



HispanicMarketWeekly

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News Recap

For the past 10 years, each Monday we have brought you the most important Hispanic market news of the week. This issue contains the recap of the top news items during the second half of 2006.

That's why our recaps have become the most referred-to issues of the year. Included in this synopsis are the breaking news stories we send out during the week and then referred to in our Monday morning newsletter. To read the full stories, please use the archives search engine of our website HispanicMarketWeekly.com. Also on our website's Home page you will find a listing of the industry snapshots and conversations with top Hispanic marketing and media executives that are part of your paid subscription. Use them well. They are all there to serve and make you a better marketer in the fastest-growing advertising and media space in the U.S.

ACCOUNTS

Miller Brewing Company has tapped three agencies - Creative On Demand, la comunidad and Publicis' Frankel - to handle the Hispanic account for Miller Lite and Miller Genuine Draft (HMW 7/10/06).

Time Warner Cable selected WINGLatino Los Angeles as its Hispanic agency of record. The shop defeated incumbent Castells & Asociados and al Punto (HMW 8/7/06). Snack-maker Ricos Products selected Creative Civilization as its advertising agency of record. The San Antonio-based shop will handle Hispanic as well as non-Latino duties (HMW 8/14/06).

Goya Foods tapped WINGLatino to handle full service duties - strategic planning, creative and media planning and buying - targeting the Hispanic and non-Latino markets (HMW 8/21/06).

Sigma Alimentos USA selected Arlington, Texas-based Legion Advertising as the Hispanic agency of record for its FUD brand in an effort to boost brand awareness and stateside sales (HMW 8/21/06).

Cadbury Adams tapped its first-ever Hispanic agency of record. The confectioner selected The Vidal Partnership to handle its chewing gum brands. (HMW 8/28/06). Verizon Wireless has given GlobalHue - its national Hispanic agency of record for five years - expanded duties on the \$40 million account (HMW 9/18/06).

The Bravo Group is Wrigley's new Hispanic agency of record for creative and promotional marketing. The shop will work on all brands, including the recent acquisitions from Kraft (HMW 10/02/06).

OPINION

WISDOM APPLIED™ 25 YEARS OF HISPANIC BUYING OPPORTUNITIES

By George San Jose

HBO and The San Jose Group were born in the same year, 1981. As HBO debuted, its slogan was simply "Don't Miss HBO," a concise, effective phrase that challenged audiences to discover more. Twenty-five years later, the broadcast universe has dramatically changed. HBO is now a multi-channel network that has branded itself as a wholly unique category: "It's Not TV. It's HBO."

The same comparison could be made for the Hispanic marketing communications industry. When The San Jose Group was founded, its philosophy in 1981 seemed to be "Don't Miss The Market." With only a handful of Spanish-language stations and little recognition for a growing Hispanic community, there were few agencies committed to understanding the marketplace and perhaps even fewer companies actively competing for the Hispanic dollar. Today, we're seeing print, electronic, interactive, packaging and every other consumer marketing channel being blasted with a multicultural wake-up call: "It's Not A Segment. It's An International Marketplace."

What's surprising to me is not so much the growth of Hispanic media out lets. As the 2000 census revealed the size and opportunity of the Spanish-speaking audience, there was no question that communication vehicles would rise up to fill the gap. Rather, I am still surprised at how many general market advertisers continue to underserve Hispanic audiences. With Hispanic buying power approaching \$3 trillion, why is it that only about 3 cents per advertising dollar spent is earmarked for Hispanic audiences? When advertising ROIs can routinely deliver double-digit gains, why aren't companies (and their shareholders!) demanding to get into the market?

In part, the blame is on the shoulders of the advertising industry itself. We've undervalued ourselves at the expense of being able to educate and activate our clients. Agencies have traded the passion for building iconic brands for bank/holding company practices, where rates are ruthlessly cut in the fierce competition to win accounts. The opportunity to develop strategy, market savviness and intellectual property has been surrendered to the time and budget limitations set by corporate procurement officers. Overall, the end result is that marketing communications effectiveness is compromised because agencies can't afford to be holistic in their brand development and delivery strategies. As more and more general marketers recognize that Hispanic advertising spends are less about being p.c. and more about being practical, agencies need to establish compensation levels that allow them to do their jobs...with Wisdom. Applied. We also need to do a better job letting corporations know our capabilities, and demonstrating that a cohesive approach to intellectual property development

and media strategy will lead to significant rewards. Clients today are starving for marketing strategy.

We need to raise our clients' commitment to long-term planning, as it is the key to building iconic brands that thrive in the Hispanic marketplace. Shotgun approaches have proven to disconnect the brand from the consumer, with devastating outcomes. Our research has shown that companies that have haphazardly tested the Hispanic market receive poor results and usually don't return to that audience for another five years. Opportunity wasted. We need to own our responsibility to educate clients on how to best leverage their Hispanic marketing dollars. Those venturing into the marketplace with an analytic, holistic and integrated approach usually take only six months to capture back their investment.

Opportunities should not be limited by boundaries, either. As companies recognize the power and acculturation of the Hispanic marketplace, they should also be looking to expand their brand presence throughout the U.S. and Latin America. Doing so, however, has enormous resource and account management challenges. It takes more than having a Hispanic surname to have the expertise to market to Hispanics. By contrast, at conglomerate agencies with satellite offices there may be vast differences in understanding the Hispanic market, tactical resources and talent depth on Latino issues.

Nevertheless, visionary clients recognize the global opportunities at hand and are searching for solutions on how to build their market share without compromising brand equity, creative integrity or account management standards. To serve these needs, we've developed a new, specialized business, The San Jose Network. SJN is a centralized affiliation of independent agencies, managed globally from our Chicago headquarters. Currently, it includes 41 offices in twenty-four countries and throughout the U.S., with 800 employees and capitalized billings exceeding \$528 million.

Unlike global conglomerates, SJN was built selectively, aligning the most accomplished independent Hispanic firms from the U.S. and Latin America. To match expertise with client goals, strategic teams specializing in the client's product category and target markets are assembled by SJN.

Over the past twenty-five years, I've seen the industry morph from a few interested niche organizations to a global proliferation of consultants, agencies and "experts." What I've learned along the way is that information without wisdom is worthless. We've built The San Jose Group on three pillars... The Power of Knowledge, The Experience to See, The Imagination to Create. Just as HBO has evolved to be the innovative broadcast leader now emulated by traditional networks, successful agencies will be those that guide their clients into the Hispanic marketplace with Wisdom. Applied. The results will be their own HBO success story...driving resonant, profitable Hispanic Buying Opportunities.

George San Jose is the president and COO of The San Jose Group and Chairman of The San Jose Network, Ltd. Headquartered in Chicago.