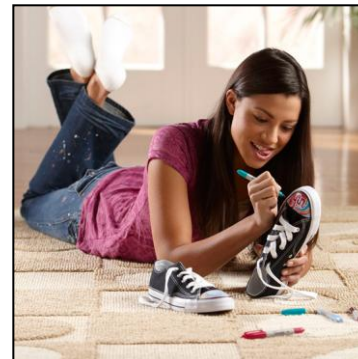


Hispanics & The Construction Industry

Secondary Research



» Objective

» Demographics/psychographics

- Topline Recommendations
- Detailed findings
- Conclusions

» Media

- General usage
- Dayparts
- Receptivity
- Attitudes
- Preferences
- Online
- Mobile

- » The objective of this document is to review secondary research available on the topic of Hispanics and the construction industry.
- » The ultimate objective is to provide a portrait of the Hispanic construction worker by comparing him to the non Hispanic construction worker.
- » Data sources for this review were the U.S. Census Bureau and Simmons NCS/ NHCS 2008. The Census provides demographic data for the entire U.S. population while Simmons provides demographic, psychographic and consumption data.
- » As part of the research review, we analyzed the data not only by Hispanics vs. non Hispanics, but also among some sub-segments of the Hispanic population. If the analysis of these segments results in any meaningful deviations from the total Hispanic population, these findings will be brought up.

Findings



Topline Findings

- » **Hispanic construction workers are a critical segment of the industry.**
 - Hispanic construction workers skew towards the Learner/Straddler end of the spectrum.
 - As a result, they have limited or no skills in the English language, which implies that marketing efforts have to be in Spanish.
- » **Despite their lower socio-economical status, this segment prefers established retailers and brands.**
- » **Navigators behave similar to their general market counterparts.**

Recommendations

- » **All acculturation levels provide an opportunity for Irwin.**
- » **Learner/Straddler Hispanics may be the lowest hanging fruit, since fewer brands are speaking to them.**
 - They prefer brands that speak to them in their language and using Spanish to reach them would boost brand credibility.
- » **Retailer specific programs could do well to attract this client, given that they prefer few select outlets.**

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LENOX

IRWIN.

Paper Mate

Goody

LEVOLOR

Rubbermaid

PARKER.

GRACO

DYMO

Calphalon

TC

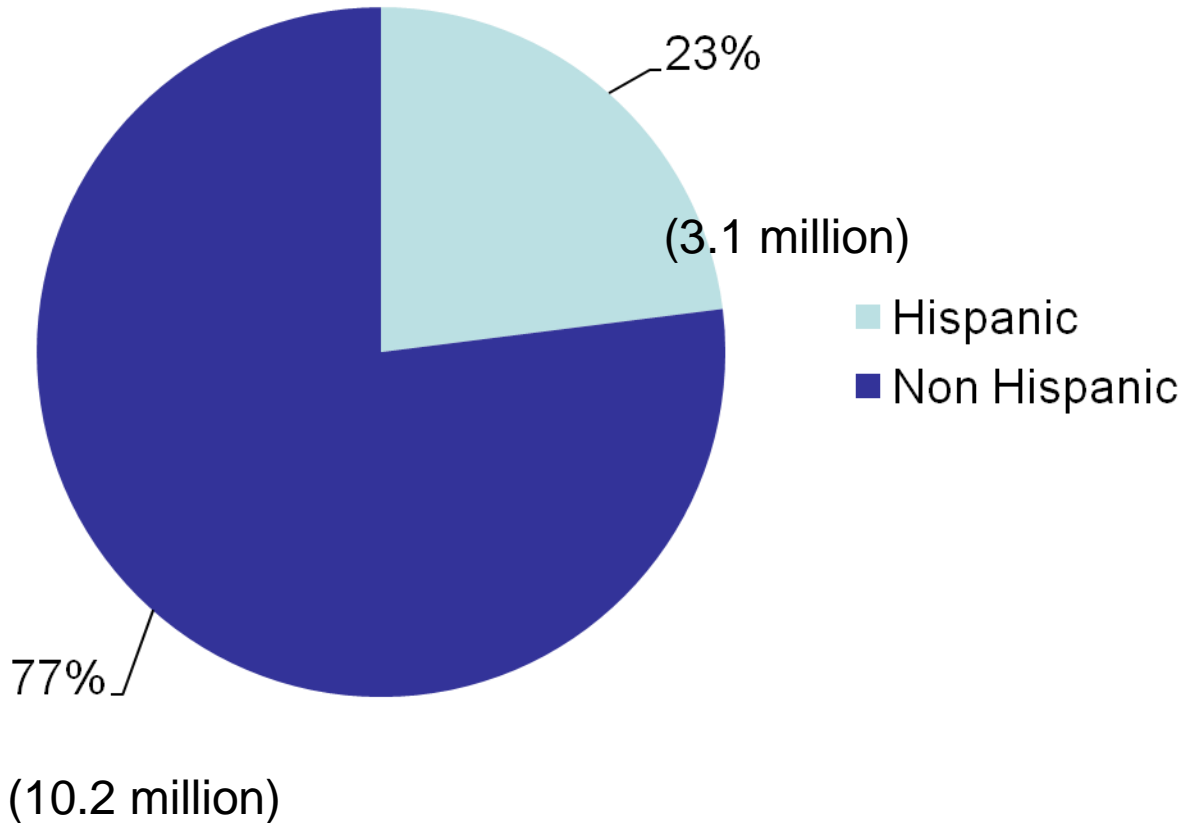
WATERMAN
PARIS

Aprica.

Detailed Findings



Construction Workers by Ethnicity



» Currently there are over 3 million Hispanic construction workers in the U.S.

» Hispanic are over-represented in the construction industry, given that they account for 15% of the total U.S. population

Source: U.S. Census Bureau 2007

Base: Male construction workers, age 16+

Majority of Hispanic Construction Workers are in the Top Hispanic Markets

	Total Male Costruction Workers	Total Hispanic Male Construction Workers	Hispanic Penetration
Los Angeles	541,983	449,920	83%
New York	660,918	195,137	30%
Houston	218,690	193,258	88%
Dallas-Ft. Worth	223,192	183,225	82%
Miami	251,563	139,700	56%
Phoenix	231,547	122,470	53%
Chicago	233,179	103,724	44%
San Francisco	222,655	98,379	44%
Washington DC	213,666	81,947	38%
Atlanta	165,276	76,175	46%
San Antonio	98,055	63,742	65%
Denver	92,179	50,661	55%
San Diego	112,863	48,634	43%
Orlando	106,395	39,111	37%
Sacramento	90,175	26,072	29%
Albuquerque	25,888	25,185	97%
Fresno	20,897	17,661	85%
Philadelphia	208,164	16,961	8%
El Paso	21,732	13,702	63%
Harlingen-Brownsville	13,209	9,757	74%

» **Top five markets account for over half of Hispanic construction workers**

» **Density of Hispanic construction workers varies from 8-97%**

Total for Top 20 Markets

3,752,226

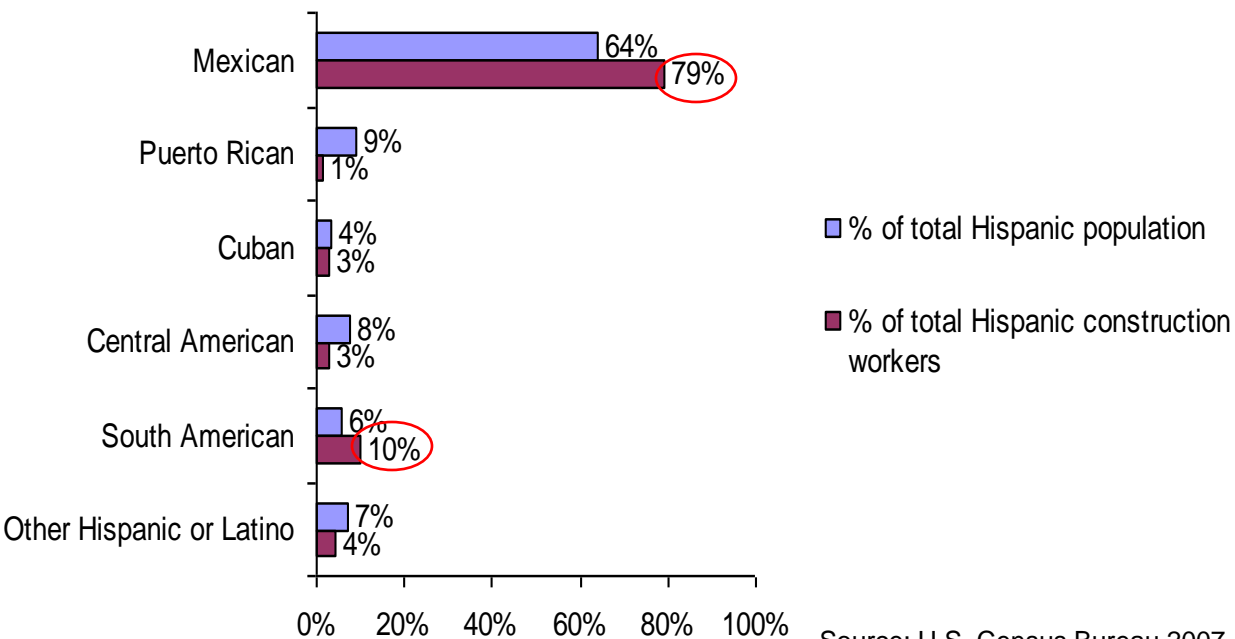
1,955,421

Source: U.S. Census Bureau 2007

Base: Male construction workers, age 16+



Heritage of construction workers



» Although Mexicans account for 64% of the total U.S. Hispanic population, they account for 79% of Hispanic construction workers.

» Puerto Ricans are the most underrepresented group in this trade (1% of total) while South Americans are significantly overrepresented

Source: U.S. Census Bureau 2007, Simmons 2008 (Total sample size: 502 Male Hispanic construction workers, 7,607 Total Hispanic)

Red circle indicates difference is statistically significant at 95% over total country of origin

Navigator



**HIGH
ACCULTURATION**

US born and raised
English dominant
Some Spanish

*Navigate US culture
comfortably*



**LOW
ACCULTURATION**

Foreign born
In US <half life
Spanish dominant
Almost no English

*Strong ties to country
of origin*

**MID
ACCULTURATION**

Foreign born
Immigrated young,
or in US >half life
Bilingual

*Live in both
cultures*

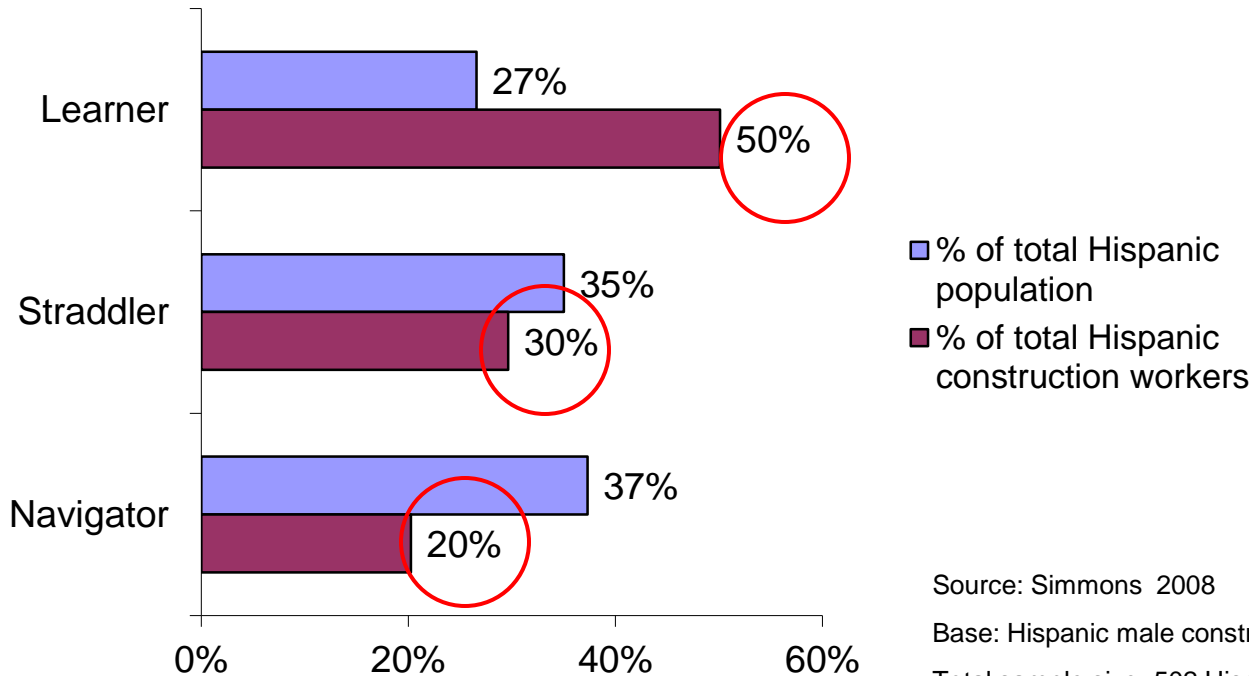
Learner

Straddler



Most construction workers are relatively unacculturated

Acculturation Level of Hispanic Construction Workers



» Learners, who represent 25% of the total Hispanic population are over-represented in the construction industry. On the other hand, Navigators are under-represented

Source: Simmons 2008

Base: Hispanic male construction workers

Total sample size: 502 Hispanic construction workers, 7,607 all Hispanics

Red circle indicates difference is statistically significant at 95% vs. complement group

Hispanic construction workers tend to be young family men who try to provide the best for their family within their capabilities



Source: Simmons 2008

Base: Male construction workers

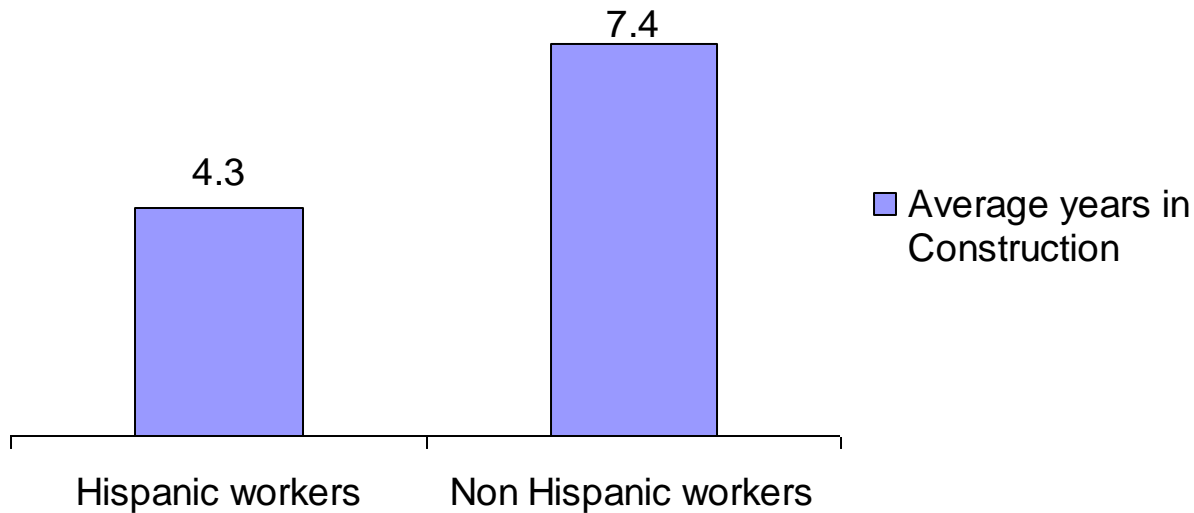
Total sample size: 1,008. Hispanics: 502, Non Hispanics: 506

Red circle indicates difference is statistically significant at 95% vs. complement group

	Hispanic Construction Worker	Non Hispanic Construction Worker
AGE		
18-24	18%	8%
25-34	38%	27%
35-54	37%	48%
55+	6%	17%
Average Age	36	43
EDUCATION		
HS or less	77%	61%
Vocational school	18%	38%
Some college	18%	23%
College Grad. or more	3%	11%
MARITAL STATUS		
Married/ Living together	62%	63%
Single	32%	24%
PEOPLE IN HH	5	3
ADULTS IN HH	3	2
Presence of children in HH	86%	43%
HH INCOME		
\$10-\$19.9K	8%	2%
\$20-\$29.9K	25%	15%
\$30-\$39.9K	13%	8%
\$40-\$49.9K	12%	9%
\$50+\$59.9K	12%	11%
\$60K+	41%	63%
Average HH Income	\$51,549	\$58,014
Individual Income	\$33,229	\$44,897
OWN HOME	41%	83%
RENT HOME	57%	15%
Membership to any club	16%	45%

In general, Hispanics have less time in their current job than their non-Hispanic counterparts

Time in job



» Possible explanations could be the fact that they have less time in the US as adults and that they are, in general, much younger..

Learner	Straddler	Navigator	Foreign Born	U.S. Born
3.0	6.6	4.1	4.5	3.7

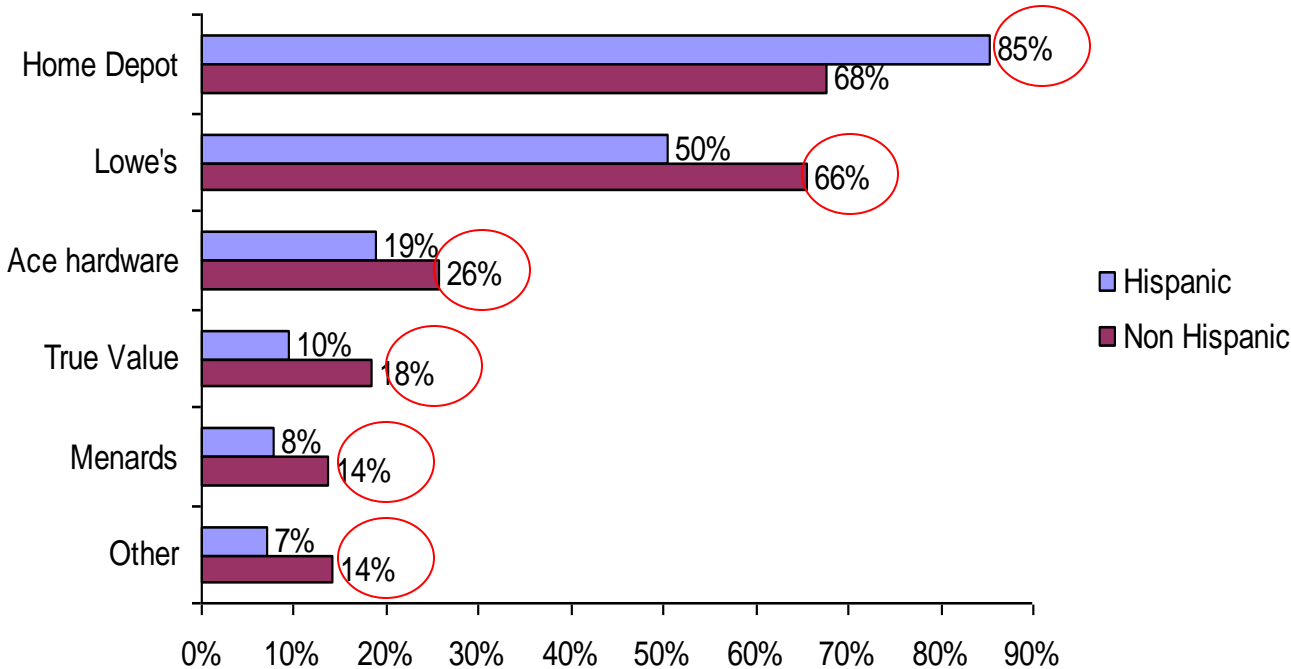
How long have you been in you current job?

Source: Simmons 2008

Base: Male construction workers

Total sample size: 1,008. Hispanics: 502, Non Hispanics: 506

Hispanic construction workers prefer the larger national chains to make their purchases



» Home Depot is the preferred store of Hispanic construction workers.

» Among non-Hispanic construction workers, Home Depot and Lowe's vie as the main channel for purchases.

» On the other hand, non Hispanics show a higher patronage of the smaller retailers than Hispanics.

In which of the following stores have you shopped in the past 3 months

Source: Simmons 2008

Base: Construction workers who have purchased at a home improvement store

Total sample size: 714. Hispanics: 283, Non Hispanics: 431

Red circle indicates difference is statistically significant at 95% vs. complement group

Store patronage is influenced by one segment

	TOTAL	LEARNER	STRADDLER	NAVIGATOR
Base Size	283	105	102	51
HOME DEPOT	85%	82%	93%	93%
LOWE'S	50%	36%	60%	55%
ACE HARDWARE	19%	11%	30%	14%
TRUE VALUE HARDWARE	10%	3%	20%	8%
MENARDS	8%	3%	16%	9%
OTHER	7%	7%	9%	5%

» Straddlers visit the majority of the main retailers more often than their counterparts

» Learners, on the other hand, shy away from the smaller retailers and focus on Home Depot, possibly as a function of the number of locations

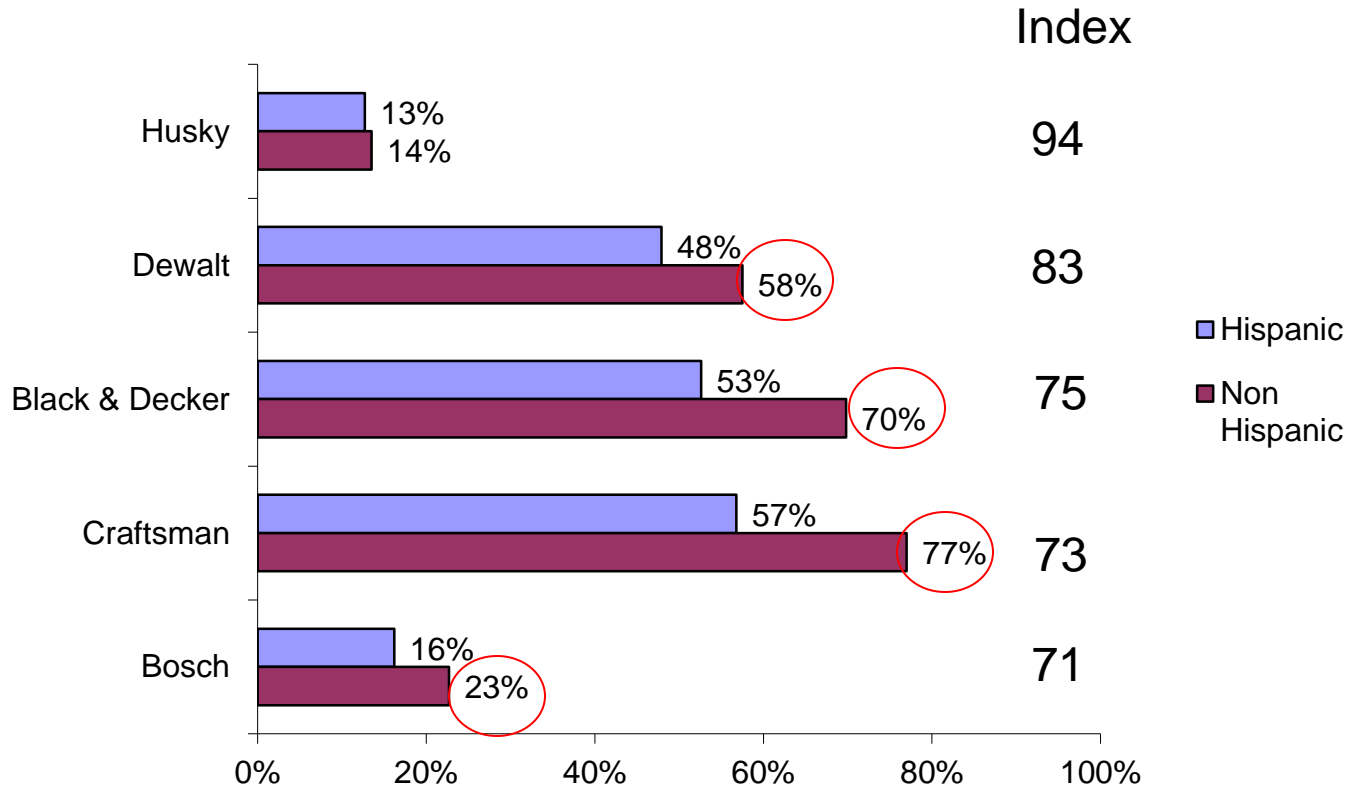
In which of the following stores have you shopped in the past 3 months?

Source: Simmons 2008

Base: Construction workers who have purchased at a home improvement store

Red circle indicates difference is significantly higher at 95% vs. total, blue indicates difference is significantly lower at 95% vs. total

Hispanic construction workers prefer the more recognized brands



» While Hispanic construction workers own a smaller number of power tools, their preferences skew towards the higher-end brands.

Which of the following brands of tools do you own?

Source: Simmons 2008

Base: Construction workers who have tools

Total sample size: 714. Hispanics: 279, Non Hispanics: 435

Red circle indicates difference is statistically significant at 95% over complement group

Brand preferences vary by acculturation

	TOTAL	LEARNER	STRADDLER	NAVIGATOR
Base Size	279	113	96	51
HUSKY	13%	8%	23%	10%
DEWALT	48%	37%	44%	61%
BLACK & DECKER	53%	33%	55%	75%
CRAFTSMAN	57%	51%	58%	60%
BOSCH	16%	13%	13%	25%

» **Ownership of Black & Decker and Dewalt tools increase with acculturation while Husky seems to have found its main market with the moderately acculturated straddlers**

» **Ownership level of Craftsman and Bosch do not vary drastically by acculturation**

Which of the following brands of tools do you own?

Source: Simmons 2008

Base: Construction workers who have tools

Red circle indicates difference is significantly higher at 95% vs. total, blue indicates difference is significantly lower at 95% vs. total

Hispanic construction workers look for known brands, especially Learners/Straddlers



INDEX Above norm

Source: Simmons 2008

Base: Hispanic male construction workers

Sample Size: 502

	Total	Hispanic	Non Hispanic	Learner	Straddler	Navigator	Foreign Born	US born
DON'T BUY UNKNOWN BRANDS TO SAVE MONEY	100	116	95	157	131	56	135	32
ALWAYS LOOK FOR BRAND NAME	100	161	81	116	107	120	178	86
ADV GIVES TRUE PICTURE OF PRODUCTS	100	133	89	100	83	55	138	114
SHOP FOR SPECIALS OR BARGAINS	100	97	101	52	91	73	94	111

The less acculturated Hispanics prefer product information in Spanish and will sponsor brands that do so

	Hispanic	Learner	Straddler	Navigator	Foreign Born	US born
SPANISH LANGUAGE LABELING HELPS ME SELECT	33%	46%	33%	22%	40%	6%
SPAN LANG ADVERTISING/IMPORTANT/PURCH DECSIONS	30%	40%	31%	23%	36%	3%
REMEMBER PRODUCTS ADVERTISED IN SPANISH	29%	42%	30%	22%	36%	3%
COMPANY ADVERTISE IN SPANISH/FEEL RESPECT	26%	34%	37%	20%	31%	6%
LOYAL TO COMPANIES/ADVERTISE IN SPANISH	26%	30%	29%	24%	29%	13%

Source: Simmons 2008

Base: Hispanic male construction workers

Sample Size: Total: 502, Learner: 219, Straddler: 147, Navigator: 79, Foreign born: 417, US born: 85

Red circle indicates difference is statistically significant at 95% vs. total

Red Square indicated results are at or above total population

- » **Spanish Dominant Hispanics** are a segment that needs to be targeted by construction equipment companies to increase their market share.
- » **While a few premium brands currently dominate** the construction tool market, there is room for additional players that target this consumer since there are relatively few addressing this target.
- » **Spanish language provides credibility** to brands that wish to enter this market.

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IRWIN.

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Rubbermaid.

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The Hispanic Pro Media Usage & Engagement Overview

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Rubbermaid.

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» Both the Hispanic and non-Hispanic construction worker use multiple media contact points and their usage habits are comparable to the overall population.

	Hispanic		non-Hispanic	
	<u>%</u>	<u>Index vs. Total Hispanics</u>	<u>%</u>	<u>Index vs. Total non-Hispanics</u>
Broadcast Television	89%	100	94%	99
Cable Television	82%	100	88%	98
Radio	63%	99	73%	98
Magazines	62%	90	66%	86
Internet	45%	89	66%	97
Newspaper	39%	86	58%	90

» The Hispanic construction worker is a heavier user of Radio during the day while turning to Television during nighttime hours.

Radio			Television		
<u>Daypart</u>	<u>%</u>	<u>Index vs. Total Hispanics</u>	<u>Daypart</u>	<u>%</u>	<u>Index vs. Total Hispanics</u>
MF 6-10am	48%	115	Early Morning	22%	107
MF 10am-3pm	33%	99	Daytime	10%	57
MF 3-7pm	40%	104	Early Fringe	30%	107
MF 7p-mid	20%	105	Prime	47%	124
S/S 6-10am	17%	112	Late Fringe	13%	123
S/S 10am-3pm	20%	73			
S/S 3-7pm	25%	96			
S/S 7p-mid	18%	95			

» In general, the Hispanic Pro is more receptive to advertising messaging...

<u>Agree with the following statement:</u>	<u>non-Hispanic</u>	<u>Hispanic</u>	<u>Index</u>
I remember advertised products when shopping	20%	38%	190
Ads help me learn about products	41%	45%	110

...and is less cynical about advertising than their non-Hispanic Pro counterparts.

<u>Agree with the following statement:</u>	<u>non-Hispanic</u>	<u>Hispanic</u>	<u>Index</u>
All TV advertising annoys me	43%	22%	51
I don't make purchases based on ads	49%	27%	55
I don't like advertising in general	42%	26%	62
I typically avoid TV commercials	42%	27%	64
When commercials come on, I change the channel	45%	32%	71
When commercials come on, I mute the TV	25%	18%	72

- » The Hispanic construction Pro tends to be more engaged with media contact points as they relate to their everyday life.
- » This is not to say the non-Hispanic Pro is not impacted by advertising, rather they require a higher level of engagement by the messaging.

		<u>non-Hispanic</u>	<u>Hispanic</u>	<u>Index</u>
Television	I find TV advertising interesting	16%	41%	256
	There are TV shows I'll rearrange my schedule around	29%	32%	110
	TV is my main source of entertainment	50%	48%	96

		<u>non-Hispanic</u>	<u>Hispanic</u>	<u>Index</u>
Magazines	Magazines are my main source of entertainment	7%	14%	200
	I enjoy reading ads in Magazines	11%	22%	200
	I read Magazines out of curiosity	16%	29%	181
	Most magazines are worth the money	15%	21%	140
	I rely on Magazines to keep me informed	10%	13%	130

		<u>non-Hispanic</u>	<u>Hispanic</u>	<u>Index</u>
Radio	Radio is my main source of entertainment	18%	30%	167
	I rely on Radio to keep me informed	31%	32%	103
	When in the car, I always listen to the Radio	61%	58%	95

» Although there is less overall usage of the Internet, Newspaper and Out-Of-Home among the Hispanic Pro, they appear to be highly engaged with the media.

» This indicates that even selectively used contact points have potential to be key communications platforms.

		<u>non-Hispanic</u>	<u>Hispanic</u>	<u>Index</u>
Internet	The internet is a new way I socialize with others	12%	19%	158
	Go to websites I've never been to before	28%	31%	111
	The internet is my primary source of entertainment	14%	15%	107
	I like to hear about new products by email	17%	18%	106
	Get more of my news from the internet	33%	34%	103
	The internet is the first place I look for information	36%	35%	97

		<u>non-Hispanic</u>	<u>Hispanic</u>	<u>Index</u>
Newspaper	I trust information I read in Newspapers	34%	32%	94
	Special sections in Newspapers make them interesting	20%	25%	125

		<u>non-Hispanic</u>	<u>Hispanic</u>	<u>Index</u>
Out-Of-Home	I often notice Outdoor advertising	50%	55%	110

- » Both the Hispanic and non-Hispanic Pro television viewing is highly concentrated in Sports programming.
- » Distinctive differences appear when viewing in-language.

Hispanic Pro

non-Hispanic Pro

<u>Program</u>	<u>Index vs. Total Hispanics</u>
Solo Boxeo (TF)	275
Copa Libertadores (FSE)	200
Futbol Liga Mexicana (UNI)	188
Republica Deportiva (UNI)	186
Rumbo al Mundial (TEL)	185
Futbol Telemundo (TEL)	181
World Cup Soccer (UNI)	178

<u>Program</u>	<u>Index vs. Total non-Hispanics</u>
NASCAR (various)	226
Drag Racing (various)	192
Modern Marvels (HIS)	182
Fishing/Hunting (various)	180
Boxing (various)	157
Sportscenter (ESPN)	153
NFL (various)	143

» Both the Hispanic and non-Hispanic construction worker use the internet for a variety of entertainment and information content.

Top 5 Internet Activities

Hispanic Pro		non-Hispanic Pro	
<u>Online Activity</u>	<u>Index vs. total Hispanics</u>	<u>Online Activity</u>	<u>Index vs. Total non-Hispanics</u>
Auctions	156	Auctions	150
Gambling	127	Gambling	148
Sports	122	Satellite Radio	142
Newspapers/magazines	105	Sports	126
Video games	105	Download movies	113

» The Hispanic construction Pro is more likely to consider their cell phone crucial to their everyday life.

	<u>non-Hispanic</u>	<u>Hispanic</u>	<u>Index</u>
My cell phone is an expression of who I am	5%	19%	380
Interested in receiving ads on my cell phone	4%	14%	350
Use info. from my cell phone to decide my free time	6%	16%	267
My friendships wouldn't be as close w/o my cell phone	14%	33%	236
I receive value in advertising on my cell phone	12%	21%	175
I like the idea of cell phones moving beyond voice/text	29%	47%	162
Use my cell phone to get information I need	28%	43%	154
Texting is just as meaningful as voice calls	16%	22%	138
I rely on my cell to keep up with news/sports	9%	12%	133
My cell phone connects me to my social world	24%	31%	129
Extra features are important to me	27%	29%	107
I like to be connected to friends/family	56%	58%	104

» The Hispanic construction Pro has higher ownership of cell phones and are comparable to non-Hispanic pros regarding additional features, thus indicating the consideration of mobile marketing as an effective promotional contact point.

	<u>non-Hispanic</u>	<u>Hispanic</u>	<u>Index</u>
Own cell phone	85%	93%	109
Have additional phone features (any)	82%	73%	89
Have text messaging	51%	48%	94
Have web browsing	23%	26%	113
Use telephone calling cards	15%	38%	253

» Although mobile marketing attitudinal data is limited, early data indicates Hispanics are a healthy target for this emerging medium.

*Note: the data below is broken out by ethnicity only;
no data yet exists to drill down by Occupation/Employment*

	<u>non-Hispanic</u>	<u>Hispanic</u>	<u>Index</u>
Consume mobile content	48%	71%	148
Recall viewing mobile advertising	35%	57%	163
Response rate to mobile advertising	20%	59%	295
% who have social networking profile	31%	48%	155

	<u>non-Hispanic</u>	<u>Hispanic</u>	<u>Index</u>
# of hours/week browsing mobile internet	0.4	1.1	275

Index Hispanic vs. non-Hispanic

Mobile advertising is acceptable	144
Don't mind mobile advertising	138