

Are U.S. Hispanics Buying Your Ads?



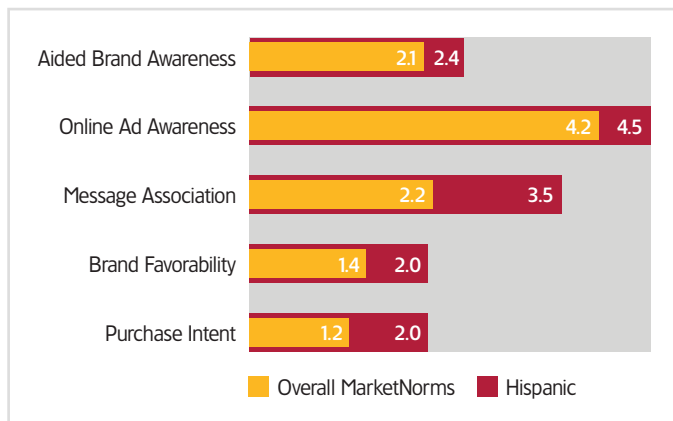
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If you're not already thinking about how to best market your brands to U.S. Hispanics, then you better get started. Not only does this rapidly growing consumer segment make up 14% of total online users, but U.S. Hispanic buying power is growing dynamically as well. Those numbers continue to grow, with 42 million Hispanics expected to be online in 2015 -- which is 73% of the Hispanic population and a 35% growth rate. In addition, Latino buying power will increase from \$1 trillion in 2010 to \$1.5 trillion in 2015, representing nearly 11% of the nation's total buying power. These trends offer further support that the Internet is a strong medium for marketers to reach this thriving segment.

But what do we know about advertising to this market online? Dynamic Logic's MarketNorms ad effectiveness database suggests that the average performance of online display ads on Hispanic/Latino sites is similar or above par for all brand metrics compared to overall online advertising norms. For example, among those exposed to online advertising on Hispanic/Latino sites, there is a 2.0% increase in intent to purchase the brand, as opposed to the 1.2% increase seen at the overall normative level. Furthermore, respondents exposed on Hispanic/Latino sites also display stronger impact on Brand Favorability, a finding that is in line with other research that shows Hispanics are more receptive to online ads than non-Hispanic audiences.

MarketNorms: Overall vs. Hispanic Sites



Source: Dynamic Logic's MarketNorms. Data from last three years through first quarter 2011. Base is 2,437 campaigns for Overall MarketNorms; 40 campaigns for Hispanic Norms; and 29,121 total respondents.

As is the case for online advertising in general, campaign performance on Hispanic/Latino sites can vary greatly. Effective targeting and creative quality are key factors that can aid or, reversely, hinder an online campaign's success. Although not specific to online, best practices for Hispanic marketing have been identified through Millward Brown's Link copy-testing database. As shown in chart 2, normative Link data reveals that Hispanic targeted advertising tends to be more effective at impacting ad breakthrough (i.e., ad enjoyment, branding), message communication (i.e., believability, relevance, differentiation) and motivation (i.e., persuasion) compared to non-targeted, general market ads.



Ads adapted for the Hispanic audience are more widely received and often, general market ads (i.e., dubbed TV ads) may not suffice. Hispanic respondents may outwardly reject ads that are mere translations of English-language advertising, as the setting and behaviors do not commonly reflect Hispanic culture, lifestyles and values. However, it should be noted that engagement and message understanding scores can tend to be lower for Hispanic targeted ads than general market ads. This is often due to the difficulty of seamlessly layering in culturally relevant content with an effective single-minded brand message. Marketers tend to be overly cautious and less creative with their cultural content and this can result in bringing down involvement and engagement scores. However, this does not mean the resulting ad is necessarily bad, but just not as optimal as it could be.

Targeted Advertising Tends To Do Better Than Mainstream Work

ABOUT THE CREATIVE	ABOUT THE MESSAGE	PERSUASION
Enjoyment: 82/67*	Believability: 89/72	Users: 87/71
Engagement: 5.0/5.8	Relevance: 86/83	Trialists: 62/50
Branding: 85/71	Brand difference: 91/83	Non-trialists: 52/48

*Targets Hispanics evaluating targeted ads/Non-targeted Hispanics evaluating general market ads

However, targets advertising does not guarantee success

Based on enjoyment scores.

	TARGETED	DUBBED
Top tertile:	39%	21%
Middle tertile:	32%	37%
Low tertile:	29%	42%

Another point to keep in mind is that targeted ads do not always guarantee success among the Hispanic audience. As shown in chart 3, Millward Brown research shows that there is variation in the performance of targeted ads among Hispanic audiences and some have the potential to score below par on ad enjoyment. This finding underscores the understanding that creative quality is also an essential factor to consider when marketing towards Hispanic audiences.

Although further ad effectiveness and copy testing research on online Hispanic marketing is needed to develop online specific creative optimization tips, insights can be gleaned from current creative best practices derived from Millward Brown's Link copy testing database. In analyzing the top-rated, most enjoyable Hispanic targeted ads within the Millward Brown Hispanic Link database, the following common ad characteristics were shown to be most effective:

- **Use of genuine humor** can increase ad involvement and engagement scores and draw viewers into the story of the ad. This element is strongly recommended for established brands only since humor can potentially overshadow a new product.
- **Music with cultural affinity** can significantly increase ad enjoyment scores but should be well-aligned with the brand and integrated into a story otherwise the ad can serve to entertain but not persuade or communicate a message to the consumer.
- **Appealing celebrities/ role models** can increase ad enjoyment scores but the same caution mentioned for the music element applies to celebrity spots/endorsements.
- **Family/children scenarios** can increase ad enjoyment and persuasion scores. However, it should be noted that the execution of this element is often overly idealized and so common that U.S. Hispanic consumers have become passive to it. If this type of imagery fits with the brand ethos then this element may be more appropriate. However, if ad breakthrough is necessary then it is recommended that the ad features an increased level of activity or interaction within the family in witty and unexpected ways in order to effectively use this element.



- **Latin American scenery** can increase ad enjoyment and interest. However, when using this element it is important to choose scenery with a broad reference so that it is appealing to the diverse groups that make up the Latin American market.
- **Elements of escapism** can increase ad enjoyment and involvement. Nostalgic references to Hispanic consumers' country of origin can be particularly compelling. Even though Mexicans make up 65% of the US Hispanic population it is important not to alienate other groups with the execution of this theme.

Additionally, not to be overlooked is that basic advertising principles that guide the development of mainstream communication are equally valid for multicultural audiences such as the Hispanic consumer segment. Your ad must be memorable and engaging to build brand and ad awareness, as well as relevant and believable to persuade consumers to take action. Ignoring these basic principles will result in great ads that talk about or relate to the Hispanic culture, but say nothing about the advertised brands or products.

Rill Hodari of Millward Brown contributed to this article.