

Generating New Dollars For Broadcast Media

The U.S. Spanish-language advertising industry, a little more than two decades old, continues to enjoy growth from advertiser investment spending while simultaneously the industry expands the quality and types of services being offered by professionals in this highly specialized market segment. The development of services offered is a result of both changes in the marketplace and experience gained by marketing practitioners.

A prime example is the development of the creative sales promotions programs now being incorporated into advertisers' marketing plans. These programs tap into the advertisers' general market sales promotion budgets and bring new dollars into the Hispanic marketing industry, a portion of which can be used in media.

In varying degrees, most trade and consumer sales promotion activities can be found in use in the Hispanic marketing industry, including: POP/display activity, and premiums/incentives, meetings and conventions, trade shows and exhibitions, and community event marketing.

Sales promotion varies

However, the state-of-the-art of sales promotion varies considerably between Hispanic and general market programs -- especially since the Hispanic market segment is constantly fueled by a high rate of immigration of consumers who are unfamiliar with many of the sales promotion tactics used in the U.S. For example, the average U.S. household received around 2,600 pieces of direct mail during 1990, while the Hispanic household averaged about 20 pieces. Several reasons contribute to this difference, such as insufficient Hispanic list availability, the fact that Hispanic consumers are unfamiliar with the habits and practices of coupon usage and the perception/feeling they hold that coupon usage signifies a buyer who cannot afford to pay for a product.

On the other hand, community event marketing is probably more widely used in Hispanic marketing than in the general market. A community event centered around a major holiday, such as Fiestas Patrias, holds a cultural and social significance unique to the Hispanic market. By participating in these events, a brand not only enjoys direct impressions but engenders itself in the community in a way that other Hispanic marketing techniques cannot duplicate.

Overall, Hispanic market sales promotion expenditures are significantly less in magnitude than that found in the general market. According to the Television Bureau of Advertising, in 1987 about 65% of all marketing dollars, or \$115-billion, was invested in general market sales promotions. Unfortunately, corresponding sales promotion dollars are not reported for the Hispanic market.

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Same marketing principles

However, *Hispanic Business* states that in 1990, approximately \$628-million was spent for measured Spanish-language advertising.

Following the general market formula, using a 65:35 ratio and assuming for the moment the Hispanic marketing industry to be equally developed to the general market, this would indicate that over \$1-billion would be invested annually in Hispanic sales promotions -- an amount that is far from reality. Our best estimate is that no more than \$30-35-million, or around 5% of all Hispanic marketing dollars, were spent on Hispanic market sales promotion in 1990.

Given the fact that marketing principles are basically the same for both markets, the Hispanic market should enjoy a surge in sales promotions dollars to be invested. For example, marketers and brand managers already familiar with the merits of sales promotion in the general market should naturally favor the same concepts when applied to the Hispanic market, especially if the advertisers' promotional approach is more regionalized, or focused on opportunity markets.

From a national perspective, Hispanic marketing is regionalized, with 57% of the documented U.S. Hispanic population residing in the top 10 Hispanic cities (Strategy Research Corp., 1989). This concentration enables localized sales promotions programs to be easily conducted with strong resulting sales impact.

'Media driven' promotion

One promotional approach currently being refined and providing outstanding sales results in what may be called "media driven sales promotion," an approach utilizing media advertising in combination with retail display activity in stores of high Hispanic trade.

In this approach, both trade and consumer sales promotion elements are combined. In a basic display program, the timing of the promotion is centered around product deal periods and offered to targeted retailers who enjoy high Hispanic trade.

A strong broadcast media schedule of brand advertising begins prior to, and continues through, the display activity period in order to build higher consumer awareness and pull the product through distribution. Retailer participation in the display program is negotiated prior to the event.

In markets where these display programs have been successfully executed and promoted, retailers want to be involved because of the increased shopper traffic generated and the advertising mentions offered to the retailer as an incentive.

Beginning with this basic retail display promotion structure, additional elements can be added, such as: demonstrations, couponing, sampling, contests/sweepstakes, and community event tie-ins.

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