

April 2, 2024



# 81% of Gen Zers Say Multicultural/Diverse Communities Greatly Shape Brand Preferences, According to Direct Digital Holdings' Research

**Report Also Reveals Mainstream Tipping Point, as Multicultural/Diverse Consumers Drive Brand Choices for 57% of the General Population**

HOUSTON, April 2, 2024 /PRNewswire/ -- Direct Digital Holdings, Inc. (Nasdaq: DRCT) ("Direct Digital Holdings" or the "Company"), a leading advertising and marketing technology platform operating through its companies Colossus Media, LLC ("Colossus SSP"), Huddled Masses LLC ("Huddled Masses") and Orange 142 ("Orange 142"), today released a new whitepaper, *Cracking the Code: How Multicultural & Gen Z Reshape Mainstream Marketing*. The paper features exclusive research along with insights from industry leaders and academics.



Direct Digital Holdings' research shows that the outsized influence that multicultural and diverse communities have on the brand choices of mainstream consumers – especially Gen Z – should be viewed as a seismic shift by brand marketers to intentionally and authentically connect with multicultural and diverse consumers to promote broader sales.

For the report, Direct Digital Holdings commissioned Horowitz Research to survey over 2,300 U.S. consumers to understand how Black/African American, Hispanic/Latin, AAPI and LGBTQIA+ consumers' brand perceptions and purchase behaviors affect the general population overall, with a particular focus on Gen Z.

The findings show that 81 percent of Gen Zers – the most diverse generation in history – and 72 percent of Millennials say that multicultural and diverse consumers have a big impact on their brand choices, and surprisingly, 48 percent of Gen Xers, and 32 percent of Boomers report the same.

While younger consumers are at the forefront of this market shift, results reveal that the level

of multicultural and diverse peoples' influence on the overall market surpasses their current share of the population – with more than half (57%) of today's mainstream consumers saying that multicultural and diverse communities' tastes and opinions strongly influence their own brand preferences.

When looking at the impact specifically on major brand categories, a very high percentage of Gen Zers said that multicultural/diverse communities have an influence on a wide range of product and service choices. Top categories where Gen Z cite big/some influence, include:

- Food/Restaurants – 90%
- Fashion – 89%
- Entertainment – 88%
- Beauty/Wellness – 87%
- Household/Cleaning – 82%
- Technology – 76%

Michael Roca, Executive Director of ELEVATE at Omnicom Media Group, shared his thoughts in the whitepaper on what this means for brands. "There was a time when brands had a Hispanic budget, a Black budget, etc. Today, it's everybody's responsibility to reach these audiences. Brands and agencies need to make this a business priority, and the siloed approach doesn't work anymore."

Examining the presence of diversity in various circles of family, friends, colleagues and neighbors – as well as celebrities, influencers, and other public figures followed on social or other media – Direct Digital Holdings' survey confirmed that diversity is real and present in U.S. consumers' lives. Nearly three-quarters (72%) of mainstream consumers say that at least some of their closest connections do not share their race, ethnicity or sexual identity. Gen Z consumers, however, were the most likely to say that their connections, at every level, are primarily diverse.

"These groups have been disproportionately influential. And today, cultural circles are more heterogeneous than ever before," added Dr. Marcus Collins, Clinical Assistant Professor of Marketing at the Ross School of Business, University of Michigan, and author of *For the Culture*. "Marketers have been a little slow to this. Particularly the impact and influence of network effects."

The whitepaper tapped into the perspectives of a wide range of leading executives from across the media and marketing industry, as well as top academics. The full list includes:

- Alison Ciccione, Director, US Media, McDonald's
- Dr. Marcus Collins, Clinical Assistant Professor of Marketing, University of Michigan's Ross School of Business
- Sheryl Daija, Founder and CEO, BRIDGE
- MJ DePalma, Head of Inclusive Business Impact, Microsoft Advertising
- Andrea Fischer, Senior Manager, Media Strategy, Bayer Consumer Health
- Lashawnda Goffin, CEO, Colossus SSP
- Maria Lowrey, Chief Growth Officer, Direct Digital Holdings
- Caleb Pearson, Vice President, US Customer Engagement, McDonald's
- Mark Prince, SVP, Head of Economic Empowerment, dentsu Media
- Michael Roca, Executive Director of ELEVATE, Omnicom Media Group

- Kana Schmidt, Marketing Director, Pain/Cardio, Bayer
- Thomai Serdari, Clinical Associate Professor of Marketing and Director of Fashion and Luxury MBA, New York University's Stern School of Business
- Natalie Shyu, Group Director, Digital and Programmatic Strategy, dentsu Media
- Esther Uduehi, Assistant Professor of Marketing and International Business, University of Washington's Foster School of Business
- Mark D. Walker, CEO and Co-Founder, Direct Digital Holdings
- Arnetta Whiteside, SVP, Multicultural Consulting, Agency and Brand Readiness, Publicis Media

"Among the younger consumers who will dominate the market in the future, the deep-rooted presence and influence of multicultural and diverse people has become staggering – making intentional and authentic connection with these communities critical for any brand seeking success in the marketplace," said Mark D. Walker, CEO and Co-Founder of Direct Digital Holdings, who wrote the introduction to the whitepaper. "Moreover, the research makes clear that this isn't just about tomorrow. Black/African American, Hispanic/Latin, AAPI and LGBTQIA+ people already have an outsized influence on the brand choices of 57 percent of the broader market today. It's a tipping point that cannot and should not be ignored."

To download the whitepaper, *Cracking the Code: How Multicultural & Gen Z Reshape Mainstream Marketing*, go to <https://hubs.ly/Q02r3Sb30>.

## Methodology

This study included quantitative research and analysis conducted by Horowitz Research ([www.horowitzresearch.com](http://www.horowitzresearch.com)). A total of 2311 online surveys were conducted November 16-27, 2023. 1,021 general market interviews among 13+ U.S. consumers, plus an oversample of 1,290 Black, Hispanic/Latin, and AAPI consumers. Data have been weighted as needed to ensure results are representative of each of the individual segments and the U.S. population as a whole.

## About Direct Digital Holdings

Direct Digital Holdings (Nasdaq: DRCT), owner of operating companies Colossus SSP, Orange 142 and Huddled Masses, brings state-of-the-art sell- and buy-side advertising platforms together under one umbrella company. Direct Digital Holdings' sell-side platform, Colossus SSP, offers advertisers of all sizes extensive reach within general market and multicultural media properties. The Company's subsidiaries Huddled Masses and Orange142 deliver significant ROI for middle market advertisers by providing data-optimized programmatic solutions at scale for businesses in sectors that range from travel to education to energy to healthcare to financial services. Direct Digital Holdings' sell- and buy-side solutions manage on average over 115,000 clients monthly, generating over 326 billion impressions per month across display, CTV, in-app and other media channels.

## Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of federal securities laws, including the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and which are subject to certain risks, trends and uncertainties.


As used below, "we," "us," and "our" refer to Direct Digital Holdings. We use words such as "could," "would," "may," "might," "will," "expect," "likely," "believe," "continue," "anticipate,"

"estimate," "intend," "plan," "project" and other similar expressions to identify forward-looking statements, but not all forward-looking statements include these words. All statements contained in this release that do not relate to matters of historical fact should be considered forward-looking statements.

All of our forward-looking statements involve estimates and uncertainties that could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. Our forward-looking statements are based on assumptions that we have made in light of our industry experience and our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances. Although we believe that these forward-looking statements are based on reasonable assumptions, many factors could affect our actual operating and financial performance and cause our performance to differ materially from the performance expressed in or implied by the forward-looking statements, including, but not limited to: our dependence on the overall demand for advertising, which could be influenced by economic downturns; any slow-down or unanticipated development in the market for programmatic advertising campaigns; the effects of health epidemics, such as the ongoing global COVID-19 pandemic; operational and performance issues with our platform, whether real or perceived, including a failure to respond to technological changes or to upgrade our technology systems; any significant inadvertent disclosure or breach of confidential and/or personal information we hold, or of the security of our or our customers', suppliers' or other partners' computer systems; any unavailability or non-performance of the non-proprietary technology, software, products and services that we use; unfavorable publicity and negative public perception about our industry, particularly concerns regarding data privacy and security relating to our industry's technology and practices, and any perceived failure to comply with laws and industry self-regulation; restrictions on the use of third-party "cookies," mobile device IDs or other tracking technologies, which could diminish our platform's effectiveness; any inability to compete in our intensely competitive market; any significant fluctuations caused by our high customer concentration; any violation of legal and regulatory requirements or any misconduct by our employees, subcontractors, agents or business partners; any strain on our resources, diversion of our management's attention or impact on our ability to attract and retain qualified board members as a result of being a public company; our dependence, as a holding company, of receiving distributions from Direct Digital Holdings, LLC to pay our taxes, expenses and dividends; and other factors and assumptions discussed in the "Risk Factors," "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and other sections of our filings with the SEC that we make from time to time. Should one or more of these risks or uncertainties materialize or should any of these assumptions prove to be incorrect, our actual operating and financial performance may vary in material respects from the performance projected in these forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and except as required by law, we undertake no obligation to update any forward-looking statement contained in this release to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances, and we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

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