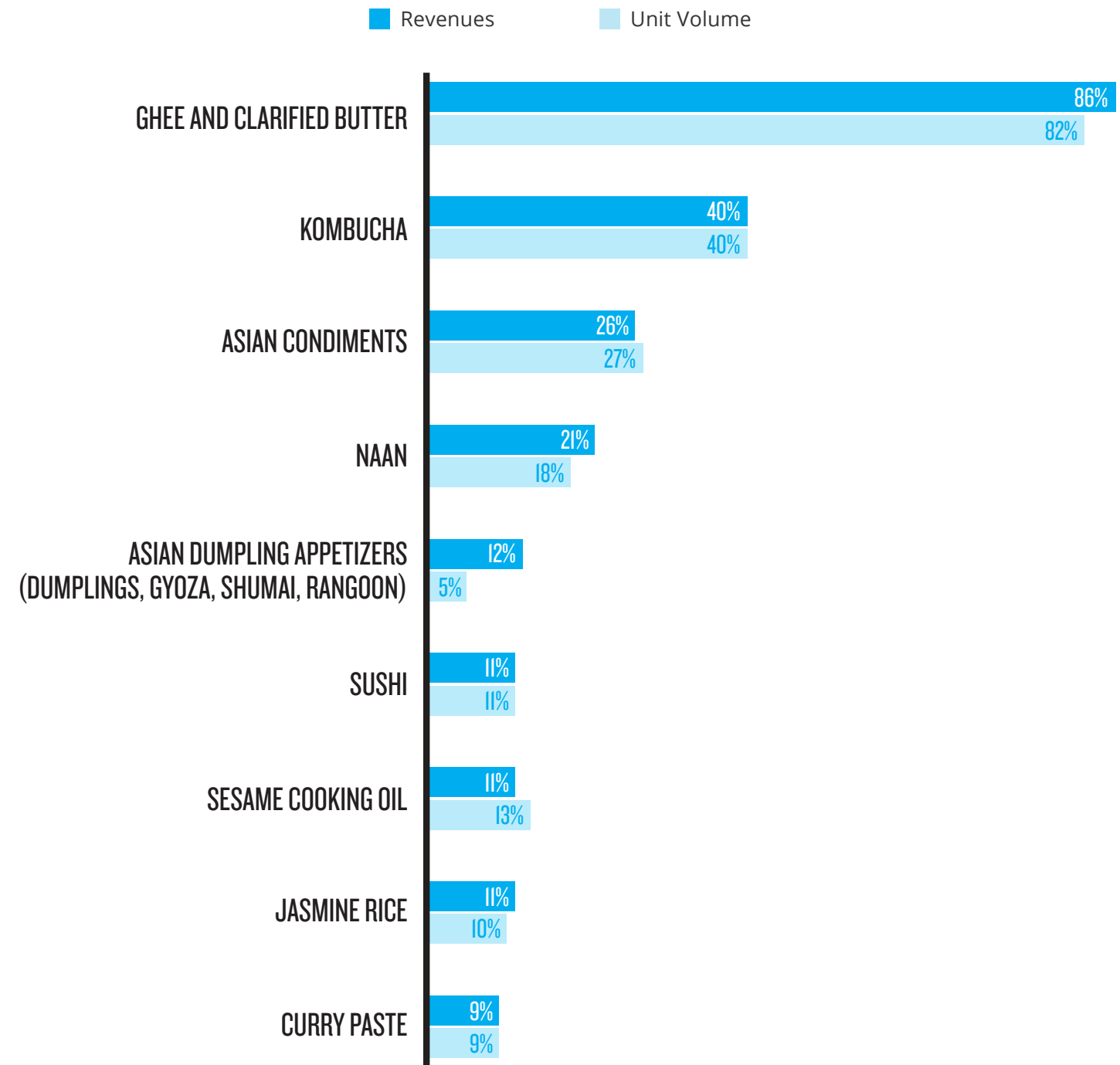
Across many categories, the influence of Asian-inspired flavors and formats cannot be ignored. In fact, products such as ready-to-drink green tea and curry spices have seen impressive dollar and unit volume growth far outpacing that of overall beverages and spices. From naan in the bread category to Asian condiments, many categories have ascended from niche opportunities to mainstream growth drivers, seeing double- or even triple-digit growth rates over the past three years. Thus, an Asian-minded product strategy can yield exponential results and resonate with the entire market. Opportunities await retailers and media providers that seek to understand and capitalize on the unique consumer journey of Asian Americans and their greater likelihood of providing feedback and sharing their path-to-purchase perspectives.



PRODUCTS SUCH AS READY-TO-DRINK GREEN TEA AND CURRY SPICES HAVE SEEN IMPRESSIVE DOLLAR AND UNIT VOLUME FAR OUTPACING THAT OF OVERALL BEVERAGES AND SPICES.

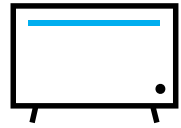
ASIAN FLAVORS SHOWING MAINSTREAM APPEAL: DOLLAR AND UNIT GROWTH BY CATEGORY

3-Year Compound Annual Growth Rate



Source: Nielsen Retail Measurement Services (RMS), Total U.S. All Outlets Combined (xAOC), 52 Weeks ended Dec. 29, 2018, vs. two years ago, UPC-coded and random-weight/Non-UPC-coded data

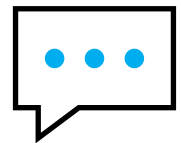
SECTION I TAKEAWAYS



Among media used for communicating with Asian Americans, television has the highest weekly reach, followed by apps and web on a smartphone. These also occupy more of their time each week. Internet-connected devices are where Asian Americans outpace the total market in reach and time on device. Understanding where Asian American consumers spend their time on devices, and where they exceed the total market, is key for marketers seeking to connect with this powerful consumer group.



Ads that feature Asian American talent show strong point of sale impact, both among Asian American consumers and within the general market. This insight is key for marketers that seek mass appeal while engaging with powerful, emergent segments like Asian American consumers—and as the overall consumer landscape becomes more diverse over time.



Asian Americans over-index the total population in using social media to find out about products and services, view reviews, and receive exclusive offers, coupons or other discounts.



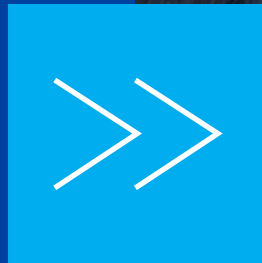
Asian Americans are outsized influencers of other consumers, using their digital voice to review products, film videos, write blogs, and initiate other forms of feedback. Their opinions and loyalty reverberate well beyond the Asian American community. Recognizing that this consumer group possesses influence that extends well beyond the confines of their community is key for marketers seeking growth opportunities both within and beyond the general market.





ASIAN AMERICANS' DYNAMIC DEMOGRAPHICS AND POTENT CONSUMPTION

Asian Americans are having a profound demographic impact on the U.S. mainstream. Furthermore, the unique makeup of Asian American households generates fundamental consumption needs and behaviors relevant to all marketers.



ACCELERATING AND DIVERSE GROWTH IN POPULATION AND BUYING POWER

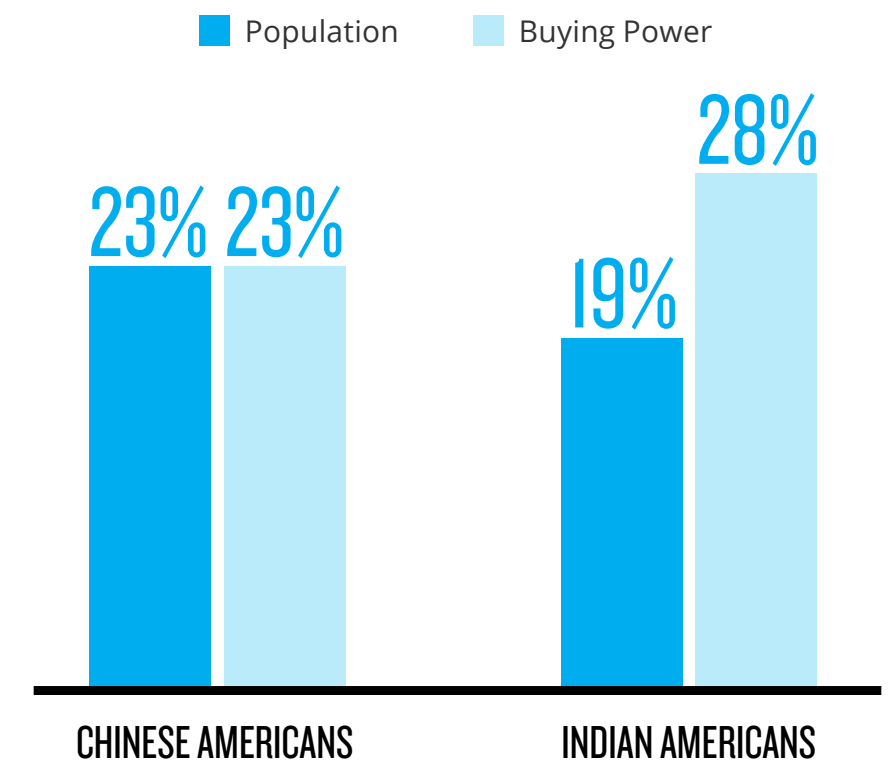
Asian American strength in population growth (45% over the past 10 years) is magnified by this group's buying power: \$1.0 trillion in 2018, a 68% gain over 2010 (vs. 32% for the total U.S.). Additionally, it is expected to rise to \$1.3 trillion by 2023, an increase of 32% over 2018 (vs. 16% for the total U.S.). The largely affluent and dynamic Asian American consumer segment must be viewed as an integral opportunity for any marketer or provider of goods and services.

Asian Americans, as defined by the U.S. Census, are an amalgamation of those with heritage from more than two dozen countries with an even greater diversity of cultures, languages and multiracial lineage. Chinese Americans are the largest ancestry group, at 23% of the total Asian American population with a proportionate share of Asian American buying power. The second-largest ethnic group, Indian Americans, make up 19% of the Asian American population and the largest share (28%) of Asian American buying power. Filipinos constitute the third-largest group in terms of both population and buying power, at 18% and 14%, respectively.

Understanding Asian American consumers' unique needs and diverse cultural influences is vital to capturing a share of their buying power and to building authentic connections leading to long-term brand loyalty.


A DIVERSE AND POWERFUL CONSUMER GROUP

Share of population and buying power by nativity



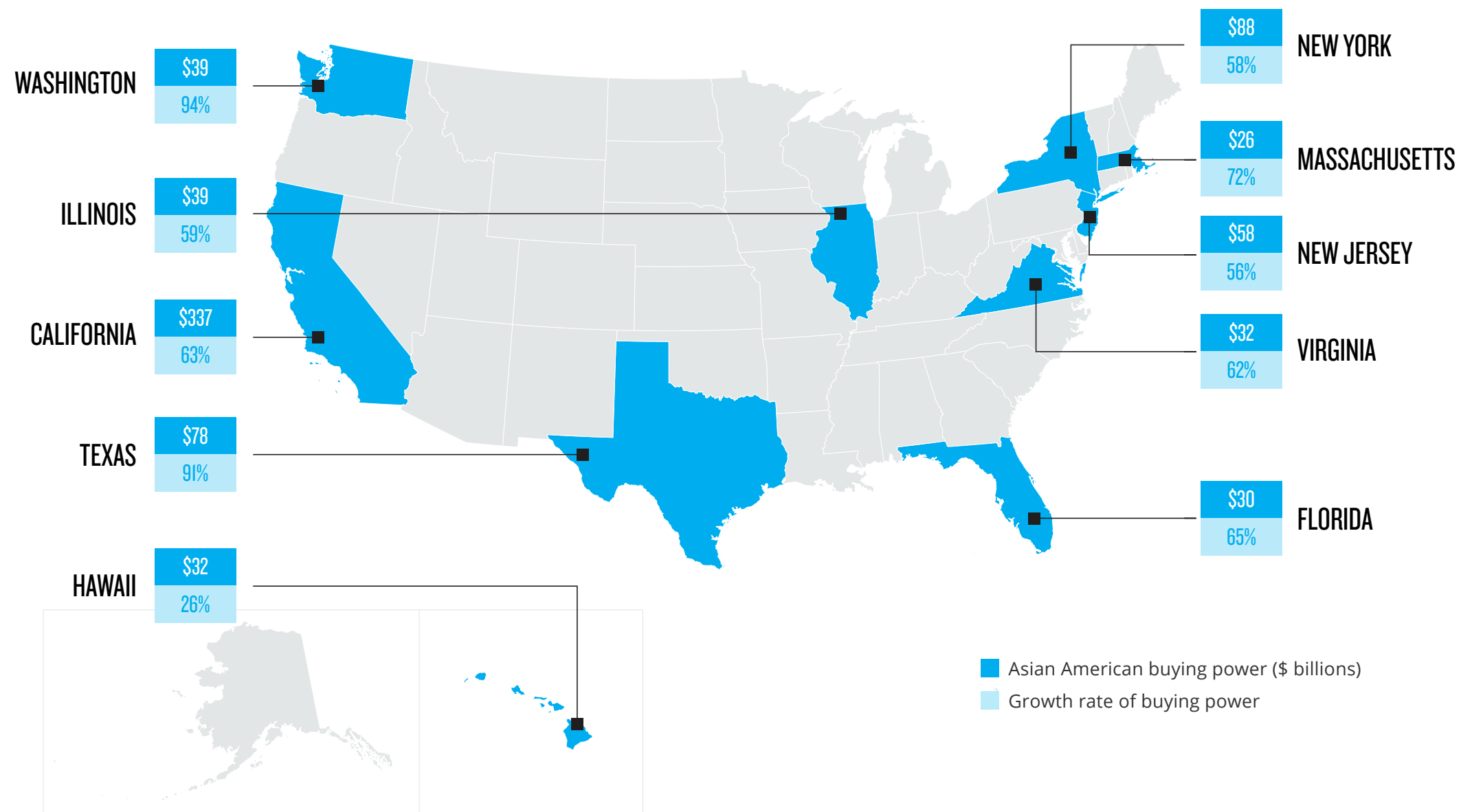
GEOGRAPHIC CONCENTRATIONS OF POPULATION AND BUYING POWER

Asian American share of total buying power increased in every state except Hawaii, with 20 states now boasting over \$10 billion in Asian American buying power. Ten states accounted for 75% of Asian American buying power in 2018. Every one of these states has seen Asian American buying power increases of more than 50% in the last eight years with Washington and Texas benefiting from the strongest overall gains, at 94% and 91%, respectively. Geographically, 46% of the U.S. Asian population lives in the West, 23% in the South, 19% in the Northeast, and 12% in the Midwest.



TEN STATES ACCOUNTED FOR
75%
OF ASIAN AMERICAN BUYING POWER IN 2018.

TOP 10 STATES: ASIAN AMERICAN BUYING POWER AND ITS GROWTH RATE, 2000–2018



Source: Selig Center for Economic Growth, 2018

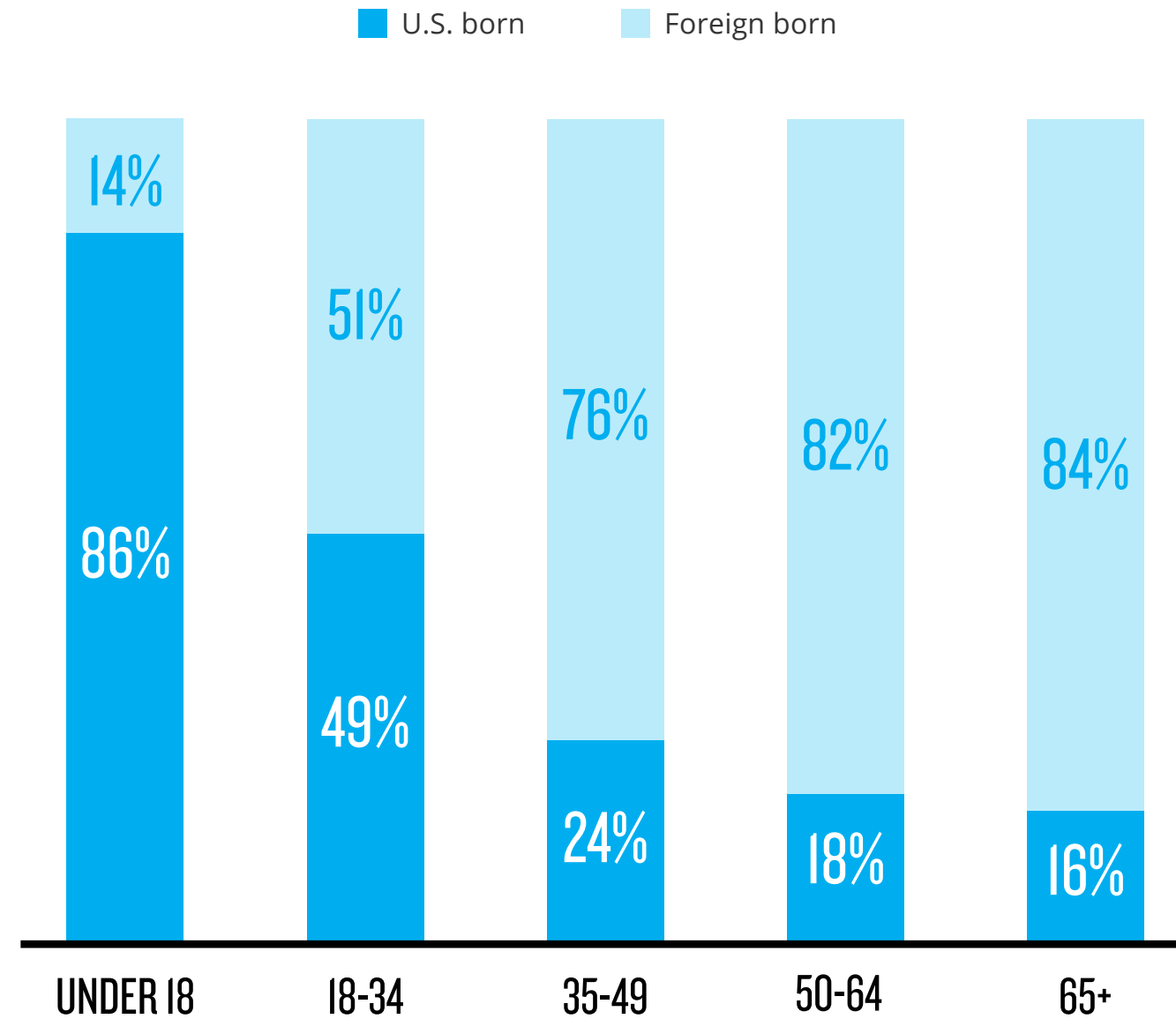
SIGNIFICANT GENERATIONAL CHANGES IN U.S. NATIVITY AND CULTURE ADOPTION

A significant generational change is occurring within the Asian American community: those born in the U.S. constitute a growing percentage of younger Asian Americans. This blending of cultures is significantly changing the overall makeup of Asian Americans in the U.S. A growing number of Asian Americans speak fluent English, advance through the American educational system, incorporate U.S. culture, and garner a stronger voice in American society.

Immigration has been and will continue to be a major source of Asian American growth. In 2017, the largest number of first-year immigrants entering the U.S. came from India (103,724), followed by China (99,560), then Mexico (98,953). Although 80% of Asian Americans age 35 and older were born in another country, only 34% of Asian Americans under 35 were. This trend toward increasing U.S. nativity is accelerating, as 86% of Asian American children (under 18) are U.S. born.

The trend is also toward greater use of the English language. While Asian Americans include users of more than 50 national languages and literally thousands of Asian dialects, 81% report that they speak English well or very well. However, the age difference is dramatic: Ninety-five percent of Asian Americans under age 35 speak English (well, very well, or exclusively) vs. only 80% of those 35 and older. Sixty-five percent of Asian Americans over the age of 5, however, speak a language other than English. Marketers must be aware of when to use in-language communication. Achieving the right cultural marketing mix drives emotional engagement and loyalty.

AMERICAN NATIVITY BY AGE



Source: U.S. Census American Community Survey 2017

PROFILES OF ASIAN AMERICAN HOUSEHOLDS



MEGAN D., AGE 29

Nationality: Vietnamese

Q: What do you look for in a brand when making purchasing decisions?

A: **Design, ingredients, ethically made, etc.**

Q: When you're considering making a purchase, whose opinion is most important to you?

A: **Probably online reviews.**

Q: Do you buy the same brands as your parents? Why or why not?

A: **Some, because I'm loyal to those products but I'm much more open to trying new products.**

Q: Do you buy the same brands as your friends? Why or why not?

A: **Yes, I value my friends' opinions.**

Q: How do you hear about products and/or brands?

A: **From online reviews and friends.**

Q: How do you research brands and products?

A: **Before I commit to buying a new brand or product, I usually start with researching online. I use specialized review websites like or general review sites and I read as many articles on the brands and products as I can find. I then like to ask family members, friends and coworkers on their opinions and any new suggestions they might have. For larger investments, I tend to spend more time researching and thinking about the purchase, sometimes several weeks or months.**

Q: Do you use social media? If so, for what reasons?

A: **Yes, mostly for news, entertainment and humor.**

Q: How do you feel when you see an ad in your social media feed?

A: **Most of the time, I don't mind but sometimes a very mismatched ad makes me annoyed.**

Q: On what device(s) do you watch the most video content?

A: **TV, Tablet, Smartphone.**

Q: How do you decide whether to shop for a product in-store or online?

A: **If I'm 100% confident in the product—meaning I've purchased before or if I know the product fits—I will go ahead and buy online. If I'm unsure, I'll go to a store to check out different products and try on pieces.**

Q: What qualities matter to you for an in-store shopping experience?

A: **Store organization, hospitable sales associates.**

Q: What qualities matter to you for an online shopping experience?

A: **Easy and attractive user experience, discounts.**

Q: Who goes with you on your shopping trips?

A: **Partner.**

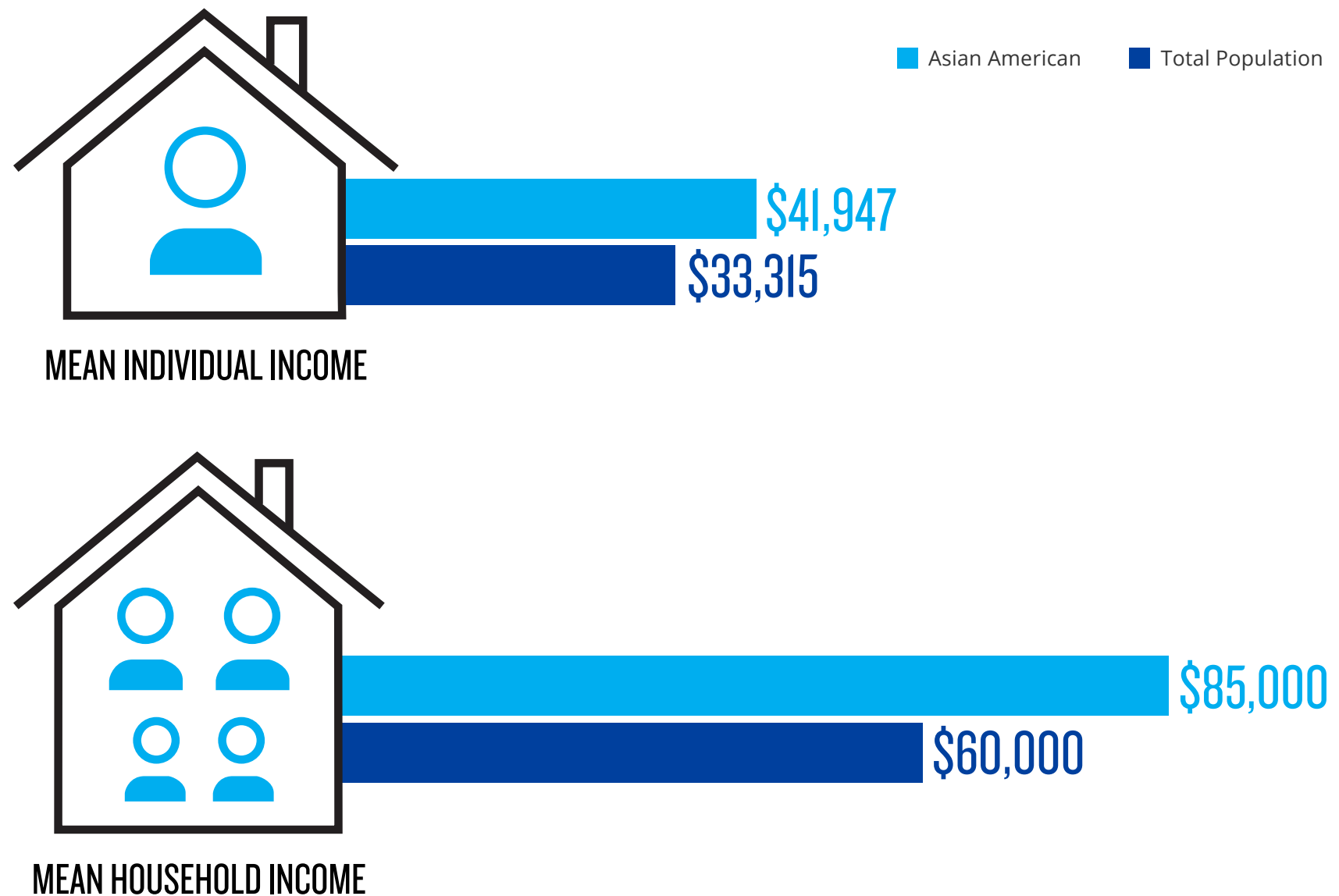
These profiles were compiled via an independent online survey, and provide contextual background to the Nielsen data in the report. The responses reflect the opinions of the individual households and should not be interpreted as a scientific insight.

LEADERS IN INCOME, EDUCATION AND EMPLOYMENT

On average, Asian Americans represent the most affluent U.S. population group. The mean individual income of Asian Americans is \$41,947, and the mean household income is \$85,000 (vs. \$33,315 and \$60,000, respectively, for the total U.S. population). However, incomes vary widely in this diverse group.

Among individuals age 25 and older, 22% of Asian Americans (up from 15% in 2007) have a personal income of \$75,000 or more (vs. 14% of the total U.S. population), and 14% have an income of \$100,000 or more (vs. 8% of the total U.S.). Looking at Asian American households, more than half (56%) have an income of at least \$75,000 (vs. 40% of the total population), and 43% have an income of at least \$100,000 (vs. 28% of the total U.S.)

A primary contributing factor to higher income levels for Asian Americans is educational attainment. Fifty two percent of Asian Americans over the age of 25 hold a bachelor's degree or higher as compared to 32% of the total population, the highest of any ethnic or racial group. Many of the most highly compensated jobs in the U.S. are science, technology, engineering, and math (STEM) related and with higher education levels, Asian Americans exceed their 7% share of the total U.S. population in these fields making up 13% of the STEM workforce. Twenty-three percent of Asian Americans 25 and older work in STEM, as compared to 12% of the total population. Other top industries of employment for Asian Americans over the age of 18 are: arts and entertainment, which accounts for 11% of Asian American employment; retail trade at 11%; and manufacturing at 11%. (EthniFacts Analysis of 2018 U.S. Census ACS).



FAMILY TIES DRIVE HOUSEHOLD COMPOSITION AND MULTIGENERATIONAL BUYING POWER

In addition to higher educational attainment and work in higher-paying fields, household size contributes to Asian Americans' higher household income. Asian American households are 17% larger than total U.S. households (averaging 2.91 persons, versus 2.49 for the total population). A cause of this larger household composition is the pattern of Asian immigrants starting a new life in the U.S. with extended families in order to ease the transition. The support of family smooths the adjustment to a new culture and fosters culture sustainability, as elders have daily influence on younger generations.

Multigenerational households are relatively common among Asian Americans, with 27% of them living in such households, versus 15% of the total population. In addition, Asian American households are more likely to have children under the age of 18 (40% vs. 31% of total U.S. households) and to include a married couple (63% vs. 48%).

These multigenerational households play a principal role in the Asian American shopper's path to purchase. Where Asian Americans vary most from the total U.S. population is in the intended user for multiple categories purchased by the primary shopper: in Asian American households, buying for a household member other than oneself is more common. In fact, purchasing beverages, groceries and health-related items for that other household member, often a parent or other relative, rather than for a child or spouse, represents the largest differences in intended users between Asian Americans and the total population. Asian American moms, typically their household's primary shopper, buy for children as the intended user 34% more often than the total population, with health-related items for children being purchased 97% more often than by the total population, the highest differential in shopping for children.

INTENDED USER WHEN PURCHASING: INDEX OF ASIAN AMERICANS RELATIVE TO TOTAL MARKET

Intended User	TOTAL	FOOD	NON-FOOD	BEVERAGES	FRESH	FROZEN	GROCERY	SNACKS	HEALTH	PERSONAL CARE	HOUSEHOLD CARE
Myself	98	97	98	99	99	98	96	91	87	106	95
Spouse/Partner	120	121	115	131	120	117	118	109	124	111	121
Child(ren)	134	136	124	129	148	141	124	131	197	108	128
Other Household Member	120	125	100	148	118	113	125	121	139	99	101

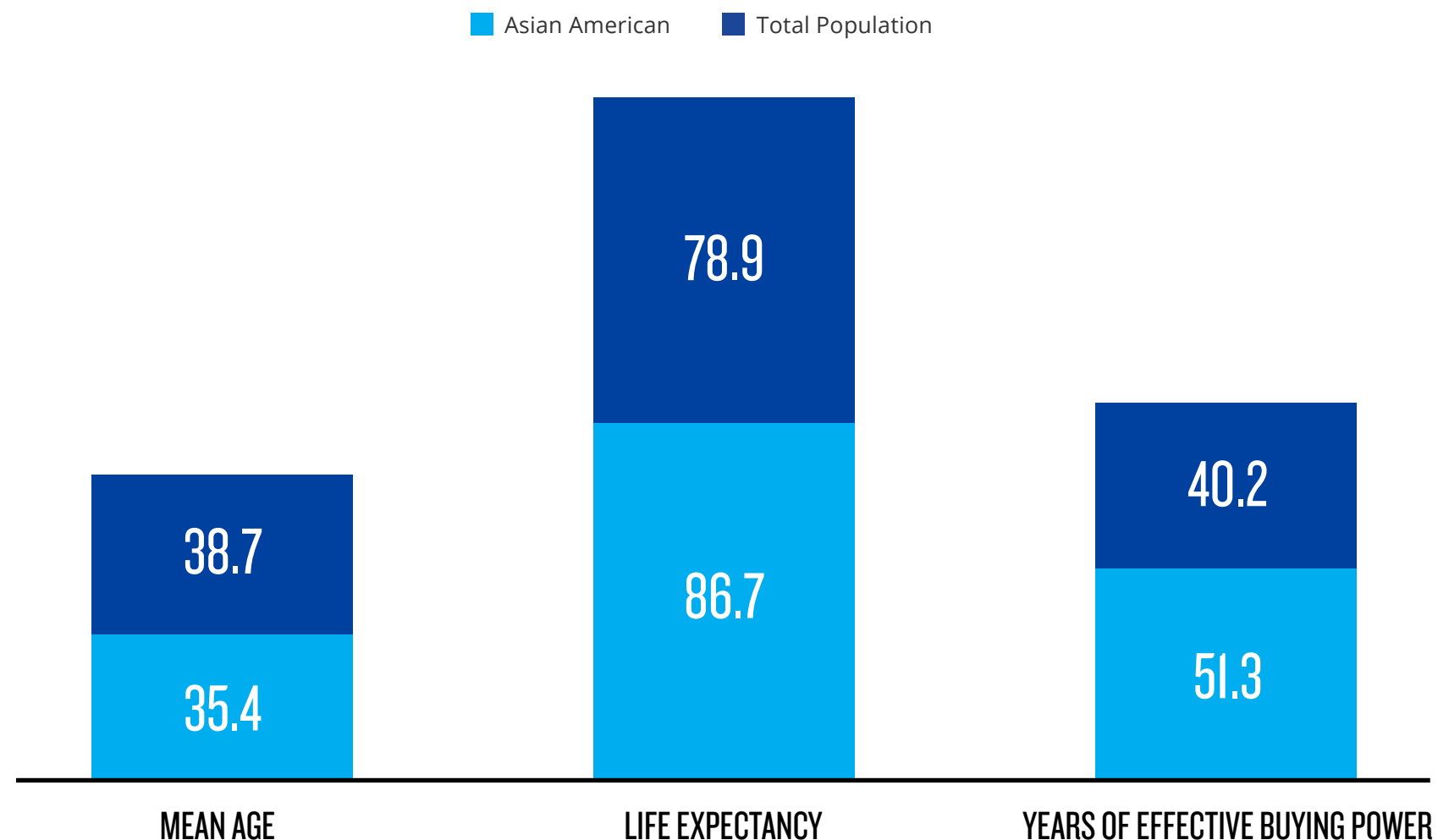
Source: Nielsen U.S. Category Shopping Fundamentals, 2017



RELATIVE YOUTH AND GREATER LIFE EXPECTANCY EQUAL MORE YEARS OF EFFECTIVE BUYING POWER

At 35.4 years old, the mean age of the Asian American population is younger than that of the overall population, which is 38.7 years old. Also, owing to many factors, including diet, the life expectancy of Asian Americans is much longer than that of the overall U.S. population at 86.7 versus 78.9 years. Thus, the effective years of buying power for Asian Americans is 51.3 years, versus 40.2 years for the total population. This makes building loyalty within the Asian American consumer base an especially wise investment, as a loyal consumer will provide over 25% more years of effective buying power, paying dividends for years to come.

ASIAN AMERICAN YEARS OF EFFECTIVE BUYING POWER VS. TOTAL POPULATION





A LOYAL ASIAN AMERICAN CONSUMER WILL PROVIDE OVER

25%

MORE YEARS OF EFFECTIVE BUYING POWER.

SECTION 2 TAKEAWAYS



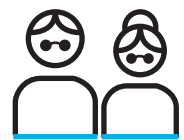
Asian Americans are the fastest-growing U.S. ethnic or racial group. With a population of 22.6 million, they are expected to grow 36% by 2030 and increase buying power from \$1.0 trillion in 2018 to \$1.3 trillion by 2023.



Seventy percent of Asian American adults are foreign-born, so understanding diverse cultural influences is vital for building steadfast connections and long-term brand loyalty. However, 49% of Asian Americans aged 18-34 are U.S.-born, so generational differences matter.



Multigenerational households play a principal role in Asian American shoppers' paths to purchase. For multiple product categories, the intended user is very often different from the primary shopper. Understanding this nuance is important when constructing advertising messages for this community, because the person in control of the purchase decision and the end user of the product are not always one in the same.



Because the mean age of Asian Americans is relatively young and the group's life expectancy is relatively long, their effective years of buying power exceeds that of the total population. For marketers, the relative youth and wealth of this consumer segment represent a linchpin for businesses and brands seeking to carve out a long-term growth strategy.





ASIAN AMERICAN POWER AT THE POINT OF PURCHASE

In the path to purchase, consumers vote with their dollars. Therefore, information about the primary categories where Asian Americans are spending, along with insight into their attitudes about purchasing, is critical in understanding current behaviors and future opportunities.



ASIAN AMERICAN ATTITUDES AT THE POINT OF PURCHASE



SATISFACTION

Asian Americans overwhelmingly say that where they shop (online or in store) and the experience of shopping there plays an important role in their product purchases. In terms of store choice, 75% of Asian Americans indicate that they prefer stores with “a large selection of familiar brands.”



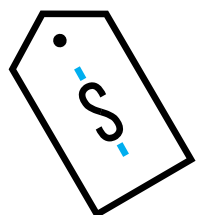
BRAND ALIGNMENT WITH VALUES AND SOCIAL RESPONSIBILITY

Asian Americans are loyal to brands they like and whose image and values align with their own. The majority say they buy “natural products” because they are “concerned about the environment” (57%) or “concerned about my and my family’s health” (58%).



QUALITY AND BRAND TRUST

Quality and brand trust are top of mind for Asian American consumers. Seven in ten agree that “I buy based on quality, not price,” and 69% describe themselves as “typically willing to pay more for high-quality items” (over-indexing against the total population by 11%).

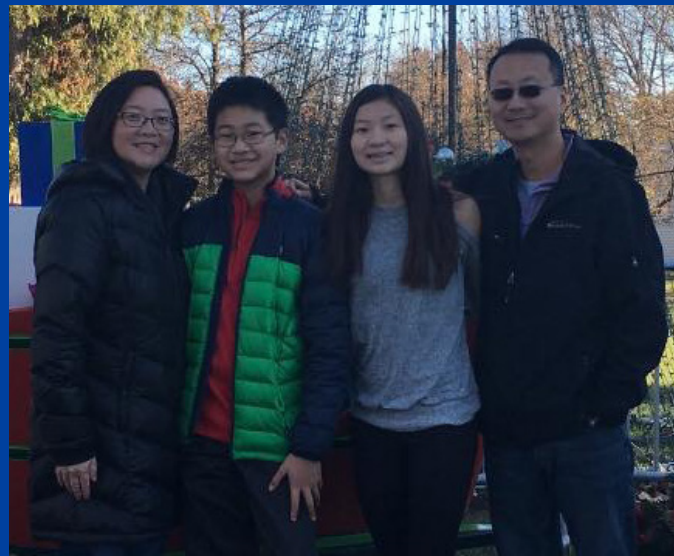


PREMIUM ON PRICE AND PROMOTION

Despite strong emotions regarding quality and trust, price is not unimportant to Asian Americans. In fact, 68% of Asian Americans agree with the statement “My number one goal when shopping is to save as much money as possible.”



PROFILES OF ASIAN AMERICAN HOUSEHOLDS



THE WANG/LEE FAMILY

Amy Wang, age 48

Jim Lee, age 49

Lauren, age 17

Ryan, age 14

Nationalities: Amy is Taiwanese and Jim is Korean. Lauren and Ryan are Korean-Taiwanese.

Responses submitted by Amy.

Q: What do you look for in a brand when making purchasing decisions?

A: I do tend to steer towards brands I've heard of and that have a good reputation or good word of mouth or a brand I've seen frequently in Consumer Reports magazines or in stores I've shopped at or in magazines I read.

Q: When you're considering making a purchase, whose opinion is most important to you?

A: My husband's or my kids'—because that is often whom I'm buying for.

Q: Do you buy the same brands as your parents? Why or why not?

A: Yes, for the items we have in common. There is probably a familiarity aspect and an association with home. Perhaps it's genetic!

Q: Do you buy the same brands as your friends? Why or why not?

A: Yes, I trust my friends' judgment. Probably a little of fear of missing out.

Q: How do you hear about products and/or brands?

A: Radio, TV, print, internet ads, Consumer Reports magazines, demonstrations at stores, my friends and family.

Q: How do you research brands and products?

A: Online, Consumer Reports magazines and by asking on social media neighborhood groups.

Q: Do you use social media? If so, for what reasons?

A: Yes, to keep up with friends and family, to connect with others and for entertainment.

Q: How do you feel when you see an ad in your social media feed?

A: I do not like seeing ads at all.

Q: On what device(s) do you watch the most video content?

A: Smartphone and TV.

Q: How do you decide whether to shop for a product in-store or online?

A: I rarely buy anything besides books online. I like to feel my purchases.

Q: What qualities matter to you for an in-store shopping experience?

A: Organized layouts, cleanliness in the store and the availability of good deals.

Q: What qualities matter to you for an online shopping experience?

A: Good deals, ease of navigation and payment, good quality pictures, a good return policy and free or low cost shipping.

Q: Who goes with you on your shopping trips?

A: I typically go alone. I usually feel encumbered when my kids tag along!

Q: What was most important to you when picking your vehicle? What did you do to learn more about your vehicle before buying?

A: Most important were high ratings given by friends and family and Consumer Reports magazines. We tend to go with car brands we like. For example we have bought the same two brands for our last seven cars. We always test drive, ask our car knowledgeable friends and read online reviews.

These profiles were compiled via an independent online survey, and provide contextual background to the Nielsen data in the report. The responses reflect the opinions of the individual households and should not be interpreted as a scientific insight.

ASIAN AMERICAN BEHAVIORS AT THE POINT OF PURCHASE

Asian Americans spend an average of \$5,958 annually on food at home (CES data, Bureau of Labor Statistics), which is 11% higher than the total population and is 9% of Asian American’s total annual household expenditure. They also spend significantly in many non-food categories, making purchase behavior important to understand.

FOOD IS MORE THAN SUSTENANCE, AND FRESH IS FOREMOST

Asian-Americans’ long-standing cultural tradition of regarding food and diet as a part of holistic well-being may well be a contributor to their 10% greater life expectancy in the U.S. The perception of food as much more than sustenance is reflected in Asian American purchases. Eighty percent of Asian Americans prefer to cook with fresh food rather than canned or frozen, and 48% say they regularly eat organic foods (over-indexing by 21%). Freshness, particularly in regard to seafood and produce, is paramount to Asian American shoppers. Additionally, Asian-influenced cooking styles that require fresh ingredients—such as eating sushi, steaming, wokking and shabu-shabu—have become mainstream, and retailers should be capitalizing on this opportunity.

CATEGORIES TO WATCH

	ASIAN AMERICANS DOLLARS PER BUYER	INDEX TO TOTAL POPULATION DOLLARS PER BUYER	ASIAN AMERICANS: DOLLARS PER BUYER GROWTH 2018-2019
Moist cat food	\$182	1052	29%
Film and cameras	\$289	219	22%
Watches and timepieces	\$138	218	49%
Skin care preparations	\$62	153	2%
Housewares, appliances	\$97	127	4%
Unprepared frozen meat and seafood	\$64	126	8%
Nuts	\$56	123	5%
Computer software	\$62	121	12%
Domestic bird food	\$40	117	29%
Flea and tick products	\$43	105	11%

Source: Homescan, Total Online and Brick-and-Mortar Shopping, 52WE 1.26.19 vs. YA

GROCERY CATEGORIES SHOWING SIGNIFICANT GROWTH

Asian Americans spend more not only on food overall, but also on specific categories of food and nonfood grocery items. Combining three metrics—higher dollars per buyer (over \$40), higher spend than the total population, and year-over-year growth—enables us to identify certain products that offer a particularly lucrative opportunity. An example is moist cat food, for which the mean dollars per Asian American buyer is \$182, which over-indexes against the total population by 952%. The category, which is the pet food equivalent of fresh food, has grown within the Asian American market by 29% in the last year. A few other categories to watch include watches and timepieces, skin care preparations, houseware appliances, unprepared frozen meat and seafood, nuts, computer software, other pet products, and film and cameras.

WHERE ASIAN AMERICANS PREFER TO SHOP: A BRICK-AND-MORTAR ADVANTAGE?

Creating an authentic in-store experience could be a competitive advantage for brick-and-mortar retailers in the race against online purveyors. A majority of Asian Americans indicate that they “enjoy wandering the store looking for new, interesting products” (54%) and “smell personal care and household products in the store” before buying them (64%). Creating in-store opportunities for Asian American customers to touch, feel and try new products while shopping could go a long way toward making them loyal customers.

Although providing good customer service is important for attracting and keeping customers of all kinds, service is especially important to Asian American consumers. In particular, 82% of Asian Americans agree with the statement “It’s important to me that salespeople be knowledgeable about the products they sell.” In-store sales staff who provide great service and knowledgeable recommendations, along with sampling, could help create a brick-and-mortar advantage.

Some of the highest-growth items Asian Americans are buying in brick-and-mortar grocery outlets are refrigerator and freezer appliances, a fast-growing category (1,221% in the last year) where Asian Americans over-index against the total market by 314%. Other categories where in-store spending by Asian American is especially strong are household appliances, vacuums, pressure washers and microwave ovens. The heavy demand for appliances is consistent with the high rate of immigration among this segment and thus the need to equip new homes. Other high-value, over-indexing categories include moist cat food, wet dog food, various alcoholic beverages and cameras.



OF ASIAN AMERICANS AGREE WITH THE STATEMENT “IT’S IMPORTANT TO ME THAT SALESPEOPLE BE KNOWLEDGEABLE ABOUT THE PRODUCTS THEY SELL.”

BRICK-AND-MORTAR: CATEGORIES TO WATCH

	ASIAN AMERICANS SPENDING PER BUYER	INDEX, TOTAL POPULATION SPENDING PER BUYER	ASIAN AMERICANS: DOLLARS PER BUYER GROWTH 2018-2019
Cameras	\$446	207	48%
Refrigerator and freezer appliances	\$371	314	1,221%
Moist cat food	\$182	1,047	29%
Vacuum and carpet cleaners	\$173	173	58%
Power pressure washers	\$150	175	38%
Alcoholic coolers	\$41	145	12%
Cordials and proprietary liqueurs	\$68	136	6%
Brandy and cognac	\$71	119	32%

Source: Homescan, Total Online and Brick-and-Mortar Shopping, 52WE 1.26.19 vs. YA

Compared with the overall U.S. market, Asian Americans shop more at club stores (over-indexing by 87%) and less at grocery stores, mass merchandisers, convenience stores, and drug and dollar stores. The preference for club stores is consistent with the higher-volume household purchases needed for larger multigenerational households. Asian Americans, as would be expected of tech trendsetters, are first movers in online shopping and over-index the total population by 34% in shopping online.

ASIAN AMERICAN CHANNEL PREFERENCE VS. TOTAL MARKET

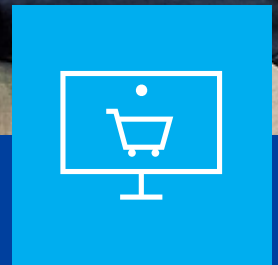
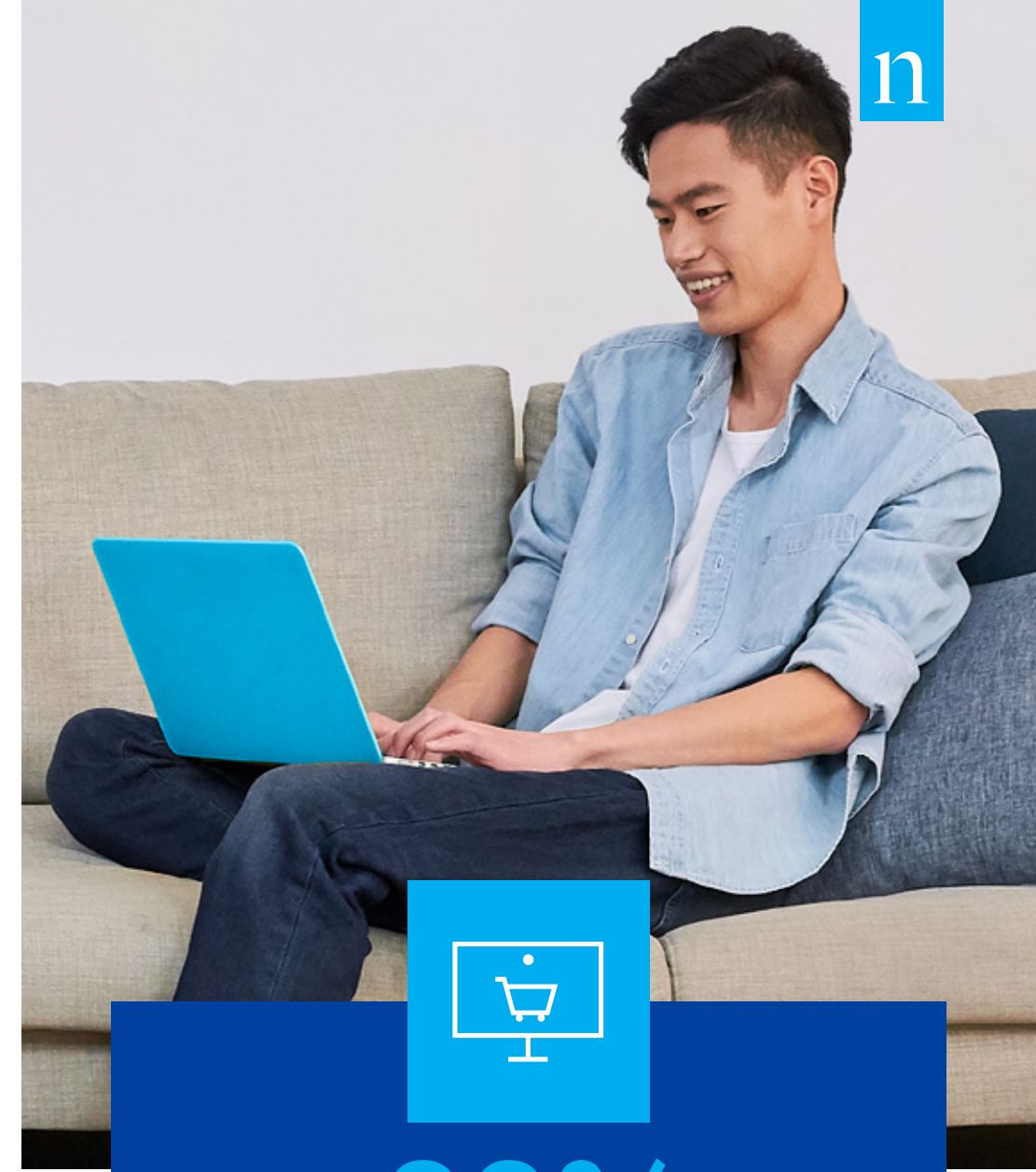
Preferred Channel	TOTAL	FOOD	NON-FOOD
Grocery store	92	92	72
Club store	187	187	189
Mass merchandiser	84	80	96
Convenience store	58	58	0
Drugstore	96	88	106
Dollar store	44	56	34
Total online (net)	134	132	146
Online retailer	131	115	149

Source: Nielsen U.S. Category Shopping Fundamentals, 2017

THE ASIAN AMERICAN SHIFT FROM OFFLINE TO ONLINE

Asian Americans overwhelmingly love online shopping, as evidenced by the 87% of Asian Americans who made an online purchase in the last 12 months (over-indexing against the total population by 22%) and the 68% who used the internet or apps in the past 30 days for shopping (over-indexing by 22%).

Along with the convenience appreciated by all consumers, shopping online offers Asian Americans a cultural connection. Alibaba's Taobao.com and similar sites offer products from all over Asia and ship inexpensively to the U.S. Therefore, Asian Americans can easily send gifts to friends and family on the largest continent, as well as order items from their country of heritage that might be hard to find on U.S. store shelves. Seventy-three percent of Asians report using the internet to "buy hard-to-find products" (over-indexing by 14%). By bringing popular products from Asia to the U.S., Asian Americans are also introducing new trends to the U.S. mainstream, which is why products like Japanese snack box subscriptions and Korean baby seats are now so popular among many U.S. non-Asians.



22%

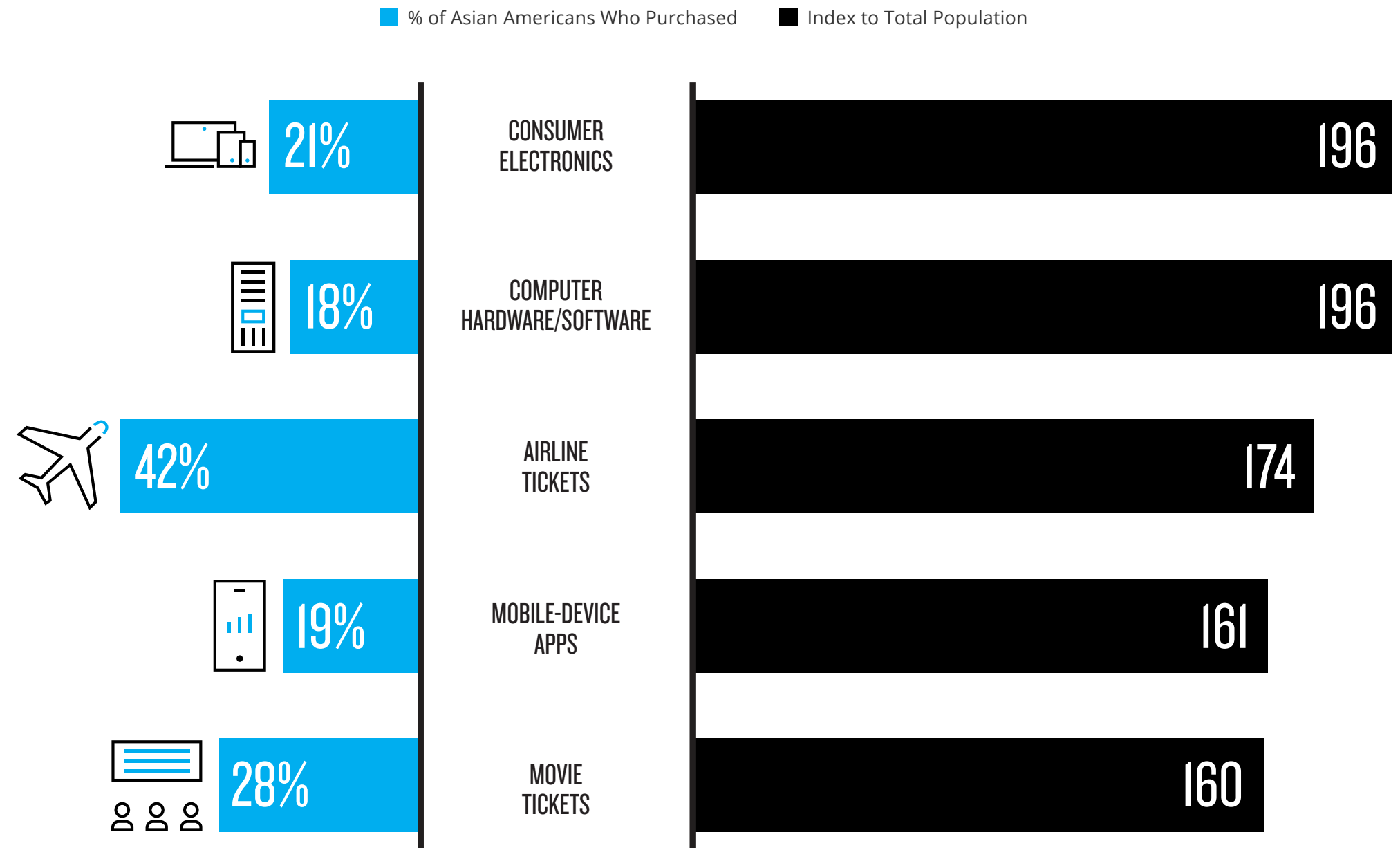
ASIAN AMERICANS ARE 22% MORE LIKELY TO HAVE MADE AN ONLINE PURCHASE IN THE LAST 12 MONTHS THAN THE TOTAL POPULATION.

Viewing sales on a category-by-category basis shows that Asian Americans are almost twice as likely as Americans overall to make online purchases of consumer electronics and computer products. Also, they are 74% more likely to have purchased airline tickets online. Other products Asian Americans are more likely to buy online include books, sports logo apparel, and movie and cultural tickets.



ASIAN AMERICANS ARE
74%
MORE LIKELY TO HAVE PURCHASED
AIRLINE TICKETS ONLINE.

ASIAN AMERICAN ONLINE PURCHASES, LAST 12 MONTHS



Source: Scarborough USA+ 2018 Release 1 *Revised 11-19-2018* Total (Dec 2016–May 2018)

Online grocery shopping is gaining acceptance faster with Asian Americans than the total population. In the last 12 months, 23% of Asian Americans bought groceries online, over-indexing against the total population by a commanding 66%. As favored categories grow online, there are simultaneous declines at brick-and-mortar stores in many of these categories. For example, body massagers, diet aids, insulin needles, dry and wet dog food, and diapers are showing shifts from brick-and-mortar to online purchasing.

Meanwhile, other categories are growing both online and in-store. These include nursing accessories, canning and freezing supplies, domestic bird food, dog and cat treats, vodka, and small appliances such as air purifiers and water filtration containers.



23%

OF ASIAN AMERICANS BOUGHT GROCERIES ONLINE IN THE LAST 12 MONTHS (OVER-INDEXING AGAINST THE TOTAL POPULATION BY 66%).

EXAMPLES OF SWITCHING TO ONLINE FROM BRICK-AND-MORTAR RETAILERS

	ONLINE SHOPPING			BRICK-AND-MORTAR		
	Asian American Spending per Buyer	Index to Total Population Spending per Buyer	Year-Over-year Growth	Asian American Spending per Buyer	Index to Total Population Spending per Buyer	Year-over-year Growth
Diet aids	\$103	194	147%	\$28	73	-17%
Wet Dog Food	\$142	236	35%	\$73	106	-21%
Dry Dog Food	\$122	122	30%	\$91	90	-5%
Juice Appliances	\$71	125	30%	\$40	91	-25%
Diapers	\$124	166	12%	\$108	118	-12%

Source: Homescan, Total Online and Brick-and-Mortar Shopping, 5 2WE 1.26.19 vs. YA

EXAMPLES OF GROWTH IN ONLINE AND BRICK-AND-MORTAR RETAILERS

	ONLINE			BRICK AND MORTAR		
	Asian American Spending per Buyer	Index to Total Population Spending per Buyer	Asian Americans: Dollars per Buyer Growth 2018-2019	Asian American Spending per Buyer	Index to Total Population Dollars per Buyer	Asian Americans: Dollars per Buyer Growth 2018-2019
Air purifier and cleaner appliances	\$270	185	92%	\$193	216	329%
Water filtration container	\$83	270	160%	\$28	103	12%
Nursing accessories	\$89	250	333%	\$32	108	66%
Domestic bird food	\$193	441	690%	\$36	111	22%
Watches and timepieces	\$154	108	35%	\$130	227	46%
Blenders	\$71	138	94%	\$35	139	11%
Dog and cat treats	\$70	133	26%	\$46	77	11%
Canning/freezing supplies	\$111	340	1,036%	\$16	104	23%

Source: Homescan, Total Online and Brick-and-Mortar Shopping, 52WE 1.26.19 vs. YA

ALIBABA'S REVOLUTIONARY EFFORT TO DEFINE THE FUTURE OF RETAIL

With 70% of adult Asian Americans being foreign-born, it's important to look at grocery trends happening in Asia to determine their impact on the preferences of Asian Americans and on U.S. retailing in general. Hema, a revolutionary grocery experience that converges online and offline shopping and caters to a customer journey very similar to that of Asian Americans, was launched in China in 2016 by Alibaba. Customer shopping data drawn from the stores' app and from Alibaba's other online stores and payment system enables customers to receive personalized product recommendations and for stores to stock products tailored to the purchase habits of those who frequent them. Additionally, shoppers can use the app to scan electronic shelf labels and see a product's online price, reviews, source and store delivery date. Still, the stores' major draws include its organic products and the freshness of its meat, vegetables, fruit and seafood (much of which is live).

A YEAR OF MILESTONES IN FASHION

Asian Americans are fashion forward with an annual spend on apparel, footwear, and clothing services of \$1215, which is 22% higher than the total population. They over-index by 31% for spend on apparel for men and boys, by 29% on apparel for women and girls, by 37% on apparel for children under 2, and by 26% on footwear. In addition to over-indexing on spend on clothing categories, Asian Americans also over-index for the percentage of the population who has made a purchase in various clothing categories in the last 12 months.

Sixty percent of Asian Americans are willing to use the internet to shop for fashion products (over-indexing against the total population by 18%), and 54% actually bought clothing online in the last 12 months (over-indexing by 30%).



Image source: Asha McLean/ZDNet



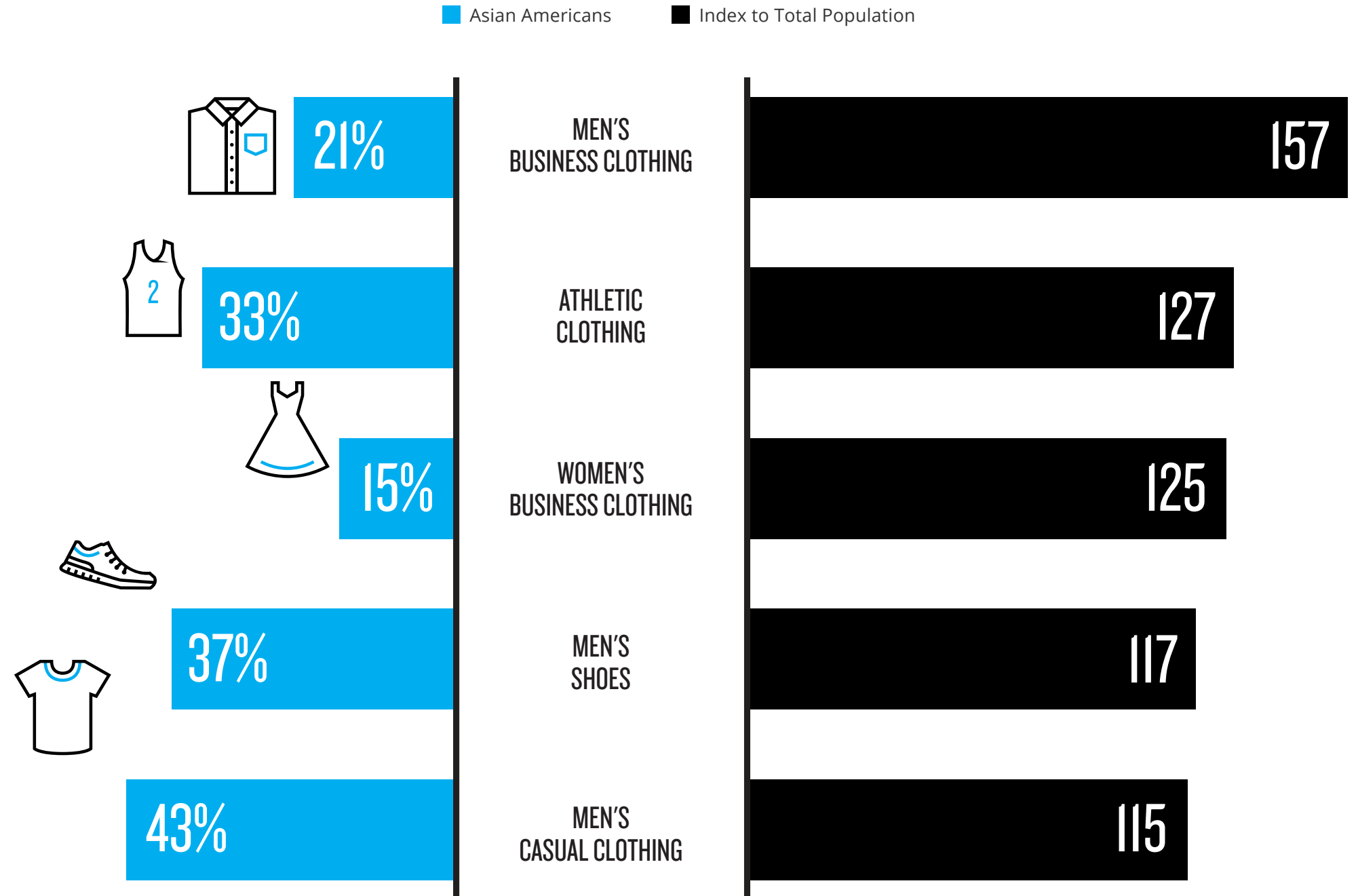
60%

OF ASIAN AMERICANS AGREE THEY ARE WILLING TO USE THE INTERNET TO SHOP FOR FASHION PRODUCTS (OVER-INDEXING AGAINST THE TOTAL POPULATION BY 18%).

For the majority of Asian Americans, fashion is about pleasing themselves and being comfortable. Perhaps because of that, 66% agree that they prefer to shop for fashion products on their own, rather than with friends. Seventy-nine percent of Asian Americans agree comfort is one of the most important factors when selecting fashion products to purchase. Asian Americans also over-index the total population for being influenced by celebrities and designer brands. They over-index by 13% for agreeing that clothes made by fashion designers are more appealing and by 16% for agreeing that when a celebrity designs a product, they're more likely to buy it.

The fashion industry generated many milestones and elevated celebrity status for Asian and Asian-American models in 2018. Highpoints included an all-Asian issue of Allure in June, Claudia Li's all-Asian runway show at New York Fashion Week in September, and the emergence of Kelsey Meritt, the first Filipina model to walk in the Victoria's Secret Fashion Show in November. These events served as inspiration for a generation of young aspiring Asian Americans and a major influence on the mainstream fashion industry as a whole.

ITEMS BOUGHT IN LAST 12 MONTHS BY ASIAN AMERICANS



Source: Scarborough USA+ 2018 Release 1 *Revised 11-19-2018* Total (Dec 2016-May 2018)

PUTTING IT ALL TOGETHER: ASIAN AMERICANS DOUBLE DOWN ON AUTO SPENDING

Asian Americans spend an average of \$3,504 annually on new cars (CES data, Bureau of Labor Statistics), over-indexing by 93%. With such a large annual expenditure, the consumer journey for auto purchases among Asian Americans serves as an excellent example of the total path to purchase.

Asian Americans do a great deal of research prior to making a decision. More than six in 10 indicate that they research and compare as many vehicles as possible before making a final purchase decision (69%, over-indexing by 11%) ask the advice of others (61%) and follow the advice of their mechanic (63%). Sixty percent of Asian Americans agree they prefer buying models that they or people they know have owned and like. In the last 30 days, 22% of Asian Americans used the internet or apps for automobile information (over-indexing by 16%).

In the process of buying a vehicle, Asian Americans are likelier than others to engage with digital media. Asian American auto-intenders (or individuals who plan to purchase a car in the next two years) over-index by 49% for researching cars or trucks, and by 30% for searching for cars or trucks. It is also important for auto sellers to understand that Asian Americans, in their search process for vehicles, under-index for use of more traditional media, including TV, radio, newspapers and magazines.

ASIAN AMERICAN AUTO INTENDERS PREFER DIGITAL PLATFORMS FOR INFORMATION AND ENTERTAINMENT



Information/Entertainment Activities

	% OF ASIAN AMERICAN AUTO INTENDERS WHO ENGAGED	INDEX TO TOTAL POPULATION
Watched TV	74%	92
Listened to the radio	46%	86
Read a newspaper	33%	96
Read a magazine	15%	93
Watched videos online	53%	162
Surfed the internet	79%	107
Used TV live-stream service	29%	115
Used social media	60%	103
Used audio streaming	24%	133
Researched cars or trucks	12%	149
Searched for cars or trucks	14%	130

Source: Nielsen Auto Marketing Report. CY 2018

Asian Americans' decisions to purchase a car tend to balance safety, quality, versatility, design and environmental concerns. The number one reason for Asian Americans to purchase a car is safety as 75% agree completely or somewhat that safety is the first consideration when shopping for a new vehicle. Asian Americans then indicate that when seeking a vehicle, they place importance on the quality of workmanship and the construction of a vehicle (72%) and on a vehicle's versatility (65%), yet 50% agree that having a vehicle that is fun to drive is a top consideration, and 50% look for vehicles that offer spirited performance and powerful acceleration. Design also is a key factor with 48% agreeing exterior styling is a primary consideration, and 33% seeking out vehicles with bold, innovative designs that stand apart from others on the road (over-indexing by 14%). Finally, one-third (33%) buy vehicles that reflect their commitment to support the environment.

Comparison shopping is critical in the Asian American car-buying path to purchase; 72% typically look at several vehicle brands when shopping for a new vehicle. They are relatively unlikely to be concerned about where the car is made, over-indexing by 16% in saying they buy the vehicle that best meets their needs, no matter who makes it or in what country it is produced. Brand loyalty can be important, though, as almost half (45%) agree with the statement "I'm loyal to my vehicle brands and stick with them."

Price and promotions are relatively low in importance to Asian Americans. Only 49% indicate that they want the cheapest and easiest-to-maintain vehicle they can find, while 21% say they generally purchase the most expensive model with all the luxury appointments and options. Nevertheless, 53% of Asian Americans agree that rebates and incentives strongly influence their new vehicle purchase decisions.

The Asian American path to purchase begins anew following a vehicle purchase. As witnessed in other categories, these consumers are highly likely to advise others about their car purchases. Once Asian Americans find a vehicle they like, 67% recommend it to people they know. Additionally, one-third (33%) take the opportunity to discuss their knowledge of automobiles with others, and 29% say others ask them for advice about autos.



75%

AGREE THAT SAFETY IS THE FIRST CONSIDERATION WHEN SHOPPING FOR A NEW VEHICLE.

SECTION 3 TAKEAWAYS



Experience and service play an important role in where Asian Americans choose to shop. The shopping experience must satisfy, but Asian Americans tend to shop around, so good merchandising and customer service are vital for building long-term loyalty.



Asian Americans are much more likely than others to shop at club stores and less likely to shop at grocery stores, mass merchandisers, convenience stores, and drug and dollar stores. This is indicative of the need to stock up for higher-volume household purchases needed for multigenerational households. Big box retailers have loyal customers in Asian American consumers. These businesses should ensure that their marketing and product offerings are reflective of Asian American culture and shopping preferences to build mutually beneficial relationships with these consumers.



Asian Americans over-index the total population in shopping online, including online grocery shopping. Many grocery categories are shifting sales from brick-and-mortar stores to online, while others are growing in both store types. Understanding which product categories are best served with an in-store experience and which are best served online will help marketers not only connect with Asian American consumers, but also maximize cost efficiencies by delivering the right products in the right ways.



The average annual spending on new cars by Asian American buyers outpaces the total population's average by 93%. Researching and comparing vehicles, as well as asking the advice of others, play big roles in the purchase decision.





CONCLUSION

As the fastest growing segment of the U.S. in both population and buying power, and as leaders in educational attainment and household income, Asian Americans are advancing and evolving in a multitude of ways that are having a profound influence on the American mainstream.

Asian Americans are reshaping the American path to purchase, traversing the consumer journey fortified with their status as trailblazers in innovative internet connectivity, e-commerce with a global perspective, and holistic views of diet and consumption. Despite a greater percentage of Asian Americans under 35 being U.S. born, culture sustainability driven by multigenerational influences and the ability to blend cultures to create an evolved U.S. culture in their own image is having a profound effect on American society.

The influence of Asian Americans is pervasive in a broad range of categories as their sphere of influence reverberates well beyond the Asian American community. Asian American consumers are eager to share their opinions and recommendations on products and services using their digital voice to review products, film videos, write blogs and initiate other forms of feedback at a market-changing pace that can mean success or failure for brands in every industry.

Insightful marketers who understand the thriving influence of Asian Americans can activate strategies to meet their unique needs and will be the first to benefit from this prime opportunity to drive relevance and future growth. Given the outsized influence of Asian Americans in the U.S. path to purchase, these strategies will allow marketers to remain on the forefront of meeting the needs of the new American mainstream—a younger mainstream that is increasingly diverse and multicultural.



METHODOLOGIES

NIELSEN HOMESCAN PANEL DATA

The Homescan national panel consists of a randomly dispersed sample of households that is intended to be representative of, and projectable to, the total U.S. market. Panel members use handheld scanners and/or a mobile app to record items with a UPC code purchased from any outlet. Data for this report is based on Homescan panel data from the following period: 52 weeks ending January 26, 2019.

TELEVISION METHODOLOGY

Television data are derived from Nielsen's National TV Panel that is based on a sample of over 40,000 homes that are selected based on area probability sampling. Live+Time-shifted TV (PUT) includes Live usage plus any playback viewing within the measurement period. Timeshifted TV is playback primarily on a DVR but includes playback of encoded content from video on demand, DVD recorders, server based DVRs and services like Start Over. Total Use of Television (TUT) includes Live TV + Timeshifted TV as well as TV-connected devices (DVD, Game Console, Internet Connected Device). TV-connected devices include content being viewed on the TV screen through these devices. This includes when these devices are in use for any purpose, not just for accessing media content. For example, Game Console also includes when it is being used to play video games. Internet Connected Device usage includes Smart TV app usage. Reach for television and TV-connected devices includes those viewing at least one minute within the measurement period. Data used in this report is inclusive of multicultural audiences.

DIGITAL METHODOLOGY (COMPUTER, SMARTPHONE, TABLET)

Digital data is based on Nielsen's Total Media Fusion, which is reflective of both panel and census measurement. It leverages the most granular and comprehensive cross-platform respondent-level data from our panels, along with census data from Nielsen's Total Audience Measurement solutions, to provide the highest quality, representative sample of digital media consumption. Data for this was sourced from Nielsen Media Impact (Nielsen's cross platform planning solution). Data used in this report is inclusive of multicultural audiences.

TIME SPENT AMONG U.S. POPULATION, TIME SPENT AMONG USERS, REACH OF USERS, REACH %

Total Use of Television, Live+Time-shifted TV, Live TV, Time-shifted TV, TV-Connected Devices (DVD, Game Console, Internet Connected Device) 07/02/2018 – 09/30/2018 via Nielsen NPOWER/National Panel; Radio 09/14/2017 – 09/12/2018 via RADAR 139; Computer, Smartphone, Tablet via Total Media Fusion sourced from Nielsen Media Impact. For digital data, weeks that cross calendar months are not included. Weeks included for digital – 07/02/18, 07/09/18, 07/16/18, 07/23/18, 08/06/18, 08/13/18, 08/20/18, 09/03/18, 09/10/18, 09/17/18, 09/24/18. Digital data was produced on 01/07/19 and slight variations in data processed after this point reflect ongoing updates. Note: Time spent among U.S. population includes whether or not they have the technology, and data sources can be added or subtracted as appropriate. Time spent among users of each medium would include different bases by source, and data sources should not be added or subtracted. Time spent among U.S. population includes visitor viewing and time spent among users excludes visitor viewing resulting in occurrences of reported time spent for U.S. population to be higher than users. Some amount of simultaneous usage may occur across devices. Sum of individual sources may vary slightly from total due to rounding.

TELEVISION DISTRIBUTION STATUS, DEVICE OWNERSHIP

Based on scaled installed counts for December, 2018 via Nielsen NPOWER/National Panel.

NIELSEN SOCIAL

Social Content Ratings® (SCR) is the first standardized third-party measurement of program-related social media activity across Facebook, Instagram and Twitter. With the continued fragmentation of media and consumer choice, social TV data, which measures the social media response to television content, is a valuable way for industry players to better understand how fans are engaging with television and brands. SCR delivers one comprehensive solution to help networks, agencies and advertisers measure, understand and act on social TV.

NIELSEN SCARBOROUGH

Nielsen Scarborough USA + 2018 Release 1 *Revised 11-19-2018* Total (Dec 2016–May 20 18) (Base: Age of respondent summaries: Adults 18+—Projected 251,818,036, Respondents: 213,360). GfK/MRI Attitudinal Insights Module: By integrating 400+ attitudinal statements and segmentations with Nielsen Scarborough's syndicated data set, this analysis reflects consumer psychographics in the studied categories.

NIELSEN U.S. CATEGORY SHOPPING FUNDAMENTALS

Category Shopping Fundamentals is one of Nielsen's complementary solutions that makes up Nielsen's Shopper Essentials suite. Together, Nielsen's Shopper Essentials paint a picture of a brand's shopper across the entire path to purchase. The Category Shopping Fundamentals survey is fielded online in the U.S.

NIELSEN RETAIL MEASUREMENT SERVICES

Nielsen collects sales information from more than 900,000 stores within our worldwide retail network—including grocery, drug, convenience, discount and e-commerce retailers—who, through cooperation arrangements, share their sales data with us. Nielsen collects electronic point of sale (POS) data from stores through checkout scanners.

NIELSEN AUTO PATH TO PURCHASE

The Nielsen Auto Path to Purchase insights are based on online surveys conducted by Nielsen every quarter since 2012 to understand the behavior of car buyers in the U.S. This is not a longitudinal survey.

ASIAN AMERICAN HOUSEHOLD PROFILES

The profiles of Asian American households featured in this report were gathered using an independent online survey, which was voluntarily completed by households. The responses are the personal opinions of respondents, and should not be interpreted as a scientific analysis of Asian American consumer sentiment as a whole. Rather, the responses contained in household profiles can be read as a contextual background to the Nielsen data in the report. Selected respondents were compensated.

NIELSEN CONSUMER NEUROSCIENCE

Nielsen Consumer Neuroscience measures consumers' Electroencephalography (EEG) engagement to advertisements. EEG engagement is a composite of emotional motivation, memory activation and attention processing. Action intent is a summary score that predicts a likelihood of behavior change or intent to act on a message. Action intent is a combined synchrony measure of two primary EEG-based metrics, Emotional Motivation and Memory Activation.



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ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global measurement and data analytics company that provides the most complete and trusted view available of consumers and markets worldwide. Our approach marries proprietary Nielsen data with other data sources to help clients around the world understand what's happening now, what's happening next, and how to best act on this knowledge. For more than 90 years Nielsen has provided data and analytics based on scientific rigor and innovation, continually developing new ways to answer the most important questions facing the media, advertising, retail and fast-moving consumer goods industries. An S&P 500 company, Nielsen has operations in over 100 countries, covering more than 90% of the world's population. For more information, visit www.nielsen.com.



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