

CULTURAL  
INSIGHTS

**CMC**  
CULTURE MARKETING COUNCIL



# IT'S TIME READY OR NOT FOR THE MULTICULTURAL MAJORITY

What Marketers Should Know  
About Brand Breakups with  
Gen Zers & Their Parents

## INTRODUCTION

2020 marks the first time in American history that any generation—in this case the 0 to 17-year-old segment—is a multicultural majority. By 2028, the next demographic domino will fall to include the under 35 segment, and by 2033, everyone under the age of 50 will be a multicultural majority. Yet, nine of 10 chief executives, and advertising, promotions, sales & marketing managers are non-Hispanic white. Without breaking internal marketing “culture bubbles” to put cultural fluency and insights at the core of every brand strategy, brands risk a break-up with Gen Zers and their parents.

Building on more than 20,500 consumer touchpoints to date, the Culture Marketing Council: The Voice of Hispanic Marketing (CMC) released the second part of a comprehensive study on Gen Z (ages 13 to 17) and parents (25 to 49 years old) of kids ages 8-12, a younger Gen Z segment. IT'S TIME: Ready (or Not) for the Multicultural Majority studied brand choices, customer brand values, paths to purchase and marketing gaffes that led to brand breakups. Black, Hispanic and other people of color feel a sense of unity with other minority segments and understand that hate and racism are the biggest issues they face together. As a result, offending or disrespecting Gen Zers and their parents can be akin to brand implosion, especially as this generation comes of age.

“The definition of ‘white as the norm’ is no longer applicable for brands with targets including persons under the age of 35, with teens already a multicultural majority and adults 18-34 on the cusp of joining the multicultural majority demographic in a few short years.”



## WHAT MARKETERS NEED TO KNOW ABOUT BRAND BREAKUPS WITH GEN ZERS AND THEIR PARENTS

### Brands That Offend Can Potentially Kiss Gen Zers and Their Parents Goodbye

More than half of people ages 13 to 49 have quit a culturally illiterate brand, saying it “offended them or disrespected their values”—that number skyrockets to 72 percent among Black female parents. For Gen Zers and Hispanic and non-Hispanic Black (NHB) parents ages 25 to 49, the number-one reason they have quit a brand is disrespect for their own or another racial group—it ranked third among non-Hispanic white (NHW) parents. Nearly one third of teens will quit a brand if it offends the LGBTQ+ community, compared to only 15 percent of their parents. Other issues for breakups include animal cruelty and marketing adjacent to offensive content.

### A TOP IRL BREAKUP REASON MORE UNIQUE TO GEN Z, LGBTQ+ DISRESPECT

MOST  
important  
issue

13–17

**31%**

P25–49

**15%**

QC13A: The brand or service I stopped buying offended/disrespected... (Select all that apply)?  
BASE: Those that stopped buying a brand or service because it offended them or disrespected their values 685 25-49 Parents of 8-12 aged kids + 62213-17s

### Social Media Backlash Can Be A Tipping Point to Retain Their Social Capital

Many teens will continue to use a brand they love, even if it has done something offensive. Social media backlash can be the thing that makes them cancel a brand because “they do not want to be seen with the brand” anymore.

“Consumers hold you accountable for with whom you associate. For 30 percent of Gen Zers & their parents, even advertising adjacent to offending content was a brand break-up reason.”

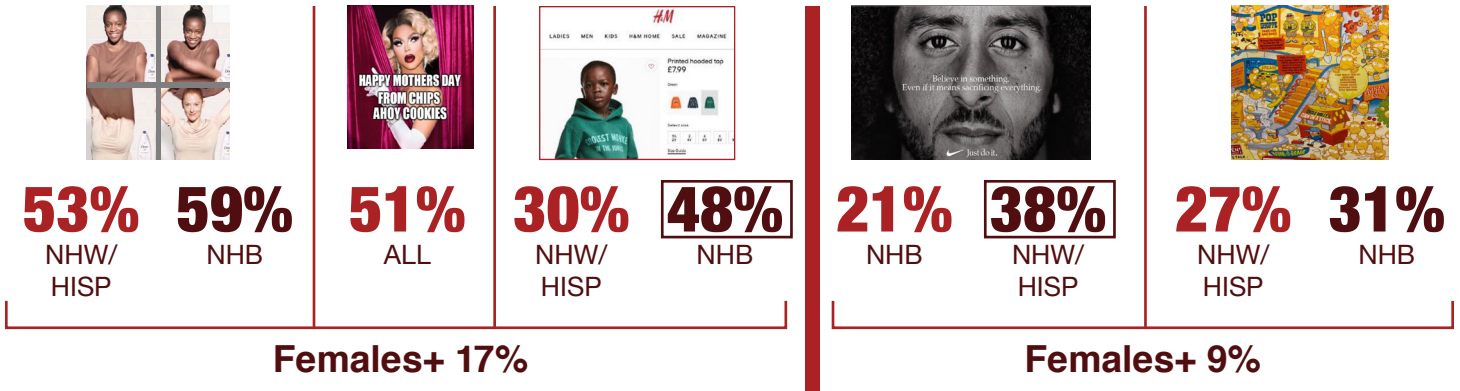
## CULTURAL LITERACY CAN BE QUANTIFIED

This study quantified how often everyday people spot cultural illiteracy issues and subsequently are personally offended by them by exposing respondents to a variety of marketing pieces. Some pieces had experienced cultural backlash from one or more segments and other marketing pieces had no gaffes at all. The extent to which a person spotted an issue and then were personally offended by that issue were influenced by three key factors: how visually obvious the gaffe was, how much each group cared about the issue, and gender. For example:

- **Visually obvious:** 53 to 59 percent of people spotted an issue with the [Dove Body Wash ad](#), while [H&M's “monkey” product image](#) required people to read the sweatshirt—in this case, it appeared that non-Blacks did not spot the issue as much as NHBs did.
- **Gender:** Women are more likely to spot potentially offensive pieces of marketing than males, especially if those pieces are more visually obvious—on average about 17 percent more.

## 21-69% TAKE ISSUE WITH A PIECE, VARYING WIDELY (13-49)

DEPENDING ON HOW VISUALLY OBVIOUS AN ISSUE MIGHT BE,  
HOW MUCH YOU CARE & YOUR GENDER



QC12: You are the head of marketing for a company & have the authority to approve or reject ads, packaging etc. Which of these would you approve & which would you not approve? Click on the GREEN THUMBS UP to approve or RED THUMBS DOWN to NOT approve. BASE: 1,220 25-49 Parents of 8-12 aged kids + 1,198 13-17s + QC12A:

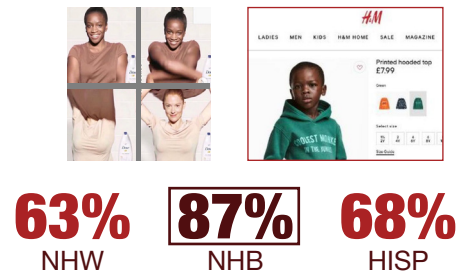
• How much they care about the issue:

- While only 19 percent of people were offended by a Chips Ahoy ad featuring famed drag queen Jose Cancel, AKA Vanessa Vanjie Mateo, for a Mother's Day ad, 81 percent said they "just did not like it," correlating to NHW and NHB including LGBTQ+ on their top five list of people they are "least" comfortable with.

- Thirty-eight percent of NHW took offense to the Nike Colin Kaepernick ads, however so few Blacks and Hispanics took issue and then were personally offended, that we were unable to read such small sample cells

## HOW 'OFFENSIVE'? FOR THE MOST OBVIOUSLY RACIAL, VERY OFFENSIVE (13-49)

% "Thumbs Down" said was "offensive"



## SOMETIMES YOUR BASE FALLS ON 1 SIDE OF A CULTURAL DIVIDE (13-49)

% "Thumbs Down" said was "offensive"  
Only NHW cell sample large enough to read



**38%**  
NHW

QC12A: Why didn't you approve this? BASE: DISAPPROVE OF THE SPECIFIC AD...varies by marketing piece

## Marketers Can Take Calculated Risks If They Know Their Consumers' & Their Brand's Cultural Values First

Nike using Colin Kaepernick in their ads was a calculated risk based on knowing that their customers value “freedom of speech/right to protest” over patriotic symbols—in fact, Nike realized sales gains. When Walmart and Dick's Sporting Goods took steps to address gun violence by tightening their restrictions and removing some types of firearms and ammunition from their stores, they saw no ultimate negative bottom-line impact—in our study, 67 percent of Hispanic and NHB ages 13 to 49 and 53 percent of NHW said they were more likely to shop in these stores after this move.

## WALMART & DICK'S SPORTING GOODS BOTH TOOK STEPS TO ADDRESS GUN VIOLENCE

Removing firearms/ammunition from their stores had no long-term negative bottom-line impact



QY3: Pick the 1st, 2nd & 3rd most important core rings of your ID (17 possible choices) BASE: 1198 13-17s + 1,220 Parents of Kids 8-12 (531 25-34s + 689 35-49s) (Index 13-17 v P25-49: 85 NHW/93 BLK/100 HISP

## Brands Cannot Rely on Price Alone to Woo Gen Zers and Parents Ages 25 to 49

Ninety-two percent of Gen Zers and parents ages 25 to 49 agree some things matter more than price: trust, reliability, healthy/organic and style were mentioned as “more” important for many. However, for healthy/organic, this does not necessarily extend to the parents themselves. We found

that many were feeding pricier “healthy/organic” options to their children but not consuming them themselves.

Brands can intensify their popularity by bundling key customer values with price. For example, thrifting bundles price with style and sustainability while fast fashion bundles price with style.

**92%**  
 SAID SOME THINGS  
 MATTER MORE  
 THAN PRICE  
 (13-49s)



Price is important within context & often in combination with other leading customer values

QC11: Do any of these choices matter more to you than price? (Select all)? BASE: 1198 13-17s + 1,220 Parents of Kids 8-12 (531 25-34s + 689 35-49s)

Hispanic teens are uniquely critical to marketers as they are more likely to make their own brand choices due to their heightened family responsibility role which includes bill paying and purchasing.

## Top Gen Z Values of Style, Saving and Sustainability Are Fueling Thrifting Fervor—and Parents Are Loving It Too!

For many teens, style counts more than price, especially among NHB to the tune of 43 percent compared to 37 percent of NHW and 33 percent of Hispanics. Today, 74 percent of Gen Z teens and parents ages 25 to 49 love to thrift, skewing mostly female among non-Hispanics and gender neutral with Hispanics.

## FOR MANY TEENS, STYLE COUNTS MORE THAN PRICE

Especially, NHBs

13-17

**37%**  
NHW

**43%**  
NHB

**33%**  
HISP

P25-49

**25%**  
ALL

QC11: Do any of these choices matter more to you than price? (Select all)? BASE: 1198 13-17s + 1,220 Parents of Kids 8-12 (531 25-34s + 689 35-49s) \*29% FOR NHB PARENTS

**+46%**  
**SECONDHAND PURCHASES SINCE 2017**  
**ATTRIBUTED “LARGELY TO GEN-Z”**  
**(clothing, shoes, accessories)**  
**UNIDAYS**

Source: UNIDAYS global 13 million student database

## Brands Wooing Gen Z Can Supercharge Their Marketing Via Solid Social Media Strategies and Relevant Influencer Endorsements

Social media fashion and lifestyle influencers have the most cache when it comes to purchase behaviors by young consumers. Hispanic teens and Hispanic adults ages 25 to 49 are 55 percent and 44 percent, respectively, more likely to try a product endorsed by an influencer versus a traditional ad compared to 37 percent of their non-Hispanic counterparts. When the celebrity or influencer is known to be unpaid, the numbers increase to 69 percent of Hispanic teens, 59 percent of Hispanic adults, and 48 percent of their non-Hispanic counterparts.

Fast fashion brands like Shein, Zara, Asos and Fashion Nova have wooed teens with super current, low priced and thus “throwaway fashion” with a combination of “buzzy online celebrities” and “an army” of unpaid content creators mostly on Instagram.

“Fashion Nova...cracked the code—thanks to its influencer network...a demographic of people often systematically excluded from the fashion industry...more often-than not, **WOMEN OF COLOR.**”

—Refinery 29, July 25, 2018

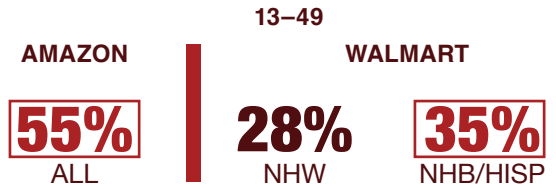


“Fashion & lifestyle influencers are MOST associated with purchase behaviors by young consumers”

—Robert Williams, Mobile Marketer, March 6, 2020

**WHAT NEXT? 74% GO ONLINE**

30% to search for more info  
20% head to a marketplace site \* or Target



...and 10% of HISP teens go to Target v only 2-3% of other segments

QS2 You've decided to buy something but aren't sure yet what brand/style/model etc. What is the 1st thing you do? BASE: 1,220 25-49 Parents of 8-12 aged kids + 1,198 13-17s + CMC 2020 qualitative. QS3: Which big marketplace or Target do you go to all or most of the time? BASE\*\* GO TO ONLINE MARKETPLACE SITE OR TARGET AS 1ST PLACE TO CHECK: 237 25-49 Parents of 8-12 aged kids + 201 13-17s

**When Considering a Purchase, Teens & Parents Both Value Word of Mouth as #1 and Then Move Online**

When it comes to purchase consideration, word of mouth is most important, followed by advertising and online inspiration. In the final path to purchase phase, 74 percent of Gen Zers and their parents go online, primarily to search for more information or head to a marketplace sales site. Fifty-five percent of those going to a marketplace site will go to Amazon, and 35 percent of NHB and Hispanics will go to Walmart, compared to 28 percent of NHW. Surprisingly, 10 percent of Hispanic teens will go to Target, compared to only two to three percent of other segments.





## TO RECAP...

- The multicultural majority has arrived and is spreading rapidly from teens to the under-35 and under-50-year-old segments.
- If you are not already focused on multicultural literacy, you better hurry... or risk your brand becoming irrelevant or worse: negative social currency.
- Brands need to avoid mono-cultural marketing bubbles, as they are culturally dangerous feedback loops.
- Fashion and lifestyle influencers drive purchase behaviors—Hispanics, NHB and NHW teens all follow mostly multicultural influencers.
- You cannot take calculated cultural risks if you are unsure of your own brand's cultural values and those of your customers.
- Be culturally literate and hire in-culture marketing experts to guide you.

## METHODOLOGY & FUNDERS

- The study received financial or operational support from Kantar, ThinkNow, ViacomCBS and Univision
- Quantitative research came from 2,418 13-17s (Gen Z) and 25-49 parents of kids 8-12 (65 percent Millennials/ 35 percent Gen Xers) with equal sample representation of Hispanics (HISP), non-Hispanic Blacks (NHB) & non-Hispanic Whites (NHW) from January 2020 to February 2020
- Qualitative interviews with 54 respondents (36T/18P), in-home pairs (HISP/NHB/NHW) and two Gen Z multicultural workshops (HISP/NHB/NHW/Asian-American/Other)

## For more information:

Visit [culturemarketingcouncil.org](http://culturemarketingcouncil.org) and follow the CMC on Facebook, Instagram, and Twitter at @cmchispanic.

## About CMC:

Founded in 1996 as the Association of Hispanic Advertising Agencies, the Culture Marketing Council: The Voice of Hispanic Marketing is the national trade organization of all marketing, communications, and media firms with trusted Hispanic expertise.