



# 2019 DEFINING MOMENTS

INSIGHTS INTO CULTURE  
and AUTHENTICITY

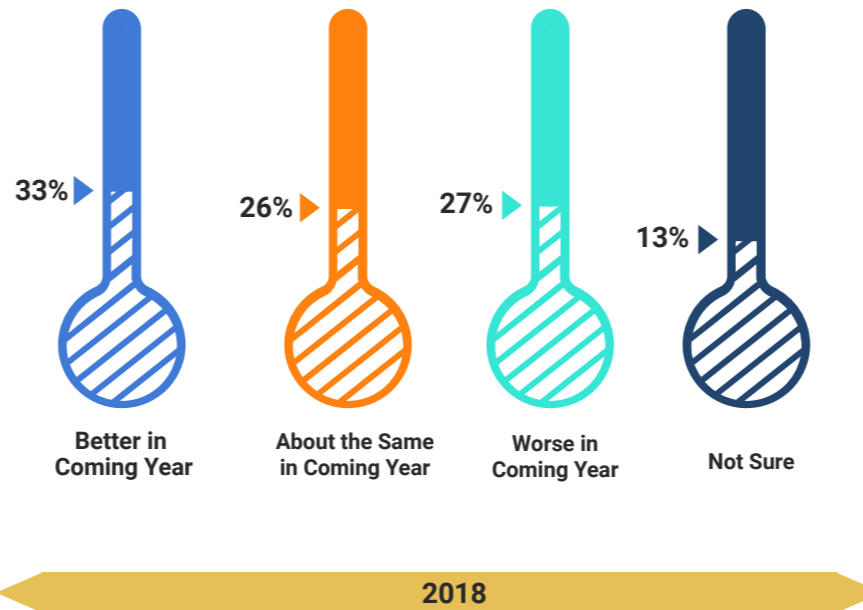


# CULTURAL DIVIDE

The cultural divide continues to fragment [consumer sentiment](#) in America. Like past years, about half of Americans started 2019 optimistic about their financial well-being. The slow but steady growth of the economy, despite ongoing trade disputes with China and political unrest, encouraged the belief that economic conditions would continue to be favorable in the coming months.

With unemployment low and consumer spending high, for some, the economy seemed poised for growth. But, of the balance of U.S. consumers – the remaining 50% – a tenth felt that the economy would be worse this year than in 2018.

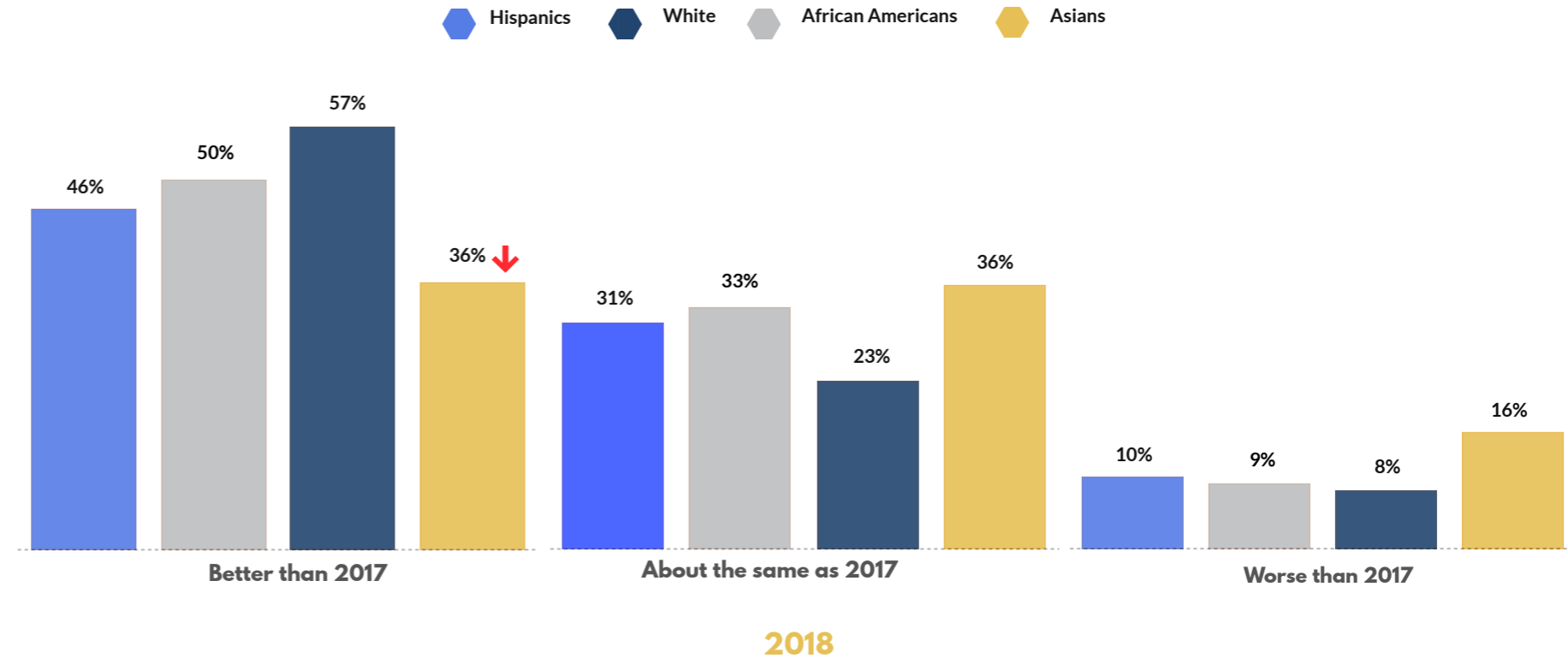
**Total Market Outlook  
for U.S. Economy in  
Coming Year**



# Economic Outlook

While the Total Market collective was cautiously optimistic at the beginning of the year, the data suggests that ethnic populations felt less secure with their place in society and their ability to improve their economic status. Of all ethnic groups surveyed, African Americans were the most optimistic. However, they least identify with the “new America” as reflected in the president’s approval rating.

Culturally, a deep reliance on faith and community sustains marginalized populations, in general, fueling optimism. But the decline in optimism from prior years suggests that the divide remains, and the gap continues to widen as the fabric of America frays.



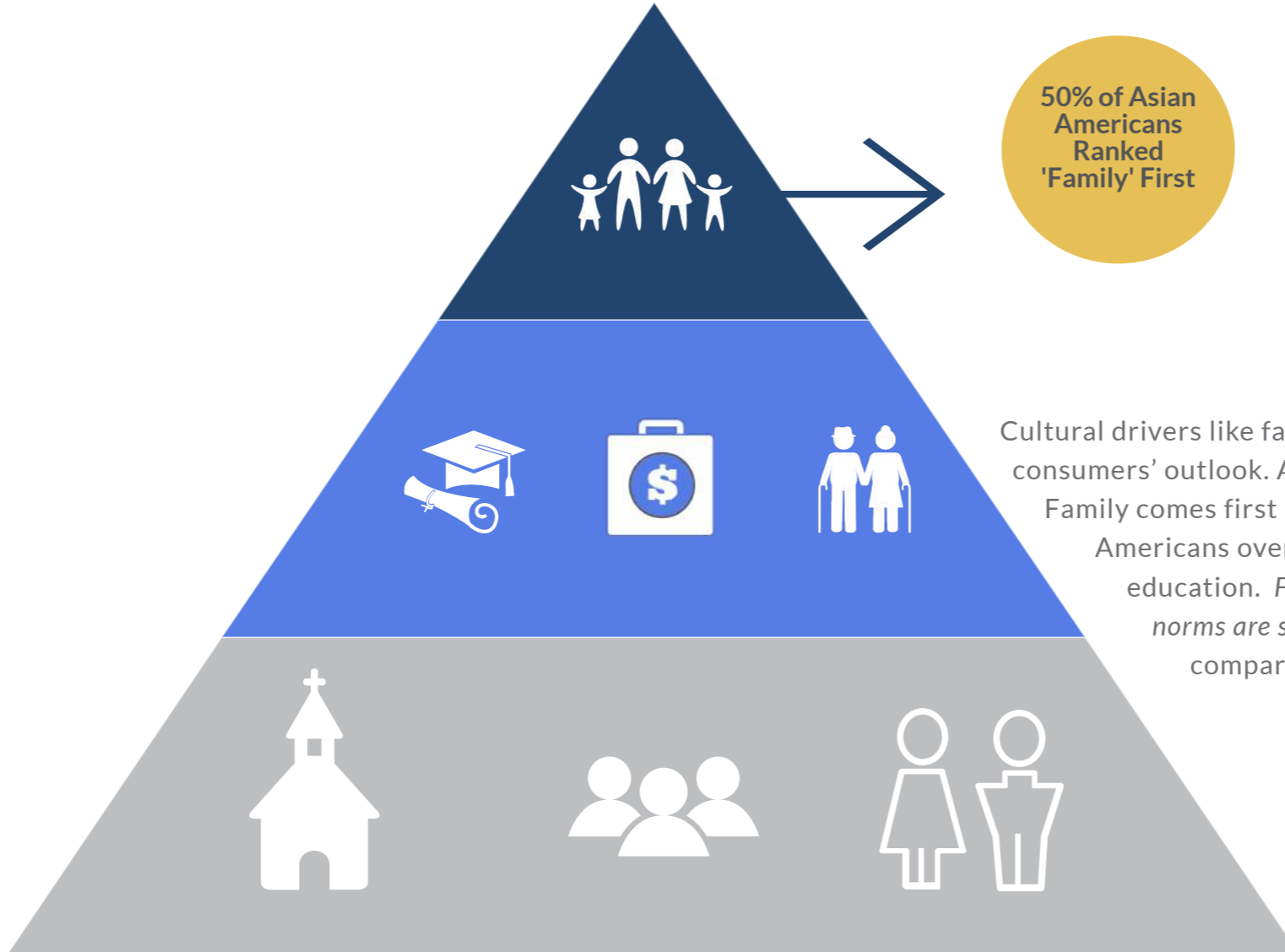


# CULTURAL DRIVERS

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# Consumer Values



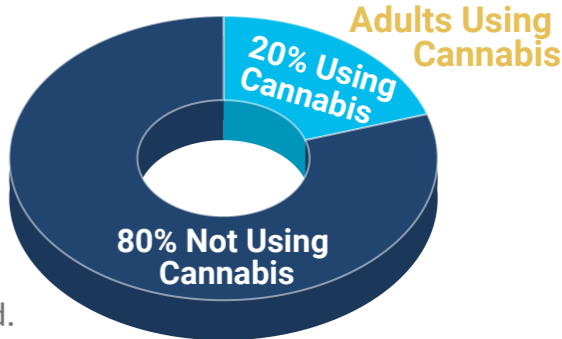
Cultural drivers like family, faith, and finances shape multicultural consumers' outlook. Asian Americans collectively agree that Family comes first in the hierarchy of [cultural values](#). African Americans over-index on religion and Hispanics on education. *Financial success and conforming to societal norms are stronger values for Asian Americans compared to Total Market.*



# Cannabis in America

Cultural convention was challenged in 2019 as more states passed legislation legalizing the recreational use of marijuana. The size of the recreational marijuana/cannabis market is both encouraging and disappointing, however, for cannabis companies. While almost 20% of the Total Market uses cannabis, over 80% does not.

Data suggests that most people across all ethnicities are against using recreational marijuana/cannabis themselves – but don't mind if others do. Or, they are entirely opposed to it. Asians are the most likely to hold this view, which alludes to differences that marketers should be aware of and know how to navigate around.



Among consumers opposed to using marijuana/cannabis but not other vices like drinking alcohol, marijuana's illegal drug status shows up as the most significant barrier to its use and acceptance.

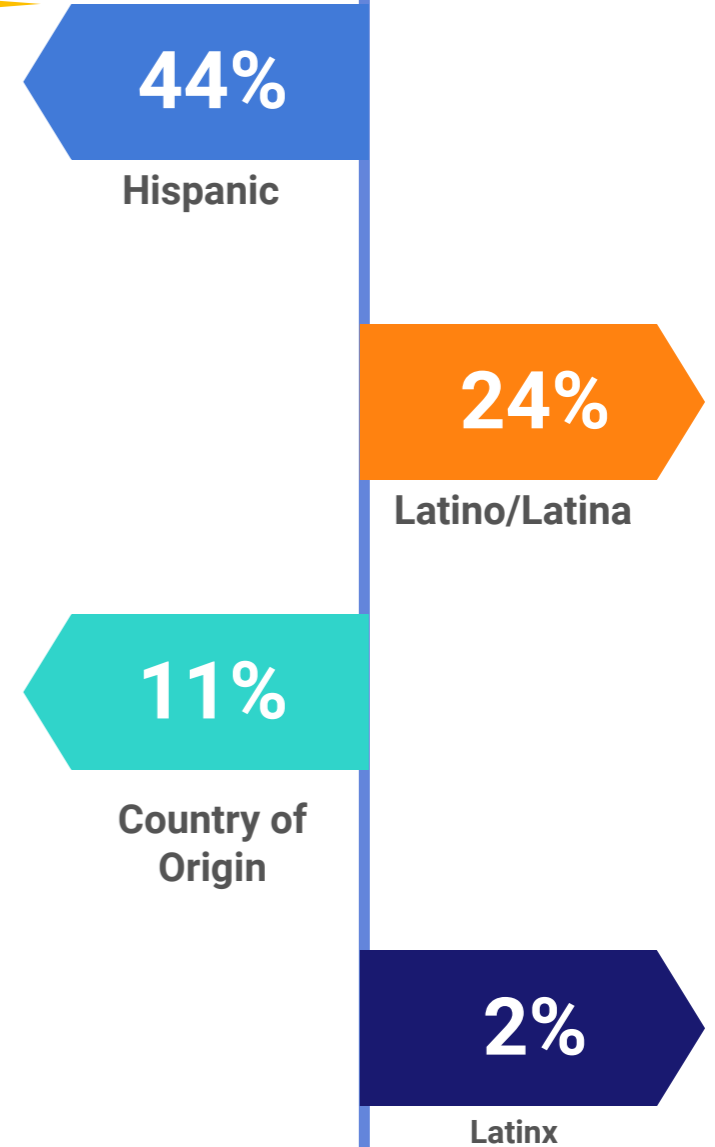
The good news for the marijuana industry is that marijuana's legal status is subject to change. The bad news is that it will require some time for the stigma of marijuana to fade. Marijuana is heavily perceived as a drug by 35% of the population. Changing the mindset of older generations will require marketing tactics that persuade and inform in a way that is socially responsible.

# The Great Latinx Debate

Within the Hispanic community, a heated debate over the use of the term “[Latinx](#)” has sparked a more in-depth conversation on cultural identity. Despite the term’s social media buzz, our study shows that the majority of Hispanics do not embrace the use of the word “Latinx,” in general, but it has still embedded itself into vernacular of Hispanic popular culture.

Hispanic and Latina/Latino, on the other hand, are the two most preferred terms used in this community. Combined, 68% of respondents in our [recent study](#) describe their ethnicity as “Hispanic/Latina/Latino.” That’s almost 3X the findings of similar studies in 2012, which reported 24% for the same cluster.[1]

The percentage of U.S. Hispanics that prefer the term Latinx is at 2%.



[1] Pew Hispanic Center, 2011 National Survey of Latinos. PEW RESEARCH CENTER

# AUTHENTICITY





# Keeping It Real

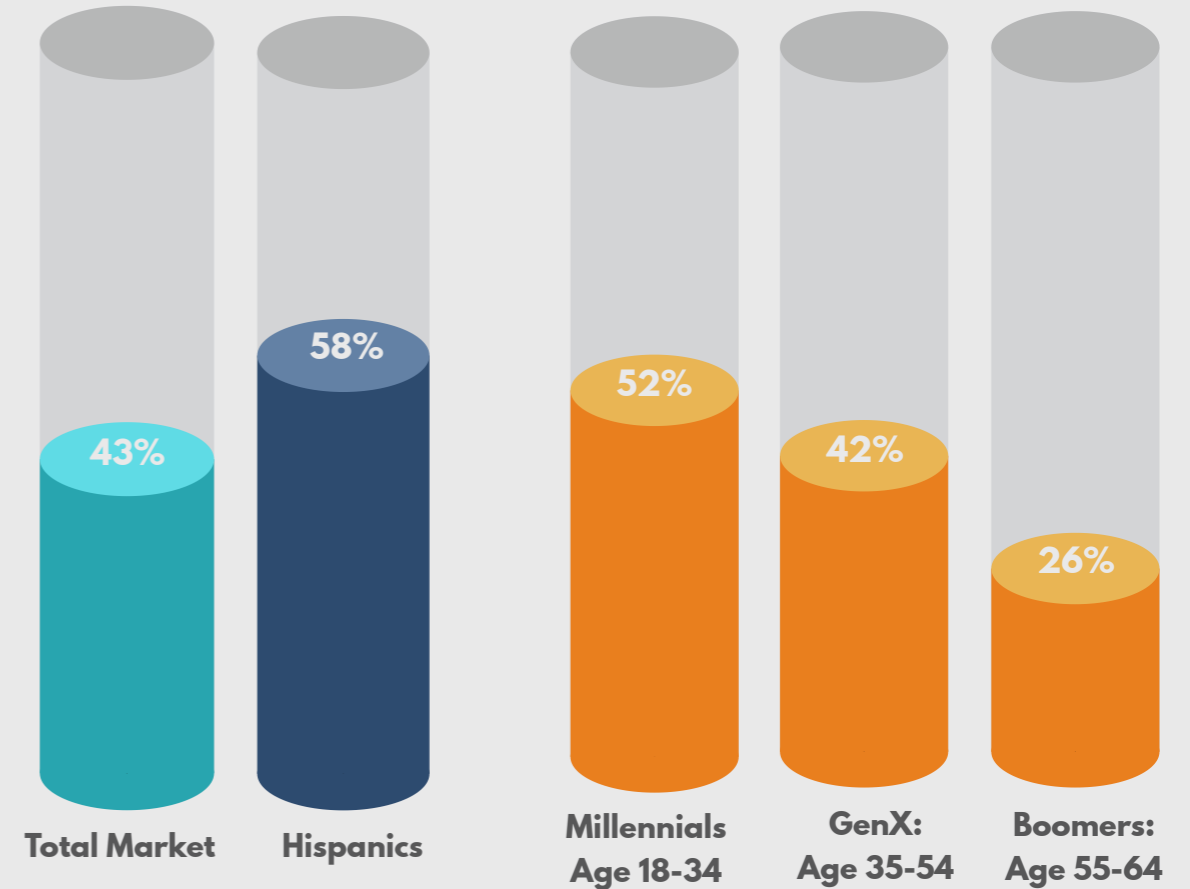
Authenticity influences culture but is not a key driver of brand choice, especially when it comes to [food and beverages](#). In the past few years, the steady growth of the U.S. Hispanic population has caught the attention of the Latin American food and beverage industry.

But a false sense of confidence and wrong assumptions about what drives their purchase behavior has resulted in many failed attempts to enter this burgeoning market.

At a median age of just 28, U.S. Hispanics are defined by their youth.[1] Millennial and Gen Z generations are striving to find more authentic food and beverage choices. For some, that translates into “more well-known brands” or brands from their “country of origin.”

For others, authenticity is as simple as a food or beverage having “great taste” or being made with “real ingredients.” Cultural nuances heavily influence premium alcoholic beverages of choice, consumption occasions, sources of information, and purchase channels.

Overall, authenticity is more important to] Hispanics and African Americans than other cohorts. Cultural identity, however, is more important to higher-income multicultural consumers than their lower-income counterparts.



[1] <https://www.pewresearch.org/hispanic/2016/04/20/the-nations-latino-population-is-defined-by-its-youth/>

# TECHNOLOGY



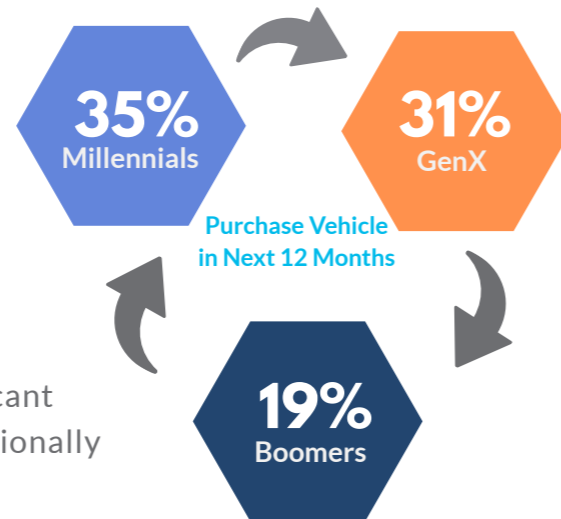
# Automotive

Technology influences consumer purchase trends and how consumers engage brands. One industry that has seen a significant disruption of the status quo is automotive. Ridesharing technology has transformed how consumers navigate city streets, especially among younger demographics. But not all next-gen consumers are ditching their sedans in favor of electric scooters.

Despite reports to the contrary, they are buying cars. Thirty-five percent of Millennials are looking to buy a vehicle within the next 12 months.

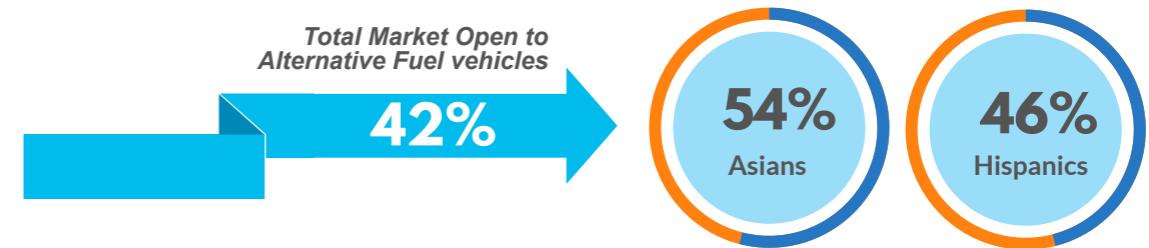
That is statistically more significant than Boomers at 19% and directionally more than Gen Xers at 31%.

For those opting out of vehicle ownership, or looking to park their cars for a while, car sharing is preferred over scooters and bicycle sharing but are not likely to curb car ownership anytime soon.



We are seeing a shift in the types of cars being purchased. Millennials, who are thought to be more about experiences and less about ownership, and who are typically more sensitive to environmental concerns, see the purchase of a gas-guzzling, exhaust creating vehicles as a violation of their ideals.

Nineteen percent of consumers ages 18-34 are very likely to consider an alternative fuel vehicle. Interest in alternative fuel vehicles declines with age, very likely due to discomfort with technology in general. Among the Total Market, 42% of would-be car buyers are open to purchasing [alternative fuel vehicles](#), led by Asians and Hispanics.



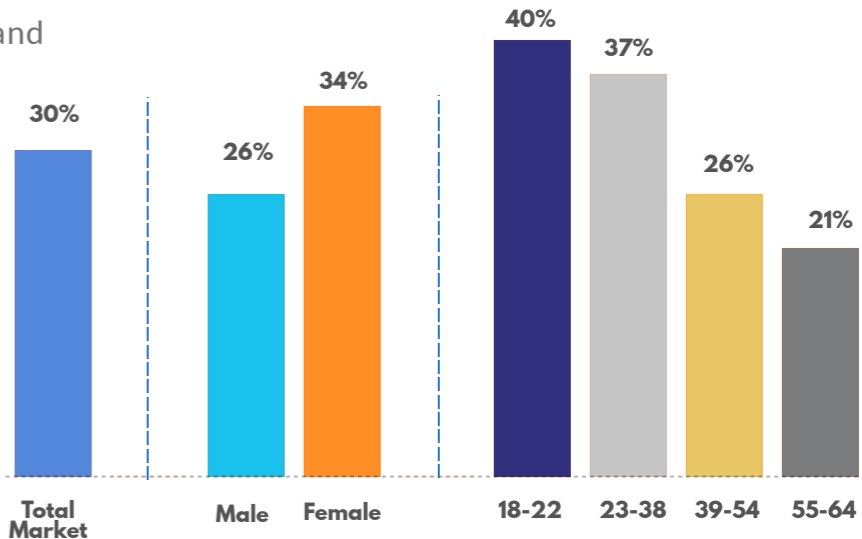
How cars are being purchased has gotten a digital upgrade as well, to attract younger tech-savvy consumers. Awareness of online vehicle purchasing platforms is high among most consumer groups, with purchases most likely to come from online sites over mobile apps. But, data shows that an overwhelming 81% of respondents looking to purchase a vehicle will be doing so in-person.

# Social Media

Social media has become a lucrative [advertising](#) platform for brands, representing 50% of ad sales in 2018 and projected to comprise 69% of total ad sales by 2023. For consumers, social media appeals to their sense of community, providing an avenue for self-expression and connection.

Users spend over an hour each day on social media. About 30% of adults say that they are at least somewhat [addicted](#) to social media. Those numbers were highest among women and teenagers. Younger multicultural consumers are more likely to pay attention to social media influencers for recommendations on products, services, and brands.

Teens and adults are aware of social media targeting and don't like being targeted by brands. Growing privacy concerns influence users' choice of social media platforms. About 25% of adults use private social media apps to avoid being targeted by brands making it essential that marketers be prepared to integrate other channels to possibly supplement the data they are losing when consumers go dark.



# Streaming

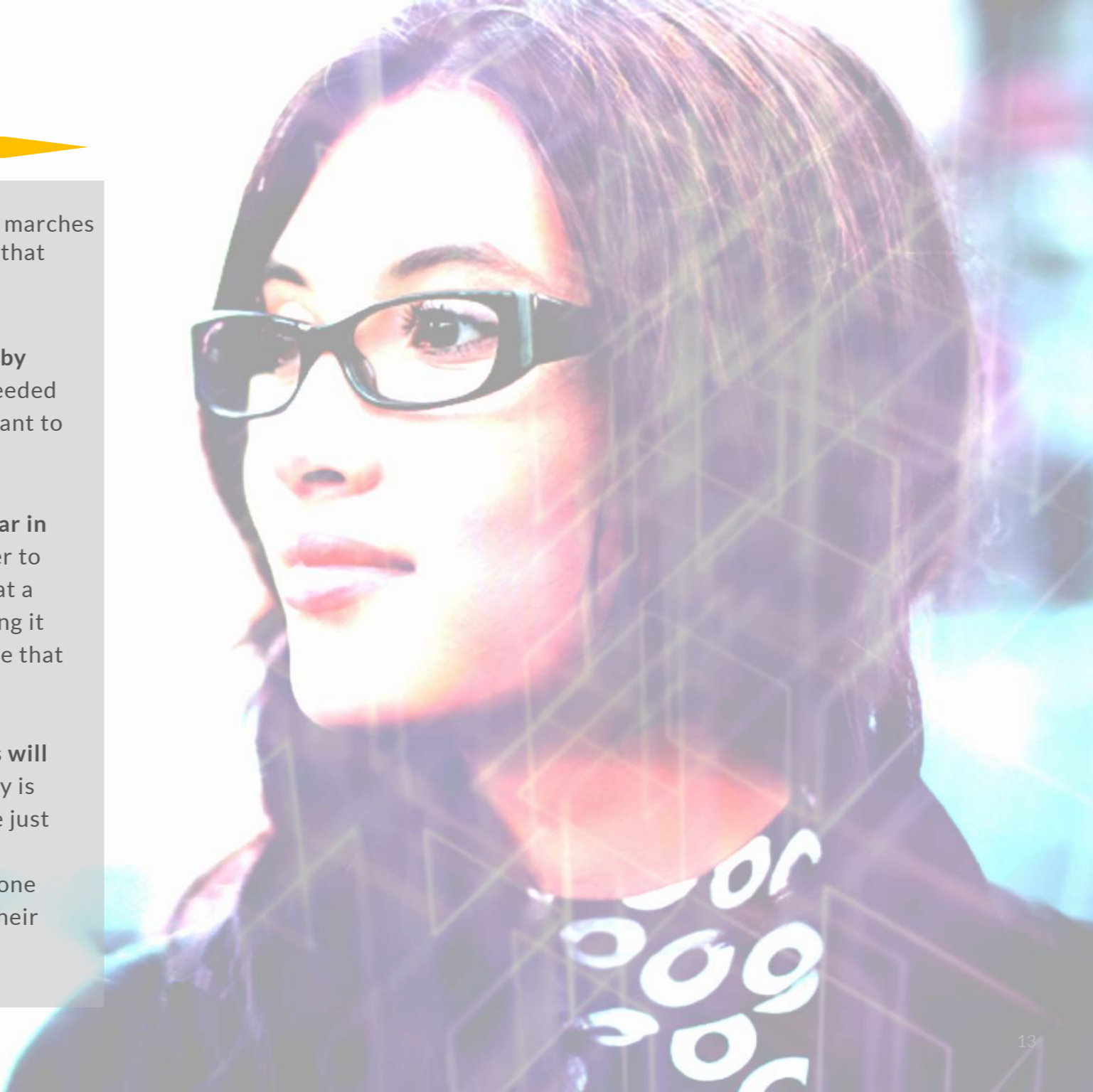
The launch of Apple TV and Disney+ has sent competition among the streaming giants into overdrive. Netflix, while enjoying a comfortable lead over most streaming services, will continue to feel the pressure to level up as more players enter the market and content creators shift their content away from the platform to platforms of their own. Hispanics and Millennials are most like to try new services, such as Apple TV and Disney+. Of the Total Market, about 50% of potential subscribers to these two services would get them in addition to what they have now. (ThinkNow Media)

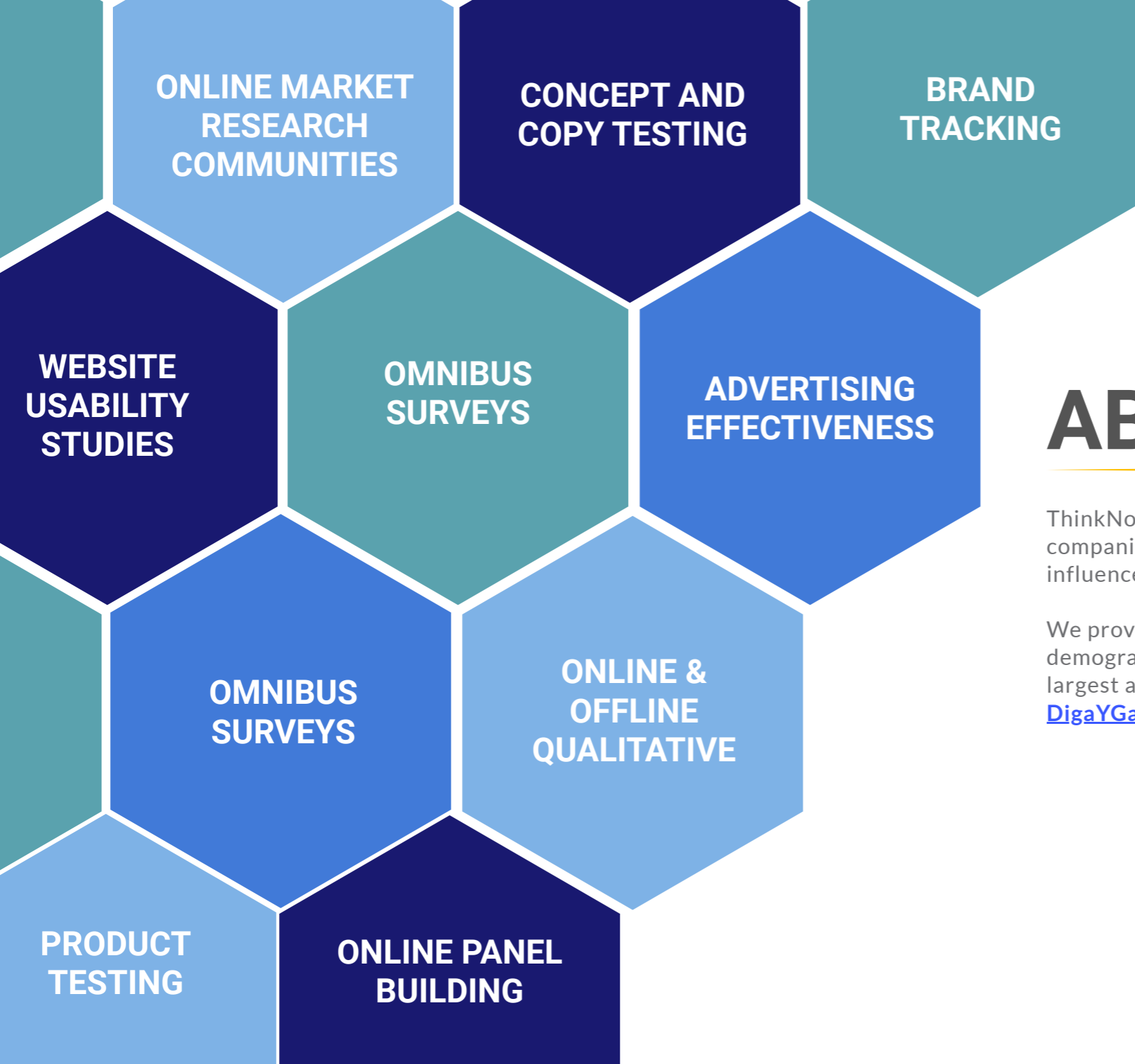
Digital cable, however, continues to be the most popular type of TV service, but streaming is reported as the most often used service for watching TV programming. Convenience is the top reason consumers prefer streaming methods over cable or satellite. For Gen Z, virtually born with connected devices in hand, streaming is the preferred viewing method by far.

# A Look Ahead

We've glimpsed the future, and it is multicultural. As America steadily marches toward a majority-minority population, we see a few trends emerging that marketers should be preparing for, such as:

- **Total Market approaches will continue to wane in 2020, eclipsed by micro-targeting of multicultural subgroups.** Hire the resources needed to gain a deeper understanding of multicultural audiences if you want to craft more culturally relevant marketing campaigns that convert.
- **Multicultural audiences will drive a resurgence of brick and mortar in 2020.** While Gen Z shoppers search for products online, they prefer to shop instore. Hispanics are defined by their youth. So, it's likely that a large percentage of those younger shoppers will be Hispanic, making it essential for marketers to provide an omnichannel path to purchase that is culturally relevant.
- **Multicultural audiences' embrace of mindfulness and fitness apps will lead to exponential growth in this sector.** The mindfulness industry is worth over \$1 billion, with 1,000 apps fueling its growth. There are just over 46 million [Hispanic mobile phone users](#), and that number is expected to soar to 51 million by 2020. Of those, 84% are smartphone users, and 40% say apps on their phones are an important part of their daily life, presenting a significant opportunity for this industry.





# ABOUT US

ThinkNow is an award-winning cultural insights agency. ThinkNow enables companies and government agencies to discover the cultural drivers that influence consumer decisions.

We provide data-driven insights to help organizations thrive in a changing demographic environment. ThinkNow also owns and operates one of the largest and most representative Hispanic online panels in the industry, [DigaYGane.com](https://DigaYGane.com).

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