AFRICAN-AMERICAN CONSUMERS: STILL VITAL, STILL GROWING

2012 REPORT

nielsen

BLACK PRESS OF AMERICA NNPA

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ABOUT THE REPORT

This report, the second of three annual installments, provides an ongoing in-depth analysis of African-American consumers to help better understand their general viewing preferences, buying behaviors, and what influences and motivates their actions.

Beyond basic demographic information, this report provides a single-source view into what consumers watch and buy, specifically as it relates to Nielsen's measurement offerings in the mobile, online, television, advertising, movie theater and consumer packaged goods (CPG) industries.

The African-American Consumers: Still Vital, Still Growing 2012 Report provides an opportunity for small and large companies to better understand how to grow market share by tapping into this highly influential and growing consumer segment. The report also uniquely highlights how African-American consumers can wield their collective spending power to bring additional economic resources or more customized product offerings to their communities.

EXECUTIVE SUMMARY

With a projected buying power of $1.1 trillion by 2015, Black consumers remain at the forefront of social trends and media consumption.

In 2012, the African-American consumer population continues to be a vibrant and dynamic market segment, providing both emerging and mature market attributes. Still the largest racial minority group in America, with a projected buying power of $1.1 trillion by 2015[1], Black consumers remain at the forefront of social trends and media consumption. This second collaborative report delves deeper into the insights of this increasingly diverse and complex consumer segment, highlighting important sub-sectors of the population: Millennials, Baby Boomers, urban and suburban dwellers, single mothers and grandparents. Companies that seek to better understand the unique lifestyles, habits and shopping patterns highlighted within can enhance their chances of creating better connectivity with Black consumers. Similarly, African-American consumers and entrepreneurs will find information that can be helpful in making informed decisions about which products or services to buy and have a better understanding about the companies that provide them. The disparity in advertising dollars spent with African-American media is mapped out, suggesting a need for more fair methods of administering advertising spending to better reflect and align with Blacks' preferences and the media environments most trusted by Black consumers.

[1] The Multicultural Economy 2012 by the Selig Center for Economic Growth

LETTERS

Nielsen continues to be actively engaged and committed to the growth and well-being of the Black community. In 2011, Nielsen collaborated with the National Newspaper Publishers Association (NNPA) and released a comprehensive, single-source report that highlighted the buying power of African-Americans in this country. NNPA eagerly inserted the report into our 200 publications, reaching 19 million readers. The feedback was nothing short of astounding.

Across the country, consumers, businesses and public sector organizations clamored for more insights, and we are proud to deliver the second of three collaborative editions. These latest insights on the spending habits and viewing behaviors of African-Americans demonstrate what a sustainable and influential economic force African-Americans are.

Cloves Campbell, Chair
National Newspaper Publishers Association (NNPA)

At Nielsen, we recognize that consumers have to be a part of any discussion centered on economic development and progression. Savvy marketers recognize that without consumer support, products and brands can literally disappear. When consumers are knowledgeable and included in the conversation, the outcomes equate to improved products, more penetrating marketing messages and enhanced corporate/consumer relationships. So we were delighted that the millions of readers and community decision-makers who received copies of last year's report did so with such enthusiasm. This reception cemented Nielsen's belief that the National Newspaper Publishers Association's (NNPA) reputation as a primary and critical resource for influencers, local and national elected officials and members of the African-American community, remains steadfast. NNPA's mission to inform and educate its readers is in sync with Nielsen's emphasis on providing only the best and inclusive methodical insights and information to our clients about all consumer sectors. Our unique collaboration enables us to arm clients with the information they need to address the challenges of an emerging diverse American marketplace; and provides the African-American community with an opportunity to better leverage the collective consumer strength of individuals, families and neighborhoods across the country.

Special thanks to Nielsen's external African-American Advisory Council members who, again, spent many hours with us to bring this report to life by sharing their perspective, insights and much needed feedback.

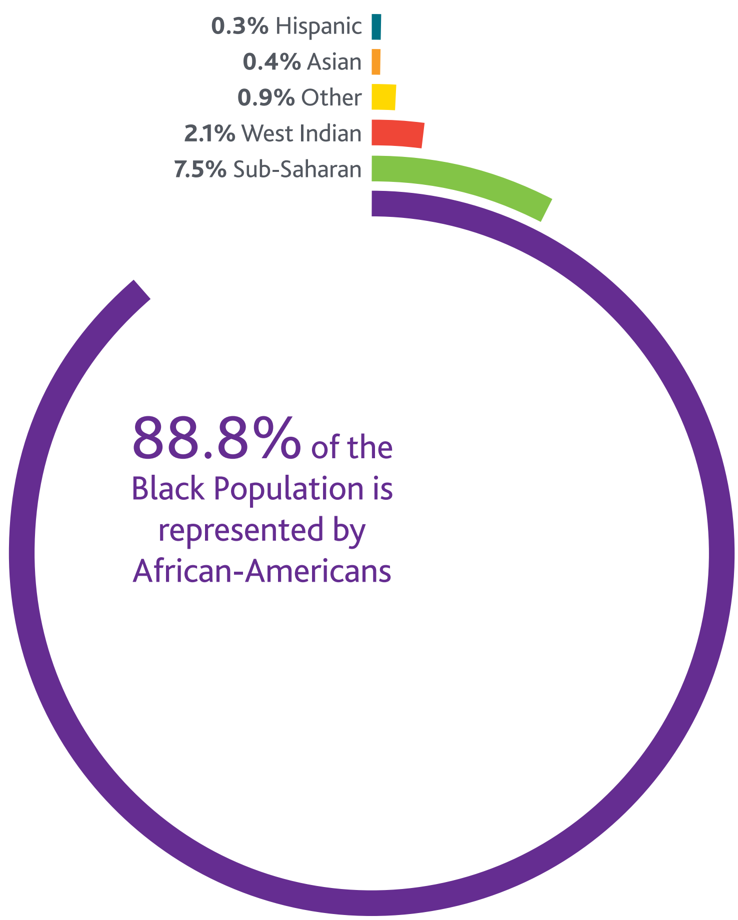
Susan Whiting, Vice Chair
Nielsen

BLACK OR AFRICAN-AMERICA—BOTH TERMS OK TO USE

African-Americans represent the majority (89%) of the Black U.S. population. The population also includes those who describe themselves as Black (for example, those who are West Indian or from Sub-Saharan Africa), as well as persons who define their racial background as a combination of Black and another race. In a 2008 study, 3,400 individuals from the Black population were asked which was the preferred term to be called, Black or African-American: 44% preferred Black, 43% preferred African-American and 11% did not care[2]. For the purposes of this report, we use the terms African-American and Black interchangeably.

Companies seeking to promote products or services nationally should pay close attention to the regional nuances of the Black population, as certain segments of it may be more concentrated in some geographic locales than others. This provides an opportunity for diverse messaging. For instance, larger populations of West Indians can be found in New York and Miami, while larger pockets of Sub-Saharan Africans are centralized in the District of Columbia and Maryland areas.

When asked which term Blacks preferred:
44% preferred Black
43% preferred African-American
11% did not care



[2] "Black America Today" study, *Black Still Matters in Marketing* by Pepper Miller

SECTION 1

DEMOGRAPHIC GROWTH— A DEEPER DIVE

SIZE STILL MATTERS

In 2012, the number of Blacks in America reached almost 43 million, representing approximately 13.7% of the U.S. population. Since 2000, the total U.S. population only increased by 11.3%, while the Black population increased by 17.9%, a rate that is 1.6 times greater than overall growth. While the Black population continues to be the largest racial minority in the United States—Hispanic is an ethnicity, not a race—it must be noted that in 2012, for the first time, total Hispanic households outnumbered Black households, just slightly, with a representation of 14.81 million and 14.46 million households, respectively[3].

HOUSEHOLD MAKEUP

*The U.S. Black population is 43 million strong. Larger than 163 of the 195 countries in the world including Argentina, Poland, Canada and Australia.**

Family members related by birth or marriage comprise 66% of all American households and 64% of African-American households. Companies seeking to align with mothers and grandparents will find optimal opportunities within the Black community as a Black household is 127% more likely to include a single parent, most often a woman. There is also a strong cultural precedent for intergenerational family members living in one household. Almost 19% of grandparents living with their grandchildren are African-American, and 48% of Black grandparents who live in the same household with their grandchildren serve as their primary caregivers.[4]

Today's American moms direct most of the family spending, and grandparent-led households spend 4% more per year than all other households—so understanding the amplified role of single Black moms and the 621,000 Black grandparents in primary-care positions may help companies and advertisers craft strategies for these two distinct and important segments.

Black households are 127% more likely to include a single parent, most often a woman.

48% of Black grandparents who live in the same household with their grandchildren serve as their primary caregivers.

* The U.S. government does not recognize Taiwan as a country.
[3] Nielsen Pop-Facts demographics, 2012 update
[4] U.S. Census Bureau, American Community Survey 1-Year 2010

African-Americans are a driving force for popular culture. 73% of Whites and 67% of Hispanics believe Blacks influence mainstream American culture.

Source: Burrell 40, 2011

AFRICAN-AMERICAN GENERATIONAL AGE DISPERSION

GENERATIONAL PROFILE

Understanding shopping and media habits at different ages can help companies optimize critical assortment, pricing, promotion and advertising decisions. Advertisers covet younger demographic groups with the hope of establishing long-term relationships with their brands. Younger Americans are a driving force for popular culture and tend to be early adopters of new technologies and communication tools. On average, the African-American population is 14% younger than the American population as a whole. The median age for African-Americans is 32, and 54% of the Black population is under the age of 35.

Twenty-two percent of African-Americans are Baby Boomers (45–64), and only 9% are from the Greatest Generation (65 and older). Today's older consumers are active, connected and big spenders. In the next five years, American Baby Boomers as a whole are set to control 70% of the disposable income in the U.S. and represent a disproportionate share of marketplace consumption, but they are often overlooked in marketing plans[5].

GEOGRAPHIC CONCENTRATION

African-American households continue to be concentrated in the South, Southeast and Mid-Atlantic regions of the country. Nielsen's 2011 Current Population Survey showed African-Americans continue to migrate to the Southern region of the country, with net domestic migration patterns demonstrating the South and the Midwest regions growing at the expense of the Northeast. The South, Midwest and West showed net growth (domestic inflows, less domestic outflows) of 225,000; 43,000; and 9,000, respectively, from 2010 to 2011. This net growth of 277,000 resulted directly from people moving out of the Northeast into one of the three regions, with 148,000 (or 65.8%) resulting directly from African-Americans who moved[6].

African-Americans are 72% more likely to live in an urban locale in and around a "Big City Urban" center. Thirty percent of all African-American households can be found in these centers; a rate that is 13% higher than households found in the total population in these centers. Overall, African-American households are as suburban as the rest of America with 25% of African-American households in suburban areas surrounding large cities—compared to 24% of the non-African-American population[7].

HOUSING LOCALES FOR AFRICAN-AMERICANS VS. TOTAL POPULATION

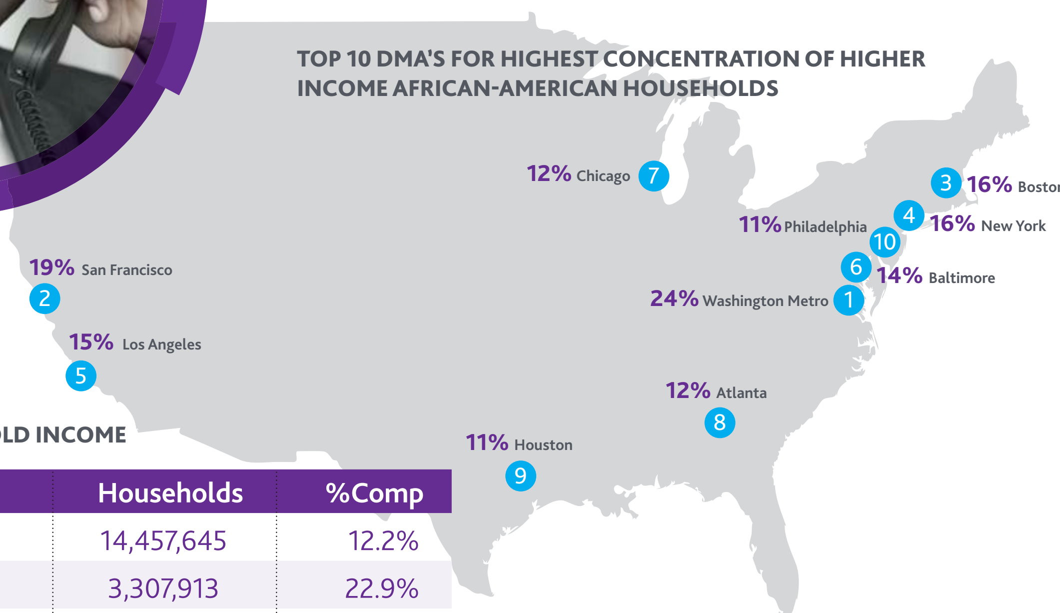
AA Households Count Total: 14,457,645		Total Households Count Total: 118,582,568
29.38%	Big City Urban	17.08%
24.86%	Metropolitan Suburban	23.91%
21.75%	Second-Tier Cities & Satellites	18.13%
24.01%	Town & Country	40.88%

[5] Nielsen Pop-Facts demographics, 2012 update
[6] U.S. Census Bureau, Current Population Survey, 2011
[7] Nielsen PRIZM segmentation, 2012 update

INCOME AND BUYING POWER

African-Americans continue to experience transitions in the mix of household incomes. The average income for African-American households nationwide is $47,290 with 35% earning $50,000 or more. With an overall aggregate household income level of $695.6 billion, African-Americans continue to be viable consumers with a collective buying power estimated to reach $1.1 trillion[8] by 2015.

The Black population and its aggregate buying power is overall more geographically widespread and diverse than other ethnic or racial segments. Companies seeking to connect with more affluent African-Americans will find in certain Nielsen Designated Market Areas (DMA), there is a correlation between a large Black population and a large base of higher-earning Black households. The Washington, DC DMA, for example, is 25% African-American and has some of the highest African-American median household incomes in the country.



AFRICAN-AMERICAN HOUSEHOLD INCOME

Income Range	Households	%Comp
Households (HH)	14,457,645	12.2%
Income < $15,000	3,307,913	22.9%
Income $15,000 – $24,999	1,988,737	13.8%
Income $25,000 – $34,999	1,841,452	12.7%
Income $35,000 – $49,999	2,246,546	15.5%
Income $50,000 – $74,999	2,378,004	16.4%
Income $75,000 – $99,999	1,242,603	8.6%
Income $100,000 – $124,999	685,471	4.7%
Income $125,000 – $149,999	331,081	2.3%
Income $150,000 – $199,999	230,795	1.6%
Income $200,000+	205,043	1.4%
Median Household Income	$35,610	
Average Household Income	$47,290	
Aggregated Household Income	$695.6 billion	

Source: Nielsen Pop-Facts demographics, 2012 update

10% of African-American households earn $100,000 or more.

35% of African-American households earn $50,000 or more.

[8] The Multicultural Economy 2012

SECTION 1: OPPORTUNITIES

COMPANIES

- Black women play a critical, influential role in the Black community. Look for ways to engage women, especially single Black moms, with products and services that will make their lives easier.
- Promote new technology and lifestyle products to African-American Millenials and Generation Y consumers who tend to be early adopters and pop culture influencers.
- Retailers should have locations in metropolitan suburban areas stocked with items that meet the needs of African-American families to eliminate the need to leave neighborhood zip codes to shop for mainstays.

CONSUMERS

- Seek out products and services (including websites and other online options) that address your specific needs.
- Support retailers in your community that provide the products and services you need.

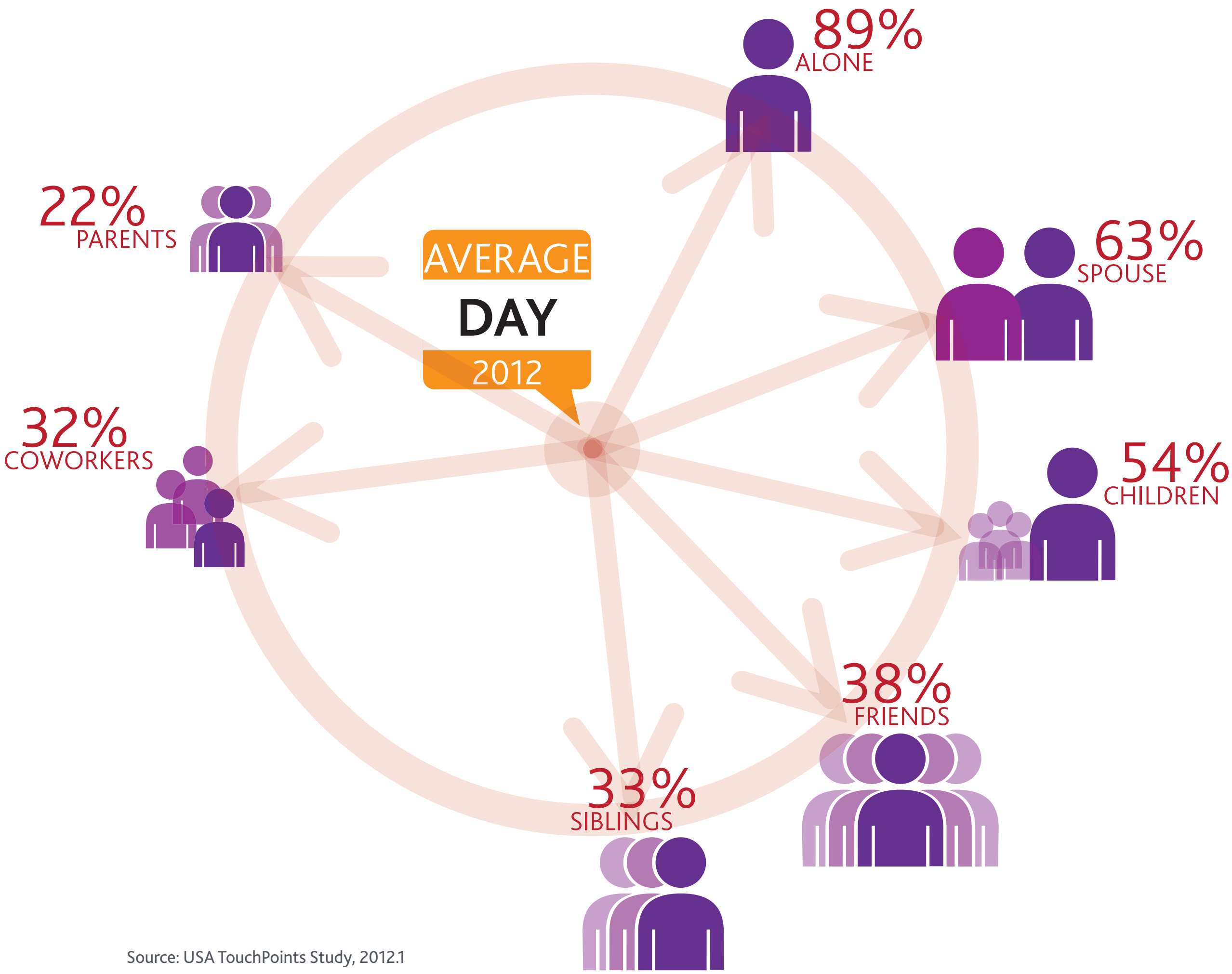
SECTION 2
LIFESTYLE TRENDS

When seeking to understand the forces that motivate African-Americans' purchasing decisions, insights into daily habits and activities, personal associations, attitudes, and emotional states are just as important as understanding income, family structures, and geography. Respondents participating in a one-year study conducted by Media Behavior Institute (MBI) used a smartphone to track daily activities, emotional state, media consumed and with whom they spent their time. When compared to the general population, African-American participants were most closely aligned when it came to spending time alone, being home, at the grocers or a mall. When not at home, African-Americans were 7% more likely to be visiting someone eles's home and 28% less likely to be at the gym.

Baby Boomers who participated in the study were more likely to spend greater amounts of time at the store or grocers, fast food restaurants and the gym. Baby

WITH WHOM BLACKS SPENT TIME

On an average day, African-Americans were likely to spend some portion of their day with several groups—most often family.

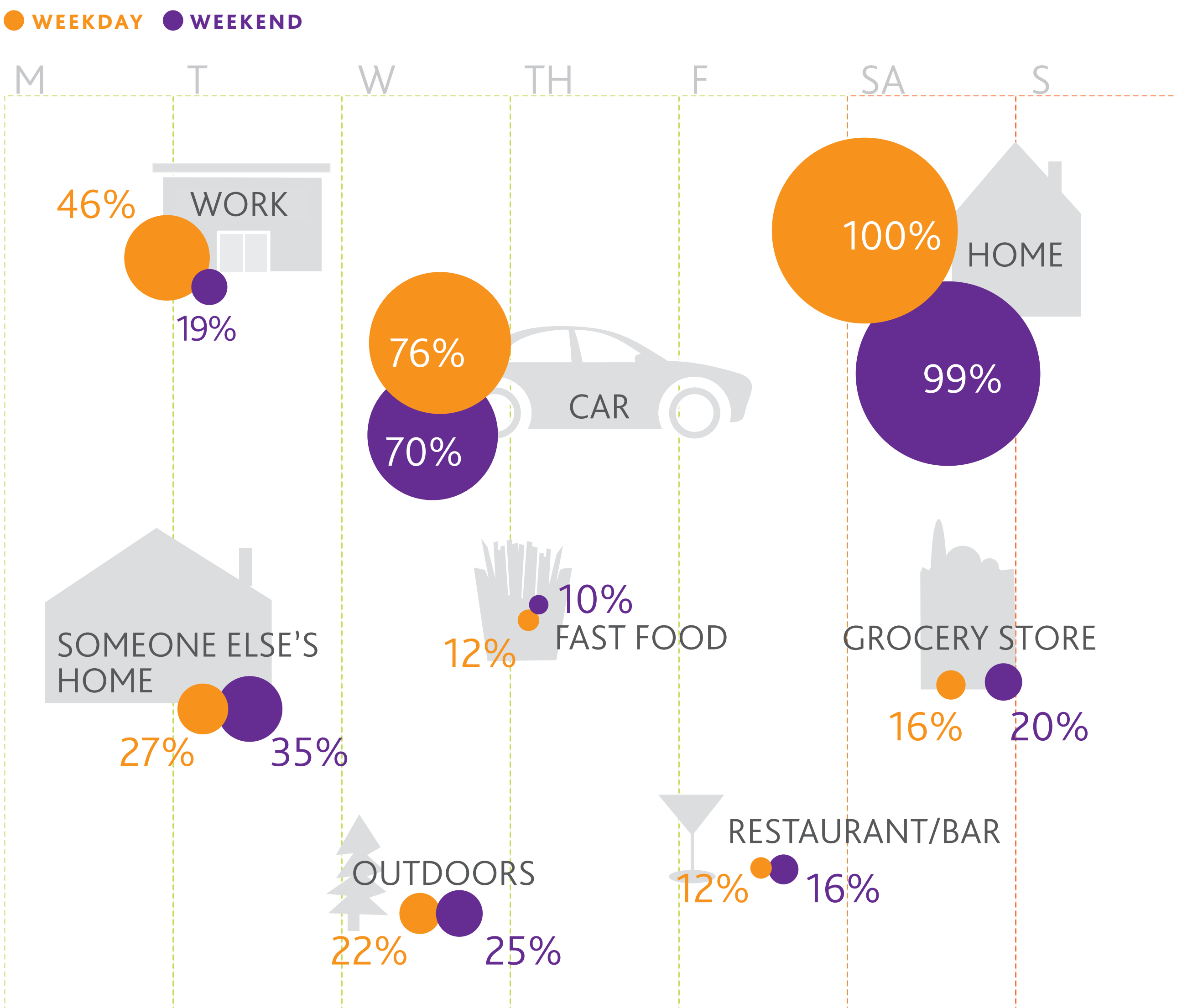


Source: USA TouchPoints Study, 2012.1

Boomers were also more likely to spend time running errands or engaged in responsible activities such as caring for the elderly than members of Generation Y and preferred television and print as their primary media sources. Comparatively, Generation Y were more likely to be engaged in social activities, at someone else's home and more often selected radio, mobile phones and gaming consoles as their media of choice. The two segments were suprisingly aligned with computer usage, although for different reasons: Generation Y tended to be involved in online entertainment activities like social networking, while Baby Boomers were more likely to be involved in business activities like e-commerce, online banking or email.

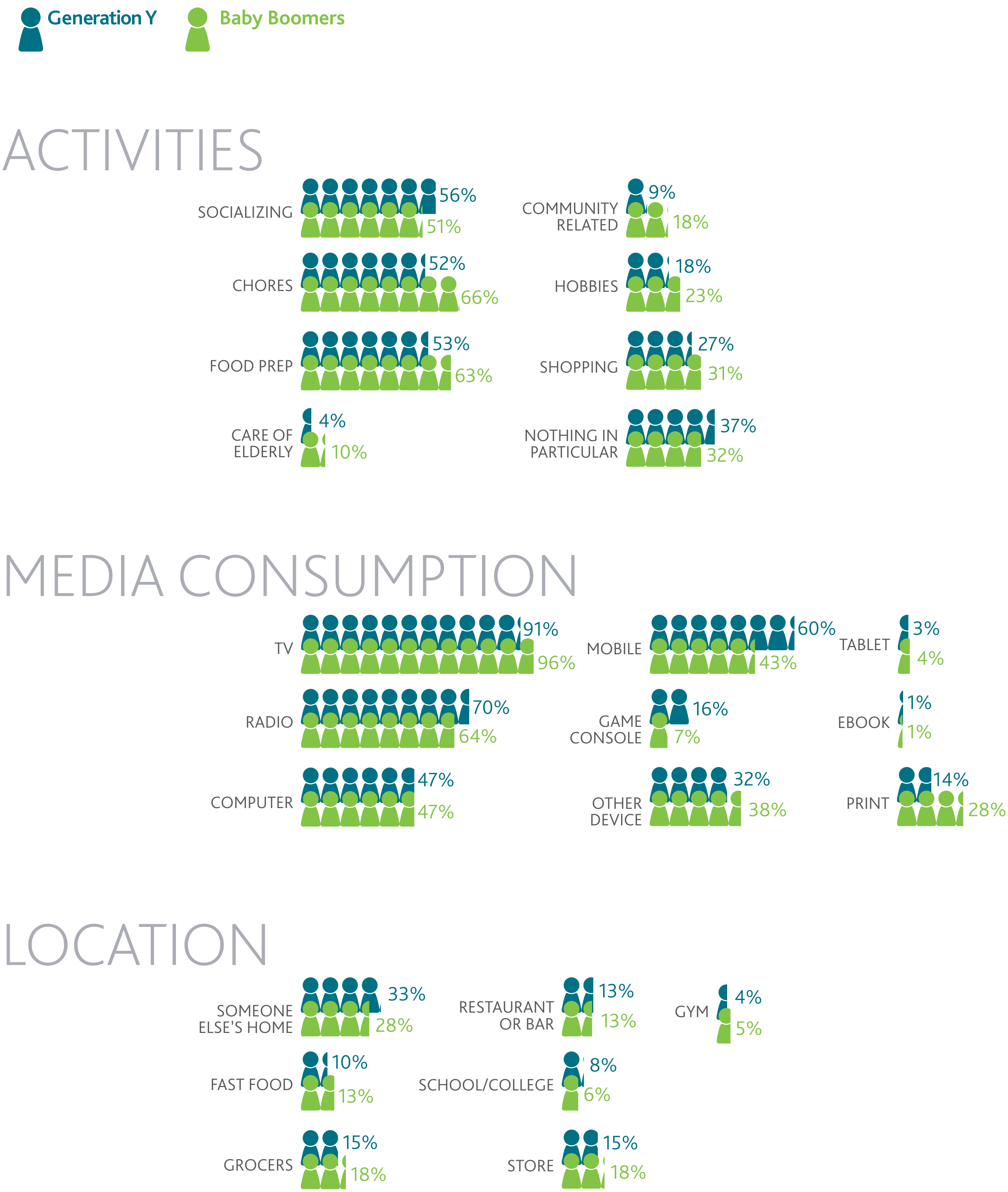
African-Americans are more likely to spend portions of their weekdays at home, in the car and at work than on weekends. Weekends saw more respondents at someone else's home, outdoors and grocery shopping.

WHERE BLACKS SPENT TIME



Source: USA TouchPoints Study, 2012.1

HOW BLACKS SPENT TIME BY GENERATION



Source: USA TouchPoints Study, 2012.1

POLITICAL RESOURCES

Approximately 71% or 28 million of the African-American population is of voting age. Like many other Americans, Blacks use the internet to obtain candidate information. During the primary season, African-Americans' sources for information included the following avenues: 78% were more likely to visit barackobama.com; 50% were more likely to visit online magazines and 25% were more likely to choose online newspapers for candidate information.

During the Republican National Convention (RNC) and the Democratic National Convention (DNC), age was a factor in how many viewers tuned in. The top viewing choices for Baby Boomers and Generation Y are shown below.

AFRICAN-AMERICAN BABY BOOMERS' AND GENERATION Y'S TOP PROGRAM CHOICE FOR 2012 NATIONAL POLITICAL CONVENTIONS

Baby Boomers Viewers' Top Program			Generation Y Viewers' Top Program	
		Televised Day 1		
CBS	216,000	RNC Aug. 28	ABC	56,000
NBC	334,000	DNC Sept. 4	CNN	136,000
		Televised Day 2		
CBS	137,000	RNC Aug. 29	NBC	70,000
CBS	438,000	DNC Sept. 5	CBS	140,000
		Televised Day 3		
ABC	247,000	RNC Aug. 30	ABC	48,000
NBC	669,000	DNC Sept. 6	NBC	235,000

SECTION 2: OPPORTUNITIES

COMPANIES

- Blacks value family time and entertaining. Build your advertising and messaging around family and social themes that appeal to this tradition.
- A large percentage of African-Americans spend a considerable amount of time daily in their cars. Promote products and services that can help make the experience more enjoyable.
- There are opportunities to increase the penetration of ebooks and tablets among this consumer group.

CONSUMERS

- Churches and community groups active in organizing or mobilizing people can utilize the media consumption trends for outreach and promotional efforts.
- Leverage the knowledge and interests of younger people to learn about new technology and services to help stay current.

SECTION 3
WHAT AFRICAN-AMERICANS BUY

91% of Blacks believe Black media is more relevant to them.

51% would purchase a product if the ad portrays Blacks positively.

HOW TO INFLUENCE AFRICAN-AMERICAN SHOPPERS

Advertising has become impossible to avoid for any company seeking to grow or enhance market share. The unique opportunity for engaging African-American consumers lies in a company's ability to make that consumer feel connected, respected and reflected as a viable consumer of a product. While African-Americans are voracious consumers of media such as television, radio and print, many companies assume that because there are no language barriers, there is no need to advertise to Black audiences through African-American media outlets. This is a missed opportunity for companies, who can use such outlets to reach Black consumers in trusted environments where Blacks see themselves most often reflected. Consider the following facts on Blacks' perceptions on advertising.

BLACKS' PERCEPTIONS OF BLACK MEDIA

91%
believe that Black media is more relevant to them

73%
believe that Black media keeps them in touch with their heritage

81%
believe that products advertised on Black media are more relevant to them

68%
want to see more commercials directed specifically to Black audiences

77%
believe that Black media has a better understanding of the needs and issues that affect them

67%
want to see more advertising targeting Black consumers

78%
would like to see more Black models/actors used in ads, and over half (51%) would purchase a product if the advertising portrayed Blacks positively

Source: Burrell 40, 2011

EFFECTIVE ADVERTISING

One reason search engines and social networks are so successful is their ability to gather data on users and personalize their shopping experiences with targeted ads. Black digital consumers indicate they are very receptive to advertising on mobile devices.

BLACKS' RECEPTIVENESS TO ADVERTISING

% of Blacks connected mobile device owners who agree (Q4 2011)

62%
I am ok with advertising if it means that I can access content for free

31%
I enjoy ads that have interactive features

43%
I am more likely to look at ads if they have an interesting video

29%
I am more likely to click on ads that incorporate multimedia elements

37%
Ads that offer custom information based on my location are more useful to me

Source: Nielsen

Total dollars spent with African-American media is just under 2% of total advertising dollars spent with general market media during the same period.

NUMBERS TELL THE FULL STORY

Advertising expenditures on TV, radio and magazines specifically in African-American media reached $2.10 billion in 2011, increasing almost 6% from 2010. Television ad spending, totaling a little over $1 billion, accounted for 48% of the spending, followed by spot radio ($757 million) and magazine ($335 million) spending. Advertising on television and radio experienced increased spending, while magazine advertising declined. However, the combined spending for African-American media only represents approximately 2% of the total advertising dollars spent with general market media during this same time period, which reached $120 billion.

NATIONAL GENERAL MARKET MEDIA BUYS

Media Type	AA	General Market (Total - AA) 2011
Business to Business	NA	$2,439,867,500
Cable TV	$907,006,937	$20,124,471,063
FSI Coupon	NA	$374,696,375
Local Magazine	NA	$452,814,094
Local Newspaper	NA	$9,528,492,000
Local Sunday Supplement	NA	$38,774,566
National Internet	NA	$9,132,402,000
National Magazine	$334,809,250	$15,563,489,750
National Newspaper	NA	$1,519,057,250
National Sunday Supplement	NA	$1,211,739,875
Network Radio	NA	$1,040,818,562
Network TV	$7,793,410	$21,092,720,590
Outdoor	NA	$3,543,337,000
Spanish Language Cable TV	NA	$513,354,969
Spanish Language Network TV	NA	$3,674,157,000
Spot Radio	$757,479,438	$4,823,606,062
Spot TV	NA	$23,039,266,000
Syndicated TV	$89,615,570	$2,330,946,180
Total	**$2,096,704,605**	**$120,444,010,836**

Jan. 1, 2011 – Dec. 31, 2011

TOP 10 AFRICAN-AMERICAN MEDIA ADVERTISERS

		2011	% Change 2010
1	Procter & Gamble	$75,372,537	3.64%
2	L'Oréal	$39,968,024	4.58%
3	McDonald's	$34,950,445	19.52%
4	Johnson & Johnson	$27,727,351	-21.17%
5	Verizon Communications	$26,385,212	-8.72%
6	National Amusements	$24,023,949	14.98%
7	Hershey *	$23,597,816	49.16%
8	Comcast *	$23,481,563	19.44%
9	General Motors	$23,194,932	-30.45%
10	Berkshire Hathaway	$23,191,011	7.30%
	Total	**$321,892,840**	**1.99%**

Nielsen Ad*Views
Rank based on 2011 AA spending
Cable TV, Syndicated TV, Network TV, Spot Radio and National Magazine
*Was not on Top 10 List last year

TOP 10 PRODUCT CATEGORIES FOR AFRICAN-AMERICAN ADVERTISERS—Q1 2012

	Product Category	Q1-2012	% Change Q1 -2011
1	Automotive	$27,802,440	0.56%
2	Quick Restaurant Service	$23,740,855	-3.38%
3	Motion Picture	$22,323,876	19.88%
4	Wireless Telephone Service	$16,237,517	8.91%
5	Pharmaceutical	$16,229,654	-8.25%
6	Auto Insurance	$14,696,882	-34.45%
7	Insurance	$11,228,555	118.73%
8	Direct Response Service	$10,360,102	15.16%
9	Restaurant	$9,379,063	-1.75%
10	Department Store	$9,047,770	-12.77%
	Total	**$161,046,714**	**0.71%**

Nielsen Ad*Views
Note: Rank based on 1Q12 AA spending
Selections: Cable TV, Synd TV, Network TV, Spot Radio, National Magazine
Market: NATIONAL
Period: Jan. 1, 2011–Mar. 31, 2012

TOP 10 INSURANCE / FINANCIAL COMPANY ADVERTISERS—Q1 2012

	Parent Company	Q1-2012
1	Berkshire Hathaway Inc.	$6,959,017
2	Allstate Corporation	$6,290,441
3	State Farm Mutual Automobile Insurance Co.	$3,424,603
4	Progressive Corporation	$3,357,590
5	Bancorp Inc.	$2,397,358
6	Wells Fargo & Corporation	$2,040,701
7	Nationwide Mutual Insurance Co.	$1,772,842
8	PGC Holding Corporation	$1,724,625
9	Zurich Financial Services Grp.	$1,456,880
10	JLL Partners Inc.	$1,356,761

TOP 10 RESTAURANT ADVERTISERS—Q1 2012

	Parent Company	Q1-2012
1	McDonald's Corporation	$8,228,211
2	Yum! Brands Inc.	$3,134,336
3	Doctors Assoc. Inc. (Subway)	$1,959,754
4	Dominos Pizza Inc.	$1,797,130
5	Darden Restaurants Inc.	$1,759,209
6	Wendy's Co.	$1,700,915
7	3G Capital Inc.	$1,655,409
8	DineEquity Inc.	$1,414,768
9	Papa John's Intl. Inc.	$1,182,425
10	AFC Enterprises Inc.	$796,395

TOP 10 HEALTH & BEAUTY ADVERTISERS—Q1 2012

	Parent Company	Q1-2012
1	Procter & Gamble	$10,951,752
2	L'Oréal SA	$9,670,799
3	Unilever	$5,473,593
4	Johnson & Johnson	$4,483,632
5	Kimberly-Clark	$2,472,808
6	Pfizer Inc.	$2,453,431
7	Estée Lauder Inc.	$2,354,627
8	Artal Luxemborg S.A.	$2,135,982
9	Eqyss Intl. Inc.	$1,810,244
10	NAC Marketing Co. LLC	$1,767,799

AFRICAN-AMERICANS' PRODUCT SELECTION

There are two ways to increase category sales: bring new consumers into the category or persuade current buyers to spend more within the category. The African-American consumer offers an opportunity to achieve both goals. The charts below provide insights into how manufacturers can identify untapped segments in the African-American market to engage new Black consumers, or get existing African-Americans to spend more in categories where their spending is already significant.

The charts below are made up of categories where the African-American purchase rate is higher than average, at average, or below average for the purchases of all consumers (purchased at a rate 20%-30% less than expected).

AFRICAN-AMERICAN PURCHASED TOTAL CATEGORIES

100 index

Above Average — Opportunities to Reinforce Market Share

Ethnic Health & Beauty Aids (HABA)	946
Children's Cologne	185
Feminine Hygiene	181
Fresheners/Deodorizers	179
Men's Toiletries	171
Unprep Meat/Seafood—Frozen	167
Vegetables & Grains—Dry	164
Personal Soap/Bath Needs	164
Fragrance—Women	162
Coolers	160

At Average — Moderate Market Growth Opportunities

Motor/Vehicle Care/Acc	97
PKG'D Milks & Modifiers	97
First Aid	97
Nuts	98
Fruit—Canned	98
Kitchen Gadgets	99
Desserts/Gels/Syrups	100
Bread & Baked Goods	100
Ice Cream	100

Below Average — Highest Market Growth Opportunities

Diet Aids	70
Shaving Needs	71
Milk	71
Breakfast Foods	71
Lawn and Garden	72
Dessert/Fruit/Tops—Frozen	73
Hair Care	73
Cheese	75
Pickles/Olives/Relishes	76
Yogurt	78
Juices/Drinks—Frozen	78

*Purchase Index: share of category dollar sales among African-American households divided by the percent of African-American households in the population X 100. Indices above 100 represent categories with above average spending.

HEALTH AND BEAUTY CATEGORY

Skin Care

The skin care preparation category presents a unique opportunity for companies to connect with African-Americans. Blacks buy more hand & body lotions, and all-purpose skin creams at a rate of 54% and 40%, respectively, higher than the general population. However, opportunities for growth exist in the sale of sunscreen and sunblock products. Blacks are susceptible to sun damage, and a company engaging in a campaign promoting sun care education could increase sales in this area for health-related reasons. At a glance, skin bleaching/toning products may appear disproportionately higher, at 434%, than the general population. However, people of color are more likely to use products that focus on discoloration or dark spots than non-people of color.

SKIN CARE PREPARATION PRODUCT CATEGORY AND SUB-CATEGORIES

Total Skin Care Preparations	97
Skin Bleaching/Toning Products	434
Hand & Body Lotions	154
Skin Cream—All Purpose	140
Skin Cream—Special Purpose	104
Acne Remedies	93
Hand Cream	69
Face Cleansers, Creams & Lotions	62
Suntan Preparations—Sunscreens & Sunblocks	42

*Purchase Index: share of category dollar sales among African-American households divided by the percent of African-American households in the population X 100. Indices above 100 represent categories with above average spending.

Blacks buy more hand and body lotion at a rate of 54% higher than the general population.

Hair Care

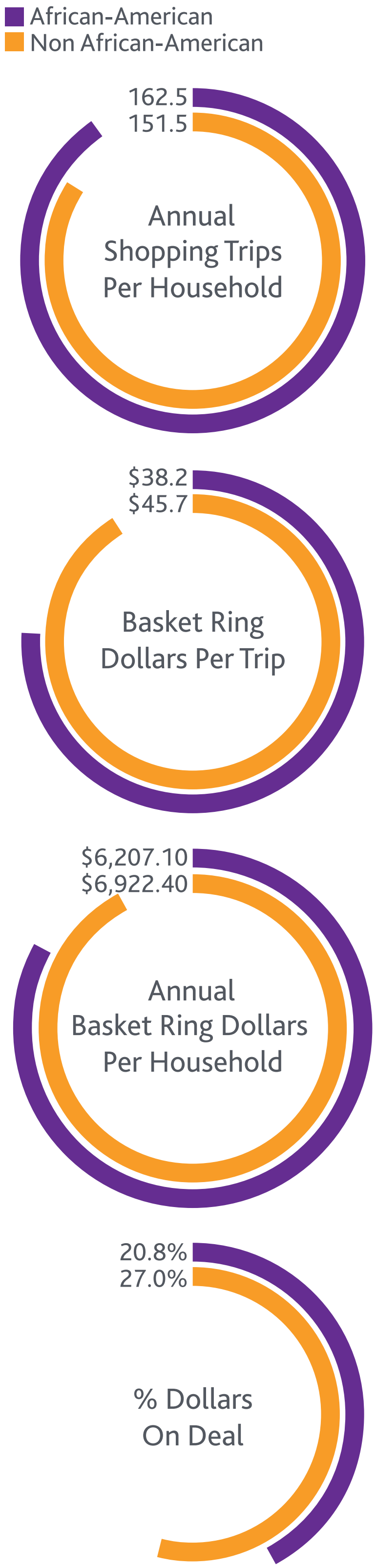
Blacks place a great deal of importance on hair care. This is evidenced by the fact that Blacks spend over nine times more on ethnic hair and beauty products than any other group. Companies that can more clearly identify and promote hair care products that address the unique needs for Black hair may be able to increase their presence and market share with consumers who are highly engaged in this product category.

Total Ethnic HABA* and Total Hair Care	$382,258,000	94
Hair Care	$287,911,000	73
Ethnic HABA	$94,347,000	946

*Ethnic Health & Beauty Aids

AFRICAN-AMERICANS SHOP MORE, SPEND LESS PER TRIP, NOT DRIVEN BY DEALS

Total Retail Channels

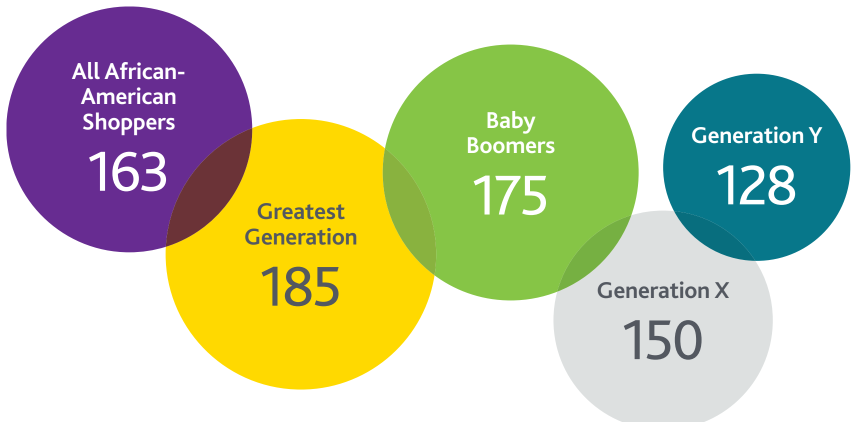


SHOPPING BEHAVIOR

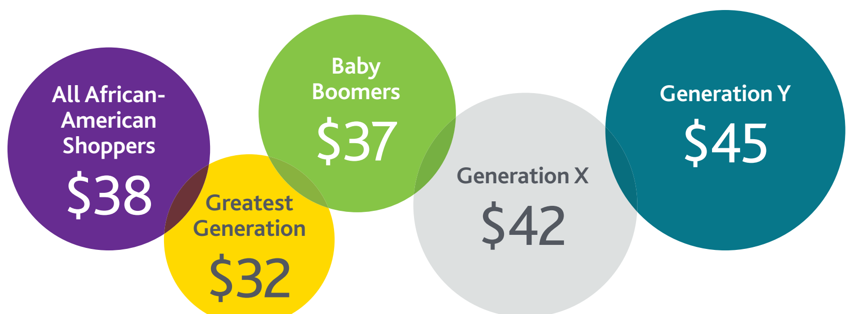
African-Americans make more shopping trips than any other group. This more frequent shopping is offset by less spending per trip. Shoppers make quicker/smaller purchases based on their short-term needs and not on deal availability.

Across generations the two older population segments (Greatest Generation and Baby Boomers) make more shopping trips than their younger counterparts. However, the younger population segments (Generation Y and Generation X) spend more once in the store.

ANNUAL SHOPPING TRIPS ACROSS AFRICAN-AMERICAN GENERATIONS

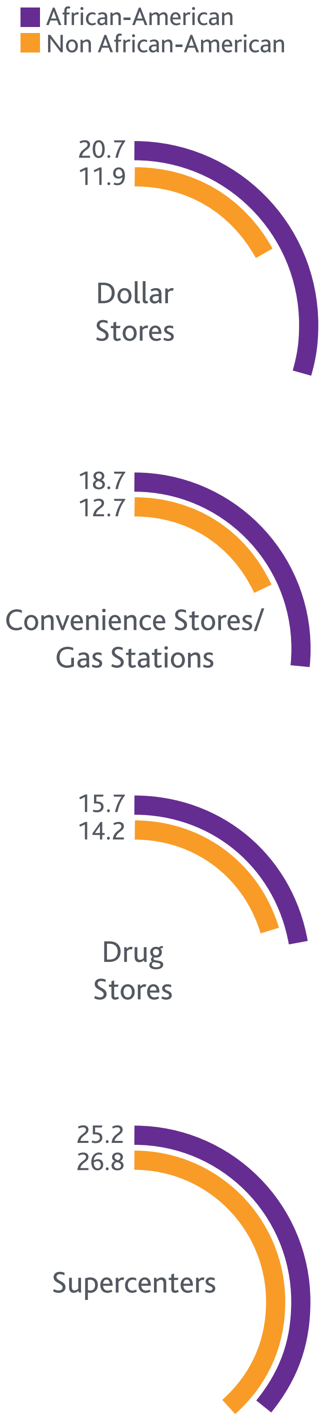


DOLLARS SPENT PER TRIP ACROSS AFRICAN-AMERICAN GENERATIONS



AFRICAN-AMERICANS MAKE MORE TRIPS TO DRUGSTORES AND OTHER SMALL-FORMAT RETAIL CHANNELS

Shopping Trips per Household



African-Americans make more trips to dollar stores, convenience/gas station stores and drug stores, while making 5% fewer trips to grocery stores, 4% fewer trips to supercenters and 10% fewer trips to mass merchandisers. Short-term/small purchase buying behavior might be a factor causing the discrepancy with grocery chains, supercenter and warehouse stores. However, other factors such as location, availability and pricing are likely playing a role, as well.

Income plays a role in the amount of money African-Americans spend when shopping. While as a whole African-Americans make more trips and spend less, this does not hold true for higher earning households who shop more and spend more than the total non-African-American population. Retailers seeking to connect with high-end consumers may want to consider the affluent African-American shopper as a segment for potential growth opportunities.

ANNUAL TOTAL BASKET RING $ PER SHOPPER

	All Shoppers	<$20,000	>$100K
AA Population	$6,207	$5,275	$8,902
Non-AA Population	$6,922	$5,212	$8,710

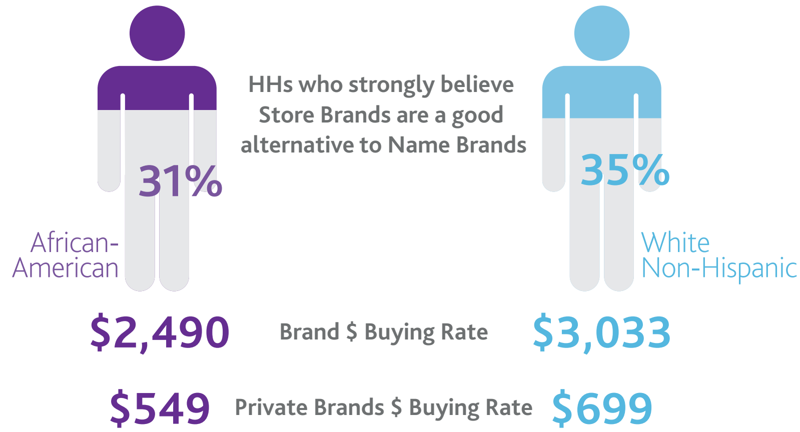
Retail Channel Usage

NATIONAL BRANDS VS. PRIVATE LABEL BRANDS

Private brands, those that are controlled and marketed by retailers, don't resonate as strongly among Black households. Fewer Black (31%) versus White Non-Hispanic (35%) households feel strongly that private brands are just as good as "manufacturer" branded items, and Black households devote slightly less overall buying to private brands (18% versus 18.7% shares, respectively). In either case, brands are important to both groups. For Black households, brands represent 82% of total purchases. The lower private brand share may be a function of the lower availability of private brands in smaller retail channels, such as drug stores, where Blacks make relatively more trips. Alternatively, this may be an indicator of stronger manufacturer brand loyalty among Black households or, more likely, a combination of the two.

These findings suggest that manufacturer brands have the upper hand, and if retailers are going to reap the benefit of population growth among African-American households, then more attention should be given to understanding private label demand opportunities within Black households.

ATTITUDINAL CONNECTION BETWEEN AFRICAN-AMERICANS AND PRIVATE BRANDS



SECTION 3: OPPORTUNITIES

COMPANIES

- Retailers seeking to take advantage of the smaller/ quick trip consumer should optimize Point of Sale (POS) and consider varying product assortment based on demographic composition of trading areas.
- Grow product demand by implementing a full-scale promotional campaign specifically aimed at Black consumers (i.e. drive purchases of sun-block protection products through skin care educational campaign).
- Given a large percentage of African-Americans are lactose intolerant, manufacturers and retailers should consider placement of lactose free products in trading areas with significant African-American concentration.

CONSUMERS

- Research products and companies before you make purchases. Know with whom you are spending your consumer dollars.
- Pay attention to commercials, advertisements and Point of Sale (POS) signage. Do persons featured look like you? Can you find the products in stores in your neighborhood? Have you seen the company or product featured in Black media? At your local events?
- Contrary to traditional belief, Blacks are susceptible to sun burn. Seek products that can provide your skin protection needs.

SECTION 4
WHAT AFRICAN-AMERICANS WATCH—TRADITIONAL & NEW

Americans' appetite for digital media content continues to grow exponentially. The channels utilized for the multimedia experience continue to expand and evolve. Computers, smartphones, tablets, internet and televisions remain the predominant forms of access to media content. Business and content providers have many options to connect and reinforce their marketing and brand image, as African-Americans are heavy users of social media and consumers of video content.

TELEVISION

Television remains the top leisure activity for most Americans. Television and its various accessory components remain the dominant way that most households receive and consume multimedia content.

The average African-American viewer watches almost six and half hours of television a day which includes live TV and DVR playback. Older generations like Baby Boomers watch much more television than younger generations (Millennials and kids).

Additionally, African-American teens spend more time daily playing video games than average American viewers. Moreover, across all age groups, DVR usage and time shifting behavior is less than that found in the overall population.

AFRICAN-AMERICAN TV USAGE

Viewing Source	Gen-Y	Baby Boomers
Live TV	5:12	7:53
DVR Playback	0:18	0:21
DVD Playback	0:13	0:12
Video Games	0:20	0:03
Total Use of TV	**6:03**	**8:29**

Daily in Hours:Minutes, May 2012

PROGRAMMING

The most popular programming in African-American households are those starring Black characters, sports, variety shows with diverse contestants, and award shows. Reality programming is especially popular with viewers 18-49. From January through June 2012, the Super Bowl was the most watched program among African-Americans with 12.5 million viewers. For persons of all ages, the January 22nd audition episode of American Idol drew the most viewers, while The Game was the most popular program for viewers 18-49. The top rated award shows was the Grammy Awards followed by the Academy Awards and BET Honors, attracting 6.7 million, 3.0 and 2.6 million African-American viewers, respectively. Common themes among all programs across genres is their tendency to broadcast live, offer a diverse cast or contestants and have a social media component.

TOP 10 PROGRAMS WATCHED BY AFRICAN-AMERICANS PRIME TIME

	Originator	Program Name	Viewers Ages 18-49
1	BET	The Game S5	1.93
2	VH1	Love And Hip Hop S2	1.83
3	VH1	Basketball Wives S4	1.39
4	VH1	Single Ladies S2	1.39
5	VH1	T.I. And Tiny	1.38
6	BET	Let's Stay Together S2	1.26
7	CNN	Whitney Houston: Her Life	1.13
8	VH1	La La's Full Court Life S2	1.09
9	ABC	Scandal	1.02
10	WE: Women's Entertainment	Braxton Family Values	0.90

12/26-6/6/24/12, Prime Time, Live +7 Days, Persons 18-49
Excludes specials, sporting events and award shows
Viewers shown are in millions.

TOP 10 PROGRAMS WATCHED BY AFRICAN-AMERICANS TOTAL DAY

	Originator	Program Name	Viewers Ages 2+
1	FOX	American Idol Audition Special	3.00
2	ABC	New Year's Rockin' Eve Part 1	2.97
3	BET	The Game S5	2.86
4	Disney Channel	Let It Shine	2.56
5	CNN	Whitney Houston: Her Life	2.43
6	ABC	Scandal	2.15
7	CBS	Judge Judy	2.07
8	ABC	Dancing With The Stars	2.06
9	FOX	American Idol-Wednesday	1.95
10	BET	Celebration Of Gospel	1.90

12/26–6/24/12, Total Day, Live+7 Days, Persons 2+
Viewers shown are in millions.

TOP 10 AWARD SHOWS WATCHED BY AFRICAN-AMERICANS

	Originator	Program Name	Viewers Ages 2+
1	CBS	Grammy Awards	6.75
2	ABC	Academy Awards	2.99
3	BET	BET Honors	2.60
4	ABC	Billboard Music Awards	1.70
5	NBC	NAACP Image Awards	1.57
6	NBC	Golden Globe Awards	0.89
7	CBS	People's Choice Awards	0.82
8	CBS	Kennedy Center Honors	0.76
9	Central City Prod.	Stellar Music Awards	0.75
10	The Cartoon Network	Hall Of Game Awards	0.71

12/26–6/24/12, Total Day, Live+7 Days, Persons 2+
Viewers shown are in millions.

TOP 10 SPORTS SHOWS WATCHED BY AFRICAN-AMERICANS

	Originator	Program Name	Viewers Ages 2+
1	NBC	Super Bowl XLVI	12.47
2	FOX	FOX NFC Championship	7.05
3	ABC	NBA Finals On ABC-Game 5	6.65
4	ABC	NBA Finals On ABC-Game 4	6.45
5	CBS	AFC Championship On CBS	6.11
6	ABC	NBA Finals On ABC-Game 2	5.90
7	ABC	NBA Finals On ABC-Game 1	5.89
8	ABC	NBA Finals On ABC-Game 3	5.73
9	FOX	FOX NFC Playoff-Sun	5.47
10	CBS	AFC Wildcard Playoff	4.91

12/26–6/24/12, Total Day, Live+7 Days, Persons 2+
Viewers shown are in millions.

54% of African-Americans own smartphones.

Mobile Phones

African-Americans are heavy smartphone owners and users. The ownership rate for smartphones grew from 33% to more than 54% in the last year.

In addition to basic telephone use, African-Americans tend to be heavy users of mobile data features. On average, African-Americans utilize their phones more than other demographics for features such as texting, internet access, email access, picture downloads, music and mobile video downloads. Accessing social media sites such as Facebook and Twitter is also a very popular mobile phone activity. Black consumers are 30% more likely to visit Twitter using mobile phones than the average consumer.

African-Americans' receptiveness to product advertising on smartphones allows a marketing advantage to businesses. Many African-American consumers have conducted research on mobile phones before making a purchase.

This receptiveness indicates that African-Americans have or can be persuaded to use their phones to assist with product selection.

ONLINE

Analysis of online activity shows a dramatic variation in the activities for African-American men compared to African-American women. Women are extensive users of social networking sites and e-commerce involving purchases of clothes, groceries, and health and beauty products. They also have shown higher interest in downloading coupons (18%), especially those in the 25–54 age range. Black men are 19% more likely to monitor stocks and investments online and seek news on technology.

Online video consumption is a popular activity for Black consumers. Thirty-one percent of Black adults watch consumer-generated video online. Online video sites in order of preference include You Tube (48%), Other (31%), Netflix (10%), Hulu (8%), VEVO (3%) and Yahoo (1%).

AFRICAN-AMERICAN FEMALES 25-54

812 million total video streams

Spent 2.4 billion minutes watching video online

211.8 million minutes spent playing Words with Friends (Top Gaming App)

October 2011

SOCIAL MEDIA

The digital Black consumer is very socially connected to others. Seventy-two percent of Black adults online have more than one social networking profile. Among the social networking sites, Twitter is the most popular among African-Americans. Additionally, Black women 18–35 years of age are 72% more likely to publish a blog, or note personal product or web content preferences through "links," "liking" or "following" an article, brand or website.

OTHER MEDIA

Typically, African-Americans are high users of new media devices such as gaming consoles and can be reached through the online features of these devices for advertising, marketing and information collection. African-Americans also use mobile devices for downloading and viewing video and music at 30% and 10% higher rates, respectively, than the general population. Although smartphone penetration is high at 50%, tablet ownership levels remain low at 11%. Tablet manufacturers and retailers have an opportunity to push tablet ownership to African-Americans as an alternative to smartphones by emphasizing their expanded capabilities for viewing videos, books and other online content.

African-American males are 19% more likely than the average U.S. adult to monitor their investments/stocks online.

31% of Black adults online watch consumer generated content & spend 22% of their time blogging & engaging social networks **#nielsenknows**

African-Americans attend movies 10% more than general population.

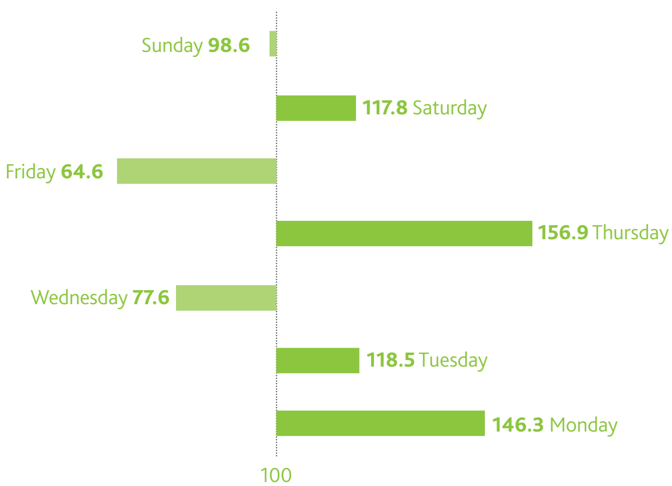
12% went to the movies in a typical week.

Source: USA TouchPoints Study, 2012.1

MOVIE THEATER ACTIVITY

African-Americans comprise 13% of the movie-going population, and the most frequent attendees in the African-American segment are Baby Boomers. Participants in the MBI Study showed African-American's highest movie attendance days included Thursday, Saturday, Monday and Tuesday with Thursday being the most popular day.* The data, however, did not separate out opening nights of African-American films.

HEAVY MOVIE THEATER ATTENDANCE: BY DAY OF WEEK



* USA TouchPoints Study, 2012.1

MOST POPULAR AFRICAN-AMERICAN MOVIES

Movie Title	Box Office Earnings (Gross)
Think Like a Man	$91,547,205
Madea's Witness Protection	$55,611,721
Red Tails	$49,875,589
Tyler Perry's Good Deeds	$35,010,192
Woman Thou Art Loosed: On the 7th Day	$1,201,562
Beasts of the Southern Wild	$1,692,675
Pariah	$758,099
A Beautiful Soul	$54,008
Restless City	$8,106
Elevate	$3,547

Sept. 2011 – June 2012

SECTION 4: OPPORTUNITIES

COMPANIES

- Take the time to better understand what engages the African-American television viewer, and why cultural significances are so highly valued.
- Understand the popular online and social media sites that are most relevant to African-American consumers and how your brand may engage with visitors to these sites.
- Manufacturers and retailers have an opportunity to increase African-American tablet ownership.

CONSUMERS

- If positive images are important to you, support that with your viewing choices.
- Understand how social networking and digital engagement can provide opportunities to support and promote worthy causes or areas of social concern.

SUMMARY

The Black population is not a homogeneous group. Therefore, a deeper understanding of the differences in life experiences, age, geographical location, cultural background and income can impact how brands can successfully tap into the existing and emerging demands of this highly active consumer base.

If you are a consumer, we are optimistic that this report will empower you to value your role in the economic infrastructure of the United States. Collectively, the African-American population is 43 million strong. Each purchasing decision, viewing opportunity, mobile phone activity and digital experience you have impacts a company's bottom line. We encourage you to use that power wisely and with care. Whether you are a single mother, Baby Boomer or Millennial, your consumer dollars matter. You Matter!

Marketers underestimate the opportunities missed by overlooking Black consumers' frustration of not having products that meet their needs in their neighborhoods. This frustration is potentially further compounded by the low level of inclusion of Blacks in television programs, advertising messaging and point-of-purchase communication. Companies that don't advertise using Black media risk having African-Americans perceive them as being dismissive of issues that matter to Black consumers.

The insights, trends and opportunities shared in the *The African-American Consumers: Still Vital, Still Growing 2012 Report* are offered as a starting point for companies to begin to engage in a deeper dialogue and relationship with African-American consumers, a segment that continues to grow in number and purchasing power. It is hopeful that when used, the information contained herein will lead to businesses building more inclusive strategies that will positively impact overall brand performance.

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, mobile measurement, trade shows and related properties. 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.

In more than 100 countries around the world, Nielsen provides clients with the most complete understanding of what consumers watch and buy.

ABOUT NNPA

The National Newspaper Publishers Association, also known as the Black Press of America, is a 72-year-old federation of more than 200 Black community newspapers from across the United States.

Since World War II, it has also served as the industry's news service, a position that it has held without peer or competitor since the Associated Negro Press dissolved by 1970. In 2000, the NNPA launched NNPA Media Services—a print and web advertising-placement and press release distribution service. In 2001, the NNPA and its foundation began building the BlackPressUSA Network—the nation's premier network of local Black community news and information portals. The BlackPressUSA Network is anchored by BlackPressUSA.com—the national web portal for the Black Press of America.

The NNPA is the oldest, largest and most influential Black media source in America.

#INTHEBLACK

Nielsen and NNPA are both participants of #InTheBlack, a consortium of companies and agencies that highlight the power of the Black consumer and the strength of Black media.