

The **Yellow** Papers Series



A Brave New World of Consumidores...

Introducing Young Fusionistas

Alma **DDB**^o

The U.S. has become an urban youth dominated Pan-Latin force.

While we were sleeping, it happened. A whole new demographic of young, reasonably affluent Hispanics entered the world of marketing as incredibly important and valuable consumers, but just not quite the way mainstream America thought they would in the '80s.

Instead of a Gringo Nation with subtle flavors of Hispanic culture – reflected mostly in the food courts of an ever-expanding empire of suburban malls – the U.S. of A. has become an urban youth dominated Pan-Latin force.

Also, instead of Hispanic culture being either flattened into stereotypes which succeeding generations of immigrants must accept – or safely confined to the barrios of those who refuse to assimilate – the leading edge is actually something called the Bicultural Hispanic Young Adult.

It's an awkward and unsatisfactory term to be sure. The trouble lies in trying to capture a large, diverse, fast-evolving group that demands to define itself.

Listen to Rodrigo, a twenty-something Colombian-American who has helped found various magazines and Websites aimed at his young Hispanic peers. He explains that the impetus was to cover a segment not being addressed by traditional media, in English or Spanish.

“Nobody knew Latinos as they were, only the Spanish-speaking demo embodied by our parents,” he says. “Just talk to us, we are easy to identify but hard to categorize, because we are so broad, so open to different influences – food, music.”

In other words, they are creators as much as consumers and that is the key to marketing to young Hispanics.

Today there are 70.8 million young adults (18-34) in the US, more than 23 percent of the total U.S. population. Hispanics currently make up 13.3 million, or 19 percent of this demographic, but the expected trend lines in the next several decades show Hispanics rapidly becoming nearly 30 percent of the total U.S. population.

In today's snapshot, more than half of this country's Hispanics are U.S. born. As a segment, they are naturally multicultural, serving as the linchpins of cultural influence for their peers of all ethnicities. American culture is an essential part of their identity.

The term bicultural means different things to different people. Often people mean the degree to which a person speaks two languages. Yet language is just one aspect of culture. There is a convoluted continuum of Hispanic biculturalism in the United States.

Fortunately, the Cultural Curators research team at Alma DDBa has broken down the Bicultural Hispanic Young Adult into four subgroups defined by their level of attachment to a particular culture and its combinations. In essence, if you add up an individual's lifestyle, attitudes, behaviors and demographic granularity, you get a picture of where they fit into the whole.

**Just talk to us,
we are easy to
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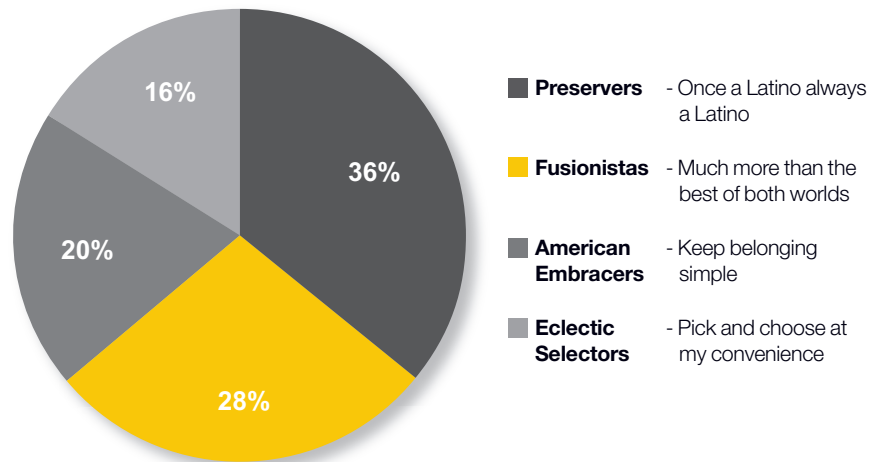
Marta Insua is VP, Strategic Insights at Alma DDB, the network's U.S. Hispanic arm. Since June 2005, Marta has been in charge of research and creative strategy.

With a recently strengthened planning department, she is now heading a team of very senior, insight-driven planning professionals. All together, the four of them decided to change the name of their department to Strategic Insights, to better reflect the real purpose behind their daily work – searching for deep insights into the intricacies of people's minds and hearts, to convey those insights into creative solutions for the brands of Alma DDB's clients. They like to say that they feel theirs is the best job at the agency.

Last year, Marta started the Cultural Curators unit within Alma DDB, which focuses on deep research, trend spotting and analysis of the ever changing, complex and fascinating world of Hispanics in the US – the highly influential, biggest minority living in and helping shape this increasingly diverse country.

Before joining DDB she managed her own qualitative research company in Argentina, Propuesta Interactiva, particularly enjoying work with her anthropologist and sociologist associates.

Meet the Segments



Preservers	Fusionistas	American Embracers	Eclectic Selectors
36%	28%	20%	16%
Spanish Oriented High Cultural Affinity	English Oriented Dual Cultural Affinity	English Dominant Low Hispanic Affinity	Spanish Oriented Low Cultural Affinity
<ul style="list-style-type: none"> • Retain most of Hispanic culture and family values • More comfortable with and prefer Spanish • Mostly foreign born 	<ul style="list-style-type: none"> • Ties with both cultures. Hispanic affinity as intense as Preservers • English dominant but Spanish essential cultural connection • Mostly U.S. born 	<ul style="list-style-type: none"> • English dominant • Fully adopted Anglo culture • Still self-disciplined Hispanics • U.S. born 	<ul style="list-style-type: none"> • Spanish dominant • Seek fast Anglo acculturation • Mostly foreign born

Graph #1

Fusionistas are the marketer's new growth opportunity.

¿Qué Pasa, USA?

On one end of the spectrum, the Preservers are mostly foreign born, prefer the Spanish language and strongly cling to the family and cultural traditions from which they came. American Embracers represent the other end of the spectrum, the presumed goal of all immigrants to adopt English as their primary language and cultural basis. They are mostly U.S. born and their tastes run closest to those of the general market.

In the middle there are two intriguing possibilities – the Eclectic Selectors and the Fusionistas. Eclectics are generally foreign born, but fast adopters of the host culture. They are Spanish language dominant, but prefer American culture; consequently, they do not consume Spanish language media. They are the hardest and least interesting segment to market to because their low cultural affinity means they are harder to influence. Most importantly, they don't influence any Hispanic segments other than their own.

Fusionistas are the marketer's new growth opportunity, which is why this paper will deal mostly with them. They are the mostly U.S.-born children of immigrants. They prefer the English language, but their ties to their Hispanic culture are nearly as strong as those of the Preservers. Spanish language plays an important role in that dual identity, which most happily expresses itself in a voracious appetite for music, food, social networking, fashion, sports and other forms of culture.

Juan, a 20-year-old Colombian in Miami, is consumed with looking good and finds that his friends benefit from his expertise. "I get this look from a mixture of sources," he reveals. "I like to read blogs and that is where I get to find where I can get a bargain to create a similar look to those expensive outfits models wear. Since I always look stylish, my friends ask me for fashion advice."

You can see from the pie chart that Fusionistas currently represent less than a third of American Hispanics. But consider that 36 percent of Hispanics are under the age of 18. The trend is clear – fusion is the future. That growing influence is one of the key reasons why Fusionistas are a marketer's dream.

Let's also look at what's happening with the language. Roughly 62 percent of Hispanic young adults speak Spanish to some degree, while 49 percent speak English to a degree. Nearly half of them speak both languages comfortably and interchangeably.

What's interesting and maybe counter-intuitive to some is the degree to which Fusionistas prefer to speak Spanish. They are chameleons and will speak whatever language fits the context (home or workplace, for instance), but if you ask, they'll pick Spanish nearly half of the time.

"I firmly believe that it's better to know more than one language and I feel bad when Latinos lose that important element of who

we are as a people," says Eddy, a 22-year-old resident of San Antonio.

In practice, this language fluidity is felt mostly in the world of music. Fusionistas consume Spanish-language media through radio much more than print or television sources. Their usage of Spanish radio is well over 60 percent, nearly twice their consumption of either Hispanic TV or magazines and newspapers.

Why? Music is an extremely mutable and forgiving medium, offering a pleasant gateway into new worlds, a comfortable space for familiar territory, and a platform for self-expression that is highly attractive to all young people – especially those accustomed to flowing around barriers.

But don't take our word for it.

"Music is one of the biggest influences on my life," says Sabrina, a 19-year-old Mexican-American living in Chicago. "Being Latina is even better because I can listen to Duranguense or Banda Norteña with my Spanish-speaking friends. I can listen to bachata and reggaeton with anyone really and then of course my hip-hop, R&B, urban hits with basically anyone." she says.

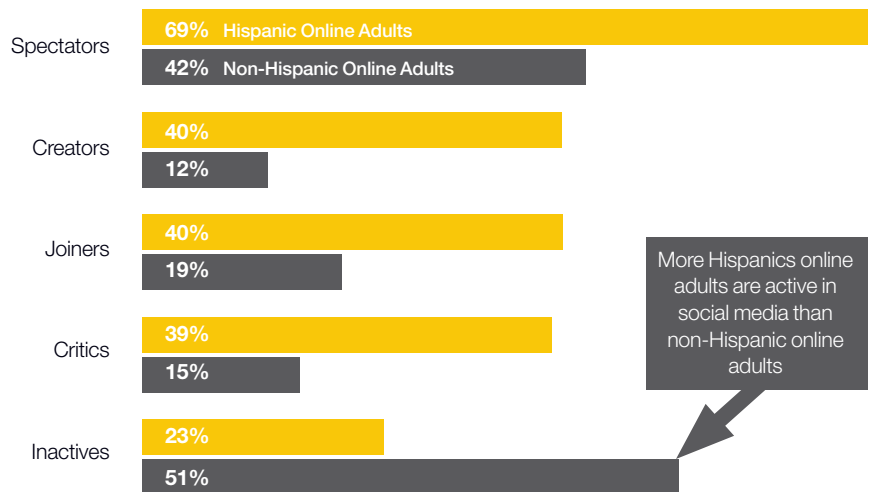
"I definitely dress according to the music I wake up to in the morning. Anything urban and you can bet that I will be rocking a sweet T-shirt/polo and some [Nike] Airforces. If I'm listening to El Recodo, I'm going to dress up to go out dancing. Even if it's a Wednesday lol!"

The New Technocrats

HYA participation in social networking at par with non-Latino youth

Among total respondents	Latino Total	Non-Latino Total
Have a social networking profile	88%	87%
Average number of profiles (Among those who have profiles)	2.3	2.2

However, they far outpace their counterparts when it comes to engagement



Graph #2

The key to reaching young adult Hispanics, especially the Fusionistas, is to recognize that they don't just want to eat the culture; they want to cook it their way and put it back on the table for others to enjoy.

The power of technology in enhancing social networking cannot be overstated. Just look at the numbers. Hispanic young adults join social networking sites at about the same rate as their non-Hispanic peer group.

Yet their level of participation is much higher. They are checking in with the sites more often and engaging more while they are there, whether it is creating unique content or commenting on other user content, joining groups, etc. From a marketing perspective, this means that once you get a young Hispanic to engage, you have a lot more eyeball time in which to pitch them.

This is particularly useful when it comes to consumer feedback on products. The research shows that young Hispanics will take the time to hunt for products and services aimed at them, and they enjoy telling others what they think about their experience. So the potential magnitude of even a relatively small niche – let's say male gear heads who watch a show like Pimpeando on MTV Tr3s, or young women addicted to Quiero Mis Quinces on the same channel – is huge.

Speaking of MTV Tr3s for a moment, it's the closest mainstream amalgam of the actual Fusionista experience. The network is English-language dominant, but just barely. Spanish and Spanglish are heavily used and in fact integral. The content is equal parts urban, American and Latino, very self-aware and tongue-in-cheek. For example, the title of the popular show Entertainment as a Second Language, is very close to a phrase anyone who has been through the public school system in the last 30 years would know – English as a Second Language.

"Twitter and Facebook are going to be an amalgamation of Spanglish," predicts New Yorker Rodrigo. "More Latinos are going to be using Spanglish because it's cool – like LOL, TTYL. Spanglish is a different way to say things."

More than 10 million mobile Web users are Hispanic.

But there's a language being created by the Fusionistas that goes well beyond Spanglish. Technology is fostering the ability of an entire generation to develop their own shared cultural reference points – points unique to them, but informed by both cultures.

"We are a big force to be reckoned with – the buying power," says Chuey Martinez, a Los Angeles DJ of Dominican and Mexican extraction. "We have to be in the loop, on the trend – kicks, BlackBerry, technology, we just want to know what's up, be in the top of the game. We are not only absorbing what is outside; we want to make it our own."

That concept of ownership and of being part of a unique in-group is facilitated not only by the Internet, but also by the mobile tech toys which English-dominant Hispanics use in greater percentages than any other peer group (84 percent have mobile phones, versus 74 percent of non-Hispanic Whites and 71 percent of African-Americans).

There's more. More than 10 million mobile web users are Hispanic, giving them a significantly greater percentage of usage than any other demographic – 71 percent as compared to the market average of 48 percent. The high share of the iPhone – that sexy gauge for coolness and technological sophistication – says it all: almost 21 percent of all iPhone users are Hispanic, even though Hispanics only amount to 15 percent of the total U.S. population.

That market will only grow, as many young Hispanics function as tech guides for their family and friends.

"My cousins are always coming to me for an opinion on the iPhone," says Karina, a 19-year-old Colombian living in New York. "When it freezes they call me for instructions on what to do! I have always been on top of the trends in technology because my parents rely on me for this type of information."

¿Puedes oírme ahora?

Young Bicultural Hispanics: An owner’s manual

It is clear that young Hispanics are a highly desirable market demographic. So how do you drill down into their psyches and get them to want you as much as you want them?

Here is a handy primer

With young Hispanics, especially Fusionistas, there is always a little tension between the need for authenticity, (preserving the values and traditions of their roots), and an aspiration to realize their potential to create something new and better.

This is the marketing opportunity

Fusionistas abound with seeming paradox. They are very American when it comes to things like celebrating U.S. holidays and keeping up with the country’s news, sports, fashion and music trends. And while they appreciate the traditional ways of their parents and grandparents, they embrace a more individualistic sensibility when it comes to gender and family roles.

There is an emergent shift away from traditional values when it comes to family and gender roles



	Preservers	Fusionistas	American Embracers
One of my goals in life is to be a parent	88%	78%	65%
Having a child is an experience every woman should have	86%	66%	48%
I am unwavering in my commitment to my extended family	78%	42%	37%
Head of household should be male	60%	45%	27%
Woman’s role is in home as nurturer	71%	60%	50%

% Reflect Total Agree

Graph #3

Fusionistas have an entrepreneurial spirit because they embrace the whole “land of opportunity” allegory their parents ingrained in them. And because they represent a true hybrid of cultures, they are often better positioned to take advantage of the dream than their more traditionalist peers.

But, success is measured a little differently by Fusionistas than by their counterparts on either end of the spectrum. They are passionate about their ambitions, but prefer to find a balance between their professional and personal lives.

Family is central to the Fusionista life, even if they define the concept a little differently than their parents do. Success as inclusive of family and community is a common theme repeated throughout the statistics and original interviews conducted by Alma DDB in five major cities (Los Angeles, New York, Chicago, Miami and San Antonio).

“Passion and determination I get from my family: mom, grandmother, aunts, my dad,” says Chuey in Los Angeles. “Hard-core Latino work ethics. We are working class people. I can pay some of my mom’s bills now, and that’s the best feeling in the world. That’s the definition of success, when you can give back to your family.”

Embracing Diversity

	Preservers	Fusionistas	American Embracers
I enjoy being around people from ethnic or racial groups other than my own	86%	91%	95%
All / almost all of my closest friends are from the same cultural background as mine	69%	38%	21%

Graph #4

American Embracers, just as fully American Young Adults, are a generation born in and devoted to a naturally diversified society. Fusionistas are very close to this level of multicultural openness, although never resigning their strong Latino component.

Fusionistas are also naturally multicultural, and value relationship building more strongly than any other group. Their social circles are extremely diverse, pulling from Anglo, African and Asian ethnic variations as much as from the Pan-Latin diaspora.

Yet they are very proud of their heritage and consider it a prize to be shared with their multicultural friends, rather than minimized as a stigma.

“I pretty much am the master of salsa, merengue, bachata, cumbia, and really all types of dancing,” brags Sabrina from Chicago. “[My friends] also come to me for advice on clothing, music, and school stuff. And food. Now, I have all my friends hooked on spicy food.”

All the fusion isn't happening in a vacuum-sealed pouch of one demographic. It is a live organism rapidly mutating into mainstream culture, in a good way. It's a little like what happened when African American music forms like jazz and blues hit a certain cultural tipping point and morphed into a new music genre called rock-n-roll.

And then rock-n-roll took over the Western world.

"I feel that as Latinos, we make a difference and we infuse our Latino heritage into mainstream America," says 15-year-old Ronald, from San Antonio.

It's a complicated fusion, one that is so new it's evolving in exciting and unpredictable ways.

But the Fusionistas are not afraid. They feel that being bicultural makes them the ultimate curators of what is happening and what is to come.

"We are at the forefronts of so many fads and trends because we are able to navigate both worlds," opines Rodrigo. "We are able to interpret these things as well, and we can tell what is going to work for our parents and what is going to work for our friends too.

"It's really cool to be able to say, 'You know what? I like everything!' A lot of people can't say that."

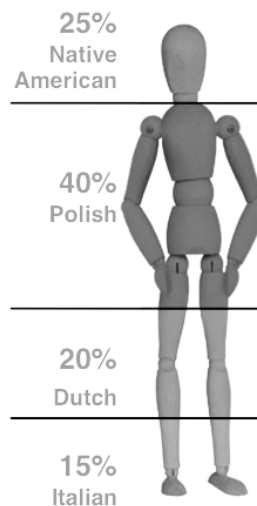
The lesson for the marketer is to give the young Hispanics the tools to express who they are – and then get out of the way. They'll take care of the rest.

The Marketer's Opportunity

Fusionistas show the Hispanic American future

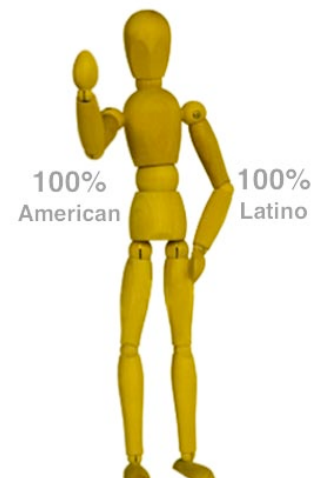
Traditionally

Americans defining their own identity in fractions that add up to a mathematically correct 100%



Now

Fusionistas self-defined as 100% Latino plus 100% American. Their strong and unique cultural identity trumping limitations dictated by numeric accuracy



How to Connect with Fusionistas

- Make mastering Cultural Affinity a priority strategy – walk away from the Spanish versus English mindset and acculturation metrics, and become obsessed with the Cultural Affinity lens.
- Understand the difference between in-language and in-culture – Spanglish and its constant iterations as an approach to urban youth reality.
- Acknowledge Fusionistas' dual-faceted identity and facilitate their expression of it – values that fuse the best of both worlds, e.g., the Salsa dancing, modern Latino entrepreneur.
- Embrace their passion for collaboration and self-expression – don't talk to them but rather provide them with the channels that would foster their content generation – no other demographic interacts with brands as much.
- Embrace in-culture opportunities – they are still Latinos, but the insights into their behavior are richer, more challenging.
- All-encompassing entertainment – they are primarily young, do not differentiate entertainment from information from work, and they cherish their individual identity, expressed by fashion, music, food and unique style.
- Community and grass-roots mobilization – technology and an urban tone would help overcome the very limited traditional media opportunities to reach them in a relevant manner, e.g., social networking, mobile, and street activism.
- Education – the ultimate enabler of the achievement of the American dream and the access to the modern world; they are determined to help their Hispanic community sort out the many difficulties implicit in navigating an unfamiliar educational system.



In Conclusion

Understanding Fusionistas is not easy and conclusive answers to our questions do not exist. However, the effort can be a highly rewarding endeavor for the modern marketer pursuing creative business avenues.

At the end of the road, understanding Fusionistas additionally provides a more comprehensive understanding of the whole American youth culture that will be showing the way for our society beyond 2020.

Some action points that any marketer can benefit from internalizing are:

- In-Culture is the new In-Language, and for the younger bicultural generations, it works as the most relevant way of defining their own identity.
- Fusionistas epitomize this increasing trend.
- Business-wise, they represent a sizable and growing segment.
- By connecting with them in a relevant manner, advertisers will not only conduct good business among new Hispanics, but will also be tapping into their strong ability to influence the general market's young urban culture.
- To reach them, we need to think outside the limited traditional media box:
 - 30" TVC's not imperative.
 - Content is the new imperative, rendering language quite irrelevant.
 - Passion points like music, sports, education and food are highly conducive vehicles.
 - Emotional connection through cultural affinity with this generation can be achieved through grass-roots, community, and viral activations.
 - Technology is the right avenue to enable viral initiatives, social net-working and user-generated content.
 - Commitment to the strong values embodied by Fusionistas can be put into action through social responsibility initiatives centered on helping them give back to their community.
 - A Brave New World of Consumidores: The Yellow Paper Series

a. Methodology:

- Inspired by the Cultural Affinity approach developed by the Yankelovich Multicultural Study.
- Customized processing of Yankelovich's Cultural Affinity segmentation to specifically target 16-34 year-old Hispanic Young Adults.
- Cross-tabulation of findings against Simmons NHCS' demographic, psychographic and behavioral data, complemented with the AHAA/ Simmons Latino Cultural Identity Custom Research.
- Qualitative perspective added through analysis of Iconoculture's findings.
- Proprietary Ethnographic research conducted in partnership with Gonzalo Perez⁵: 23 young "influencers" within their natural group of peers from five key markets: NYC, Miami, LA, Chicago and San Antonio – photo journals, protocol of activities, dedicated intranet.
- o Mix of bi-lingual, bi-cultural 14-24 year-olds representing different nationalities (Mexico, South America, Central America and Caribbean).
- o Expert interviews with four taste-makers in urban and Latino culture.

Sources:

Graph #1: Yankelovich Multicultural Study plus Simmons Custom Research Winter 2008 AHAA Hispanics 18-34: Own processing, cross-tabulation and analysis.

Graph #2: Q1 2008 Forester Hispanic Technographics Consumer Technology and Marketing Survey.

Graph #3: Yankelovich Multicultural Study/ Simmons Custom Research Winter 2008 AHAA Hispanics 18-34.

Graph #4: Yankelovich Multicultural Study.

5. Gonzalo Perez: Owner and founder of Motivo Insights, he partners with marketers and advertisers who seek to connect with today's youth, urban and Hispanic consumers. Gonzalo most recently collaborated with brands such as MTV, MTV Tr3s, ESPN and Pepsi on key consumer insights initiatives. Co-directed The Intelligence Group's 2008 Latino Intelligence Report, which provides marketers and advertisers with an in-depth look at today's Latino youth consumers. Motivo Insights also partnered with Alma DDB, the award-winning Hispanic advertising agency. He began his work in branding and consumer research over 10 years ago.

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