

Hispanic glue: radio merchandising

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Over the past several years, an increasing number of advertisers have been using regional or micromarketing strategies to bolster sales in opportunity markets where their brand development indexes are less than the national average. As part of this micromarketing approach, savvy advertisers are including Hispanic marketing programs in areas of high Hispanic population. Chicago, Miami, Houston, Dallas, New York, and Los Angeles are all examples of markets where the Hispanic population's purchasing power can influence a brand's overall market performance.

More often than not, these regional strategies—either Hispanic or non-Hispanic—are based on price discounts aimed at consumers; direct mail coupons, prepacks, instant redeemable coupons and deals to the trade are often included. However, a handful of general market companies and an even fewer number of Hispanic ones have developed and executed “value added” programs which integrate promotional media activity with consumer product promotions.

These media-driven, “value added” services have traditionally in-

cluded the orchestration of many consumer promotions such as on-air contests, live remote broadcasts, giveaways, special community event appearances and sponsorships. With regard to community involvement, Spanish-language radio stations have always been more involved with this type of activity as a natural programming integration of the Hispanic culture. Association with these events of high cultural significance evokes positive consumer response for the advertiser.

More recently, aggressive Spanish-language radio stations have been focusing on retail merchandising as a “value added” service, thereby integrating benefits to the advertiser, the trade, the consumer and the stations themselves simultaneously. This transition is occurring because of the advertiser's needs, rather than from radio station positioning in the market.

Advertisers know that gaining retail display space has a direct correlation to sales increases. While the consumer is still “king”, the retailer/trade has become a very powerful force to reckon with in the marketing chain, as trade support or lack of it can make or break a brand before it even reaches the consumer.

Therefore, the advertiser who places merchandising dollars, in addition to regular media dollars, with a radio station offering this “value added” service of retail mer-

chandising can help leverage the trade in its favor.

In cities of high Hispanic concentration, for example, the majority of local chains and independent retailers are actively seeking stronger Hispanic programs to help solidify their relationships with this consumer segment. Chain retailers already regularly buy product on deal and look for strong advertising schedules to back up product movement. Therefore, any “extras” specifically directed at the Spanish-speaking consumers can encourage endorsement of a product through display activity.

30:30 programs

One very potent combination offered by Spanish-language radio is a 30:30 retail merchandising program coupled with a consumer promotional activity such as an in-store product demonstration and/or sampling program. The 30:30 program allows the retailer subsidized promotional airtime in conjunction with the individual advertiser's on-air product promotion, tying the two together. Offering the subsidized airtime, in addition to product demonstration activity, encourages chain and independent retailers to buy incremental cases to build displays in anticipation of increased traffic in their stores.

Generally, the independent retailers have been easier to work with in setting up merchandising, as they are smaller and therefore, more flexible. With the Hispanic market being an urban-concentrated population, with 85% living in cities, the independent inner-city retailer is an important element in enjoying Hispanic sales growth. As an example, in a recent rollout in Miami for a household product, 5,000 cases were sold in for display through 50 independents, while negotiation for displays with major chains was not possible.

These combinations of consumer promotions and trade merchandising programs have led to a “win-win” situation for all involved. The Spanish-language radio stations

Future floor polish demonstration and couponing as part of a 30:30 radio program in New York.



offering trade/consumer promotions have more ability to bring in incremental advertising dollars which may not have been originally designated for media investment.

For example, Hispanic community event promotional dollars may be reallocated to a specific station that offers a better total media and event promotional package—thus providing not only the media reach and frequency around a special community event, but also the direct impressions made at the event site itself. Spanish-language media advertising dollars which may have been spread across a number of stations within a market may thus be consolidated into the one offering the best merchandising program.

The retail trade benefits from these programs by receiving a subsidized airtime schedule which, in conjunction with a regular media schedule for a product, encourages increased store traffic and sales. And of most importance, the advertiser benefits from consumer promotions and most directly from retail merchandising featuring display-building and, therefore, in-

creased product sales.

An interesting consideration regarding all this is that consumer/trade merchandising promotions *should* be easier to develop with Spanish-language radio than with general market stations. In the general market, radio listenership segments are fragmented by social, economic, demographic/lifestyle and other variables, with programming targeted to specialized audiences. Meanwhile, the Spanish-language radio stations within any given market are fewer, and therefore, concentrate the bulk of radio listenership among a handful of stations in each market. Furthermore, the stations' programming is generally targeted to the 18-34 age bracket, the largest in terms of U.S. Hispanics.

No instant success

However, Hispanic market broadcast consumer promotions and retail merchandising are not a yellow brick road to instant success. The difficulty within the Spanish-language broadcast indus-

try at present is the shortage of station personnel who have an understanding not only of effective Hispanic market consumer promotions, but who are experienced in retail merchandising *and* who also have the retail contacts to implement these programs effectively.

The best results have in fact been produced by a select number of Spanish-language, full-service advertising agencies who, first of all, have worked closely with the advertisers and therefore have an understanding of the advertisers' overall marketing and advertising objectives. Secondly, their overall marketing expertise—which includes a thorough understanding of both retailer operations and Spanish-language radio offerings as they relate to client objectives—is an invaluable asset in creating effective programs. Such agencies are in the position to select and orchestrate creatively the promotional and merchandising programs via the broadcast media, ensuring the most effective results for their clients. □

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