

## News

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### Expand Ads to Hispanic Consumers

#### Looking Outside General Market Can Produce Cost-Effective Brand Plans

By Mark Dominiak, Special to *TelevisionWeek*

In a volatile and evolving media world, it's a challenge for media planners to create plans that deliver marketplace impact for brands. Often, execution of plans creates even more difficulties. Just last week, industry reports recounted the massive premiums being commanded in the scatter market, compromising planners' ability to implement plans. Volatile network rates are not the only factor that makes planners' lives more difficult.

Local buys are another area where difficulties can arise. From market to market, inventory pricing can vary greatly, creating an execution environment where it is difficult for a buyer to deliver the goals of a well-crafted plan. There aren't many tricks a planner or buyer can pull out of the hat to find efficiencies in the face of adversity.

In the spirit of adding a new trick to the bag, here's a notion that might work in some local markets when extra efficiency is needed: Take a look at Hispanic stations.

Hispanic stations are badly overlooked in the local marketplace for general-market plans. That's a shame for a variety of reasons. Perhaps most important, population trends in the U.S., especially in larger markets, demonstrate that Hispanic consumers are becoming a market force that definitely should not be ignored.

Many clients acknowledge the growing influence of Hispanic consumers, but they think a separate budget is needed to fund a self-contained Hispanic effort. That isn't necessarily true.

For some brands, it is beneficial to take a deeper look at consumer behavior to understand how well the Hispanic user base has developed versus the overall user base. It may be just as advantageous to look for ways to shave off a small portion of what may be limited general-market resources and still effectively weave Hispanic impressions into a brand's execution.

For example, the old standby of SQAD local market costs generally includes only the English-language stations in its estimates. Hispanic cost per points have their own data source. But a funny thing can happen when a planner digs into the available costs and compares them.

By way of demonstration, compare SQAD third-quarter 2007 average prime CPPs in Chicago for general market and Hispanic adults 25-54. When the CPPs are reduced to CPMs (cost per thousand), it quickly becomes evident that the cost to reach 1,000 Hispanic adults 25-54 is more efficient than the cost to reach the same number of general-market adults—almost 25 percent more efficient.

That advantage does not hold up across all dayparts and may not hold up similarly in prime or other dayparts in other markets. But it is interesting that there appear to be occasions where there is a CPM advantage to be gained by considering the Hispanic counterpart to the general market. If a brand's user base has a productive Hispanic population, it may well be advantageous to explore trading out some general-market impressions for Hispanic impressions.

A counter-argument to this strategy might be made that a Spanish-language spot is needed to fully realize the potential of Hispanic station impressions, and that incremental spot would require additional funds to produce. Luckily, resources can be saved in the conversion of impressions from general market to Hispanic



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to cover production costs and still retain impression delivery.

And a quality spot doesn't take a fortune to create. This past Super Bowl saw the airing of a consumer-produced spot created for the cost of video equipment and a load of Doritos.

Leveraging the impression trick in multiple markets, it would be possible to generate the funding needed to create a well-produced, effective spot.

Is this idea really practical? Using the aforementioned SQUAD third-quarter costs, around 425 adult 25-54 prime rating points (yielding 30-35 targeted ratings points per week for 13 weeks) could be purchased in Chicago using an 80/20 general/Hispanic impression mix. That tweak in execution strategy would save between \$40,000 and \$50,000 versus a straight general-market station buy.

Checking with Paco Communications, a Hispanic integrated communications shop here in Chicago, that smallish seeming level of resources is enough to produce an effective spot. While any agency certainly would welcome the comfort of a larger production budget, Paco reminded me that the level of resources does not dictate the efficacy of the unit; the creative idea does. The smaller budget just represents a challenge for a shop that wants to roll up its sleeves and attack.

The benefit that will please both buyers and clients is that adding local Hispanic impressions can bring in the overall buy more efficiently. Everyone is looking for a way to do more with less, a way to increase bang for the buck. Hispanic impressions as part of the mix can do that in certain areas in local buys.

Especially in higher Hispanic-population markets, the breadth of stations and dayparts can either deliver impressions for less investment or increase the impression yield for the same resources.

Hispanic stations tend to have much lower costs per unit than do their general-market counterparts. Those costs are often by circumstance lower than the population they target. That means a potentially lower cost per thousand option worked into the overall buy CPM. Individual market conditions notwithstanding, the potential exists to trade out expensive general-market impressions for more efficient Hispanic impressions.

For many local markets, the Hispanic population represents a significant portion of the overall marketplace. In their TV viewing, a significant portion of those Hispanic consumers will rarely tune to mainstay English-language stations. Yet conventional buying practices tend to focus dollars on traditional market stations.

That being said, an all-English-language station buy would include few Hispanic viewers and hence unintentionally lower total market reach potential while delivering a higher frequency among those who are reached. By adding Hispanic stations to a buy, the likelihood is many wholly new viewers can be added to the brand's messaging effort in the form of Hispanic consumers.

Those Hispanic viewers broaden the reach out to infrequent or non-viewers of the traditional market stations. An assumption would be that those newer viewers would have less prior exposure to a brand's message and might potentially be more lucrative prospects.

Hispanics as a consumer base are a growing, vibrant target market with plenty of buying power. Yet a significant number of marketers are still far behind the curve, meaning Hispanics are far less inundated with marketing messages than the population at large. What that provides are a couple of advantageous circumstances for potential marketers.

First, the still-acculturating Hispanic marketplace has far fewer generations in its makeup that have grown accustomed to the deluge of commercial activity in the U.S. Secondly, the Hispanic market receives fewer messages than the broader U.S. market.

That sets up a scenario where the Hispanic population has much less likelihood of having become jaded by marketing communications. Less inundated equals less worn out. Less worn out can equal more receptive to a brand's advertising messages, which can mean more return on investment for impressions delivered.

This receptivity is played out across many product categories. Media Dynamics, in its 2007 "Targeting the Hispanic Consumer" report, cites powerful ad receptivity data from Next Generation. Across 189 products and services, Hispanics are 30 percent more likely to be receptive to advertising messages than are whites.

From diet cola to pudding, from artificial sweeteners to domestic air travel, Hispanics are far more receptive to advertising than their white, general-market counterparts. Among the long list of products and services rated, only some over-the-counter and many prescription medications see less advertising receptivity for Hispanics than in the general market.

Further, Hispanics tend to be influenced by brands and what others think about brands. MDI cites a number of Mediamark Research buying style statements that demonstrate the power of brands to Hispanic consumers. For example, Hispanics are 29 percent more likely to mostly agree with the statement that "brand name is the best indication of quality." Hispanics like to be the first among their friends to try new brands (+49 percent), buy brands that neighbors or friends approve of (+30 percent) or buy brands based on the influence of their children (+40 percent).

The trick of trading out general-market impressions for Hispanic station impressions may not work in all markets. It may not even work for all dayparts in a market.

But when it does work, it opens up the door not only to solve thorny execution problems in the market, but also provides an opportunity to extend the reach of the brand's message to increasingly important Hispanic consumers.

Those Hispanic consumers are demonstrating they are more receptive to brand advertising, which is a positive indicator for better brand ROI. Better ROI means better impact for the brand in the market, which is the real problem that clients retain marketing partners to solve.

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