



**For more information, contact:**

Jennifer Walus, 773-206-5602,

[jennifer@bigvoicecomm.com](mailto:jennifer@bigvoicecomm.com)

Meg Chari, 1 905 943 8164,

[Meg.chari@nielsen.com](mailto:Meg.chari@nielsen.com)

## **UPSCALE LATINOS: A RENEWED OUTLOOK FOR HIGH-END MARKETERS** **AHAA and Nielsen Release Results of Co-Authored Study at AHAA's Annual Conference**

**Fairfax, VA, April 30, 2014** – Last year, **AHAA: The Voice of Hispanic Marketing** and **Nielsen** identified Upscale Latinos as the most influential segment since the Baby Boomers. Today, at AHAA's Annual "Thinking Under the Influence" Conference in Miami, AHAA and Nielsen released a second study, "**Upscale Latinos 2.0: A Renewed Outlook for High-End Marketers**," which found that this segment, which contributes nearly 40 percent of the \$1.5 trillion Hispanic spending power, leads the overall upscale demographic in optimism, purchase behaviors, and plans to further increase spending. The study also identified midscale and fine department stores, prestige cosmetics, and casual dining as key categories for growth.

"Upscale Latinos have demonstrated significant upward mobility across the upscale economy, making them an enormous opportunity for growth for U.S. marketers," said AHAA Education Chair Gaby Alcantara-Diaz, president of G ADMarketing Communications. "Latinos are living the American story and augmenting it by upgrading their lifestyle, sense of self, and family with the pursuit of luxury – a key distinction that makes this segment so attractive to a broad set of brands."

### **The Balance of Optimism, Family and Success Drive High-End Purchases**

Upscale Latinos, defined as households earning \$50-100K, tend to be bicultural, skew younger with larger families, and are more likely to be dual income earners than non-Hispanic Upscales. A tech-savvy segment, they tend to be nearly as White and Gray collar as non-Hispanic Upscales and have more college attainment than overall Hispanics.

"One of the most compelling attributes of the Upscale Latino is their consistent level of optimism about safety, well-being, and wealth creation," said Monica Gil, SVP and general manager, Multicultural Growth & Strategy, Nielsen. "This optimism, confidence, and increased spending make this segment an imperative to the U.S. economy and prestige brands."

According to the new Upscale Latino 2.0 study, Upscale Latinos lead healthier lifestyles and provide health coverage for their families. They are also determined to invest in their children's advanced education; and while they are as likely to plan for retirement as the Upscale non-Hispanics, helping support their elderly parents is of higher importance than their non-Hispanic Upscale counterparts.

- Avid mobile bankers, Upscale Hispanics spent \$3.7 billion in online purchases in the past 12 months with clothing/accessories, airline tickets, health & beauty and home accessories.
- 40 percent of Upscale Hispanics purchased home furnishings/appliances in past 12 months; 18percent more likely vs. Upscale non-Hispanics (34%).
- Hispanic Upscales are more likely to have higher incidence and intent for home entertainment electronics, children's clothing, designer shoes/clothing/accessories, and home improvements.

## **One Powerful Segment, Three Different Mindsets Led by “Luxury Seekers”**

Within the influential \$500 billion Upscale Latino segment, there are three attitudinal sub-groups, each reporting 60 percent having strong ties to their Latino culture and 30 to 40 percent voicing a strong cultural duality:

1. ***Luxury Seekers (42 percent)*** are mostly drawn to high-end products for individual rewards, and feeling good about themselves. This attitudinal segment is 24 percent more developed among Upscale Latinos than among non-Hispanic Upscales.
2. ***Sensible Seekers (40 percent)*** tend to be more pragmatic about their purchases and make high-end decisions more functionally, when it “makes sense.” This attitudinal segment is almost 20 percent smaller among Upscale Latinos.
3. ***Social Seekers (18 percent)*** see high-end goods and services as refined and seek recognition and social status.

Led by Luxury Seekers, Upscale Latinos spread their discretionary spending across all different classes of retailers. They are twice as likely as non-Hispanic Upscales to increase their spending in department stores and twice as likely to shop high-end department store brands that allow them to project success, even at a premium price. Luxury Seekers are most comfortable shopping in mid-market stores, which have been successful in attracting and retaining the Upscale Latino shopper.

### **What does this mean for marketers?**

Upscale Latinos share many similarities with Upscale non-Hispanics, but they also display significant differences across drivers, indifference and detractors which vary by category. They often derive value from high-end goods and services from a set of needs and desires that is nuanced. Overall, they have acquired an affinity toward mid-market and high-end retailers, prestige cosmetics, and core casual restaurants that fit their unique emotional and functional needs – and a willingness to spend more.

“This study suggests that opportunities exist to optimize high-end brand efforts by developing an overarching brand message and complementing it with more targeted approaches that respond to particular drivers and detractors within each subgroup,” added AHAA Research Chair Carlos Santiago, president of Santiago Solutions Group. “As part of AHAA’s thought leadership initiatives, we plan to host a series of webinars with Nielsen that dissect media consumption and explore the categories that present the greatest opportunities for growth.”

For more information on this study, please visit <http://ahaa.org> and [www.nielsen.com](http://www.nielsen.com). Please follow @ahaa and @nielsenknows for all updates on social media using the hashtag #upscalelatino.

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**About AHAA:** Founded in 1996, AHAA: The Voice of Hispanic Marketing is the national trade organization of all marketing, communications and media firms with trusted Hispanic expertise.

**About Nielsen:** Nielsen Holdings N.V. (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence and mobile measurement. Nielsen has a presence in approximately 100 countries, with headquarters in New York, USA and Diemen, the Netherlands. For more information, visit [www.nielsen.com](http://www.nielsen.com).