

A Massive Market Force

Diverse Voices
Hispanic Consumer Report 2023

September 2023



Who is the Hispanic consumer?



Hispanics are the fastest growing population in the U.S.

62.1M



19%
of U.S. Population

Population has
quadrupled in past
40 years



67%
born in the U.S.

And are multilingual, young, and dynamic

Demos:



71% speak a language other than English



18.8% have a college degree+



Median household income is **\$55,321**



Median age is **30**



3.8 people in household
*compared to 3.2 total US

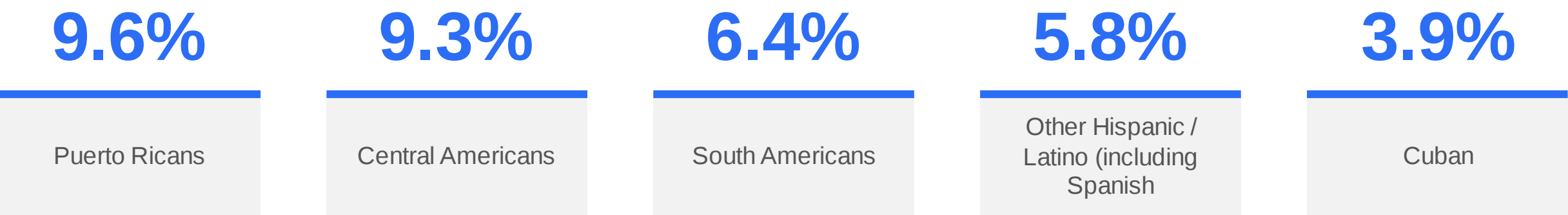


Life expectancy is **79 years**

Source: U.S. Department of Health and Human Services Office of Minority Health, Profile: Hispanic/Latino Americans, February 24, 2023, minorityhealth.hhs.gov/omh/browse.aspx?lvl=3&lvlid=64

Hispanic population is extremely diverse

Mexicans ranked as the largest at 61.6%. Following this group are:



Source: U.S. Department of Health and Human Services Office of Minority Health, Profile: Hispanic/Latino Americans, February 24, 2023, minorityhealth.hhs.gov/omh/browse.aspx?lvl=3&lvlid=64

Hispanic Americans carry large buying power



\$2.4T

Estimated buying power in 2024, that is bigger than Canada's economy



+87% over past 10 years



Heavily located in metropolitan areas of the U.S.

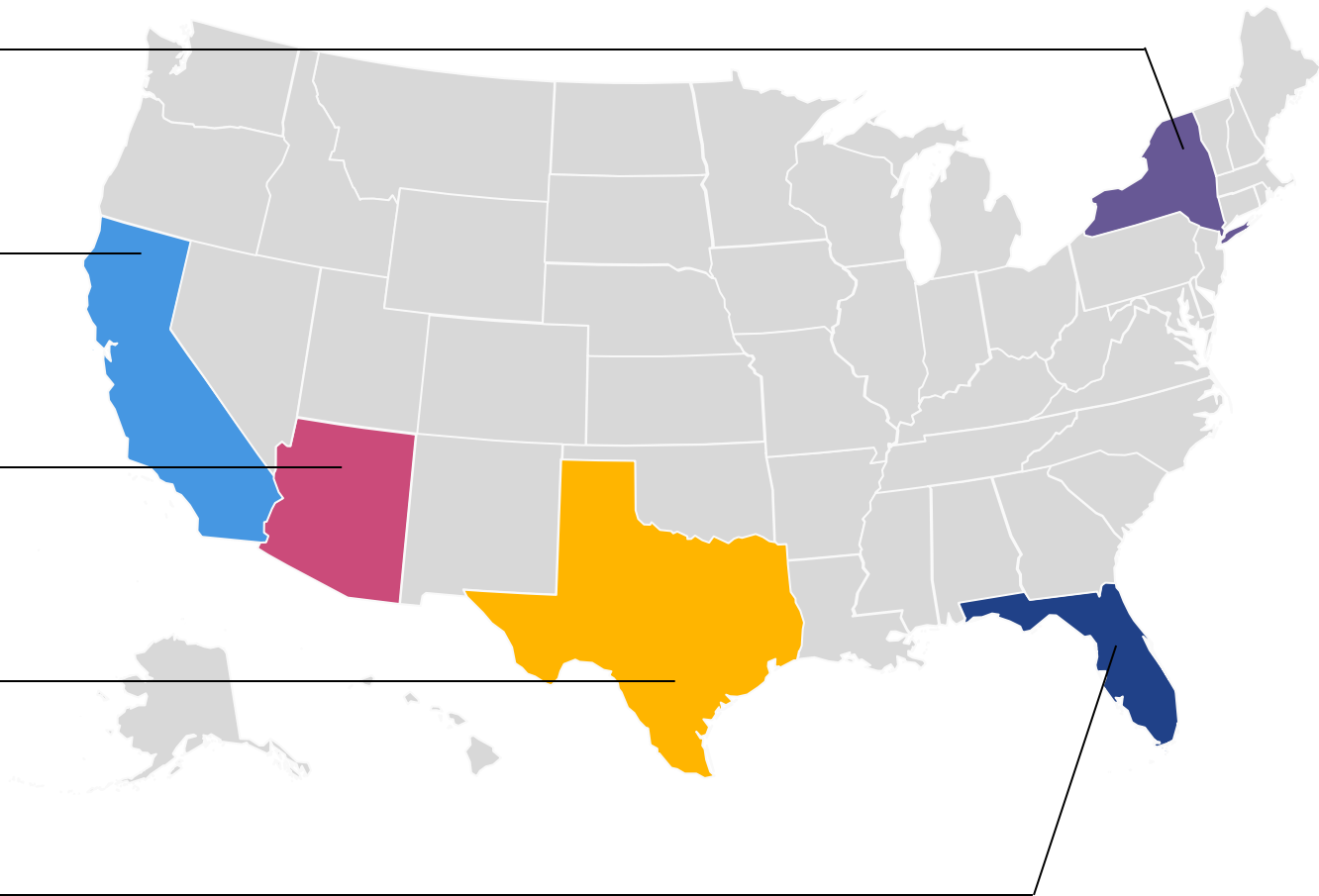
New York
3.75 million

California
15.57 million

Arizona
2.31 million

Texas
11.52 million

Florida
5.66 million



63%
of Hispanics live in
these 5 states

Source: World Population Review , Hispanic Population, January 2023, worldpopulationreview.com/state-rankings/hispanic-population-by-state

What is the Hispanic shopper buying?



Hispanic spending is outpacing market growth

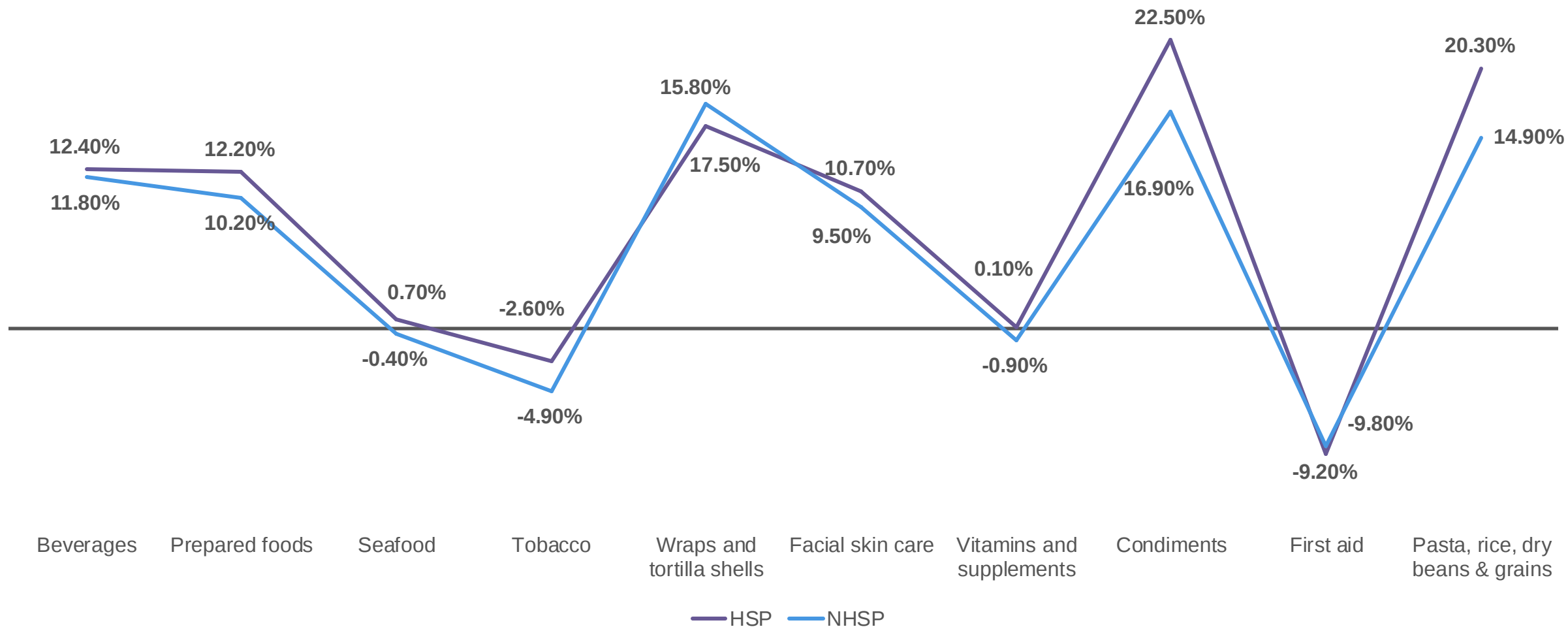
\$262B

Hispanic growth rate 8.6%,
U.S. growth rate 5.5%

	Item buy rate	Purchase size	Purchase frequency
Hispanic	\$14,909.14	\$39.84	376.5
Total US	\$15,114.57	\$40.15	374.2

Hispanic consumers are driving growth in multiple departments across the total store

Department level % Change Hispanic v non-Hispanic



And are highly engaged with key categories

Top 20 categories

				
Salty snacks \$5.0B % Chg: +16.6%	Soft drinks \$4.4B % Chg: +16.5%	Paper & plastics \$4.1B % Chg: + 9.7%	Vegetables \$3.9B % Chg: +10.3%	Beer/FMB/Cider/Seltzer \$3.6B % Chg: +4.7%
				
Candy/gum/mints \$3.5B % Chg: +14.7%	Pet food \$3.2B % Chg: +19.5%	Cheese \$3.2B % Chg: +14.0%	Fruit \$3.2B % Chg: +6.5%	Desserts \$2.9B % Chg: +11.9%

Top 20 categories



Laundry care
\$2.7B
% Chg: +6.0%



Processed meat
\$2.3B
% Chg: +5.5%



Milk products
\$2.3B
% Chg: +10.4%



**Cookies
& crackers**
\$2.2B
% Chg: +16.4%



Water
\$2.1B
% Chg: +14.5%



Hair care
\$2.0B
% Chg: +5.8%



Fresh meat
\$2.0B
% Chg: +6.2%



Cereal and granola
\$1.8B
% Chg: +15.0%



Eggs
\$1.7B
% Chg: +51.5%



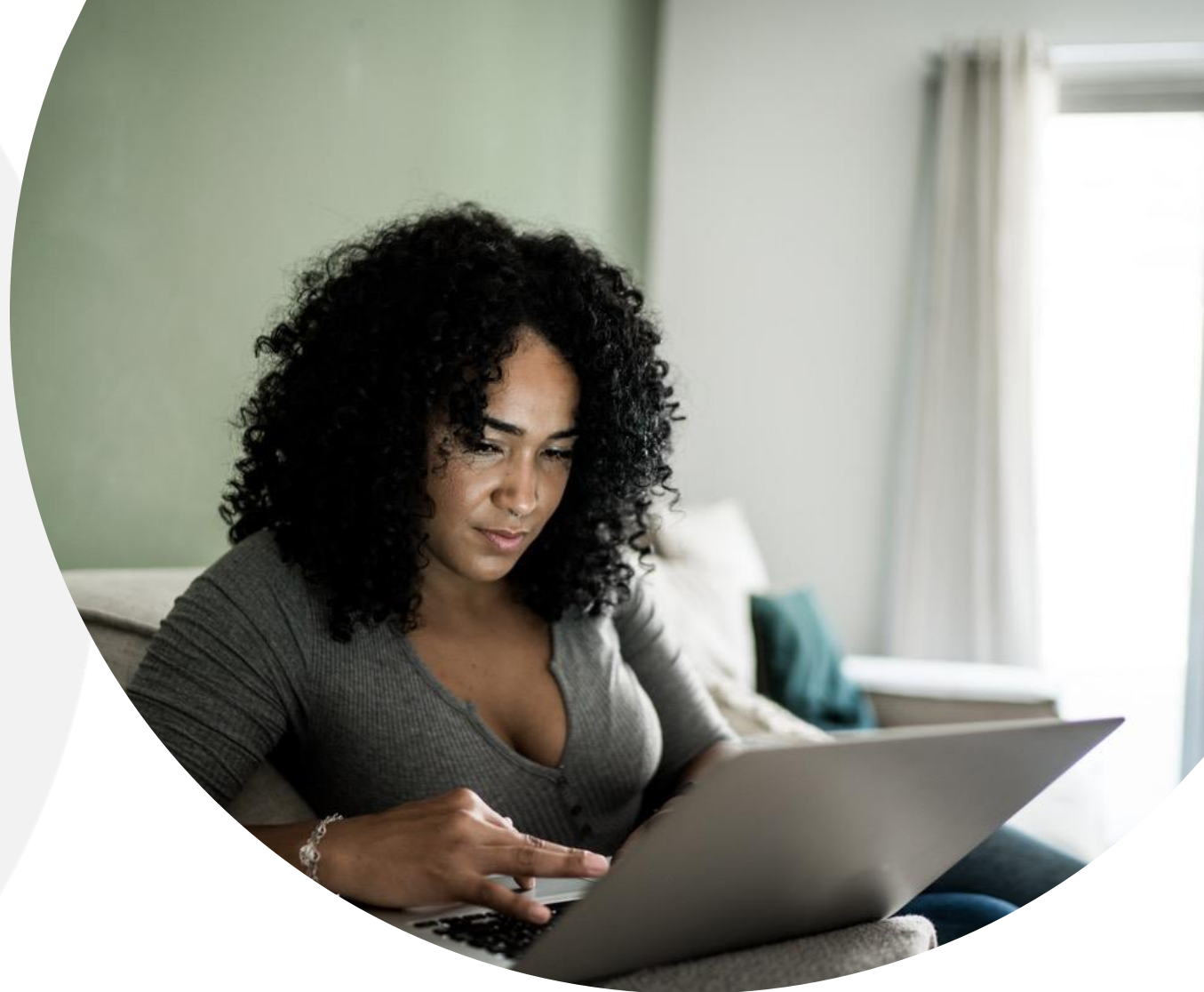
Bread
\$1,646,445,111
% Chg: +15.5%

Many Hispanic consumers are exploring new categories

Top 20 growing categories

Top growth categories	
Perfume	9,177.0%
FMB/cider	950.0%
Cologne	822.4%
Sauce/gravy/marinade combination packs	348.7%
Sliced hams	322.1%
Beer making kits	277.2%
Malt based alternatives	268.1%
Cheese sauce	186.1%
Specialty melons	150.7%
Feminine bar soap	146.9%
Non-alcoholic spirits	128.0%
Dips/spreads party platter	101.7%
Energy beverages	83.5%
Beans	67.2%
Asian condiments	57.6%
Mini doughnuts	47.8%
Peruvian bean	46.3%
Corn chips	45.3%
Non-alcoholic wine	32.9%
Pomegranate	31.1%

Purchase drivers and preferences



Preferences for Hispanic shoppers is dynamic

- Diverse preferences influenced by various cultures within the Hispanic community.
- 3 common drivers include:
 - Fresh flavors/ingredients
 - Authentic & traditional dishes
 - Health & wellness



Fresh flavors and ingredients are central to Hispanic cuisine



Citrus and tropical fruits- fruits like lime, mango and guava are widely enjoyed and often incorporated into beverages and snacks.



Corn and wheat products- such as tortillas and bread, are staples in Hispanic households.

Spices and herbs- flavors like cumin and cilantro are purchased frequently.

Chili peppers are popular in Hispanic cuisine and frequently used in cooking.



Authenticity and traditional dishes are key in Hispanic consumer preferences

It is important that their cultural heritage is represented.

Over 16,000 products have "Made in Mexico" claims.

Savory and sweet combos- they often enjoy a balance in their foods.

Mole sauces and desserts like churros are common.



Health & wellness remains top of mind

18.3% of the Hispanic population was not covered by health insurance, as compared to 5.4% of the non-Hispanic white population.

- Health and wellness – there is an increase in health-conscious options, leading to a demand for products with natural ingredients and reduces artificial additives.
 - Over 9,000 food products claim to be "Free from Artificial Ingredients."

Source: U.S. Department of Health and Human Services Office of Minority Health, Profile: Hispanic/Latino Americans, February 24, 2023, minorityhealth.hhs.gov/omh/browse.aspx?lvl=3&lvlid=64



Where is the Hispanic consumer shopping?



Most spend in Grocery and Mass channels over all

Channels



Beauty supply

Item buy rate	\$450.69	\$600.18	\$553.44	\$600.08
Purchase frequency	8.6	7.6	33.8	30.4



Dept store



Dollar store



Drug store



Grocery

Item buy rate	\$4,349.46	\$5,492.05	\$2,461.01
Purchase frequency	107.8	118.0	25.6



Mass merchandise



Warehouse/Club

But they spend more per trip on Department or Beauty supply store visits

Channels



Beauty supply



Dept store



Dollar store



Drug store

Purchase size	\$52.70	\$79.31	\$16.37	\$19.82
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Grocery



Mass merchandise



Warehouse/Club

Purchase size	\$38.49	\$46.52	\$24.6
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How to connect with the Hispanic consumer?



Familial and communal considerations are important

Family-centric approach

They tend to have strong family ties and their purchase decisions often revolve around products that cater to their family's needs and preferences.

Representing a variety of Hispanic cultures

Cultural relevance

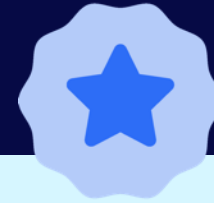
Brands that understand and incorporate Hispanic culture in their products are more likely to attract Hispanic consumers. Cultural relevancy, including language, imagery, and celebration is essential.

Inherent value and more bang for the buck



- Value and price sensitivity- price plays a crucial role in Hispanic consumers decisions. They tend to be value conscious and look for deals and promotions.

If done right, the rewards are exponential



- Brand loyalty- show strong loyalty, especially to companies that have a history of catering to their community.

Here are some of the brands Hispanic consumers prefer the most

Top brands for Hispanic loyalty



Summary



Hispanic consumers are creating major shifts in the market

A massive market force

- Hispanics are the fastest growing population in the U.S. with 62.1M, and represents 19% of Americans.
- They are a youthful, multilingual and dynamic group that is projected to reach \$2.4T in buying power in 2024.
- The Hispanic population is extremely diverse with 63% located in metropolitan areas.

Purchase drivers & preferences

- Hispanic purchasing is outpacing the total US reaching \$262B, and growing at a rate of 8.6%, compared to 5.5% for the U.S.
- Hispanic consumers are extremely brand loyal, price sensitive, and looking for inherent value in the products they buy.

Authentic connection is key

- The various cultures within the Hispanic community result in diverse preferences. However, there are 3 common purchase drivers:
 - Flavors and ingredients
 - Authenticity and traditional dishes
 - Health and wellness



Thank you.

