



Hispanics and Experiential Marketing: Research and Best Practices

Luis Montero

Even in a tough climate, savvy marketers have a knack for finding opportunity to grow market share by building brand relationships with high-value consumer communities. In the US, not surprisingly, that has led to ongoing interest in the Hispanic market, one of the most highly-coveted consumer segments around. **With current projections estimating purchasing power to reach a staggering \$992 billion by the year 2010, and numbers that will account for 25% of the total US population in 2050, it makes sense for brands to cultivate and grow relationships with Hispanic consumers.**

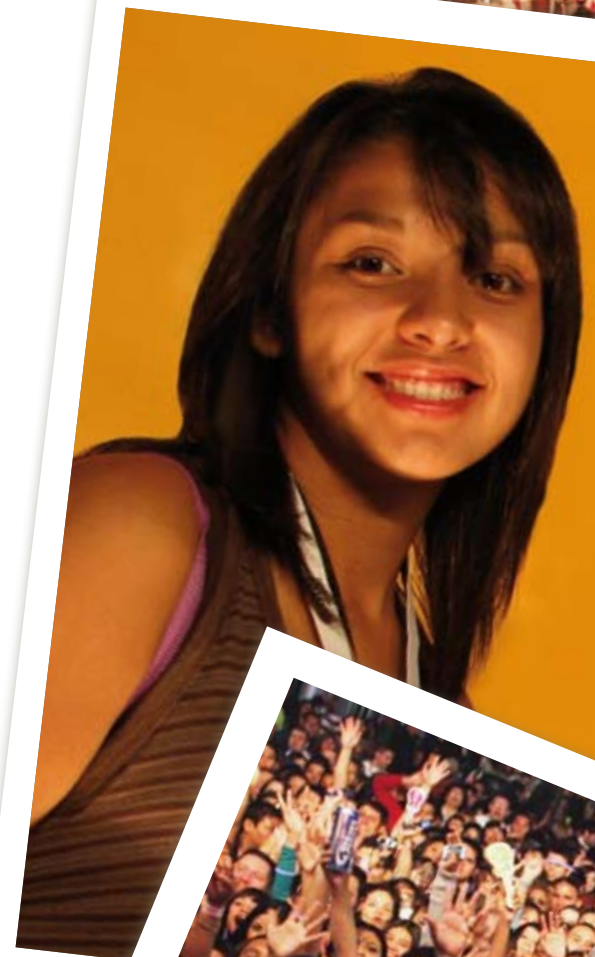
Although Hispanics represent a very coveted market segment, they are widely misunderstood and often are poorly targeted with Spanish-only or general market efforts. **So, the question for marketers is not whether but how to best engage Hispanic consumers.** What are the subtle nuances of this vibrant cultural milieu that make for truly relevant marketing? How do cultural heritage, language, desires, values, ambitions and social dynamics impact the ways that marketers can effectively engage Hispanics?

To address these questions, Jack Morton Latino commissioned a survey of 500 Hispanics that gauged the influence of various media on this demographic, as well as preferences around how brands should communicate and interact. Jack Morton routinely conducts research focused on the general market but understood the importance in investigating Hispanics to better create culturally customized experiences. The study focused on acculturated Hispanics, 66% of them based in states with large Hispanic communities (New York, Texas, Florida and California). Almost 9 out of 10 were US-born, and 41% boasted household incomes of \$50,000 to \$100,000. Following are key findings.

COMMUNICATION PREFERENCES

Participants in the survey responded to questions around affiliation and language in ways that suggest brands should respect their Hispanic identities and not assume that simply speaking "en Español" is a sufficient or even desirable reflection of their personal preferences. While 88% were born in the US, 68% of those surveyed said they identified with their family's country of origin—28% of them strongly. 50% said they speak both English and Spanish outside the home in social situations; 49% said they speak only English socially. More said they speak just English at home (51%) than both English and Spanish (42%).

For marketers, the key data point is this: across all forms of marketing media, the vast majority of these consumers prefer that brands speak to them in English only. As a result, marketers seeking to engage acculturated Hispanic consumers should—to borrow a phrase—"speak English, live Latin."



MARKETING EXPECTATIONS

When asked about their priorities for what marketing should give them, survey respondents revealed both “left brain” and “right brain” expectations. “Show me what is trendy” captured the most interest, followed by “entertain me” and “show me how to spend my money wisely.”

For all three categories of need, experiential ranked among the top three media best suited to deliver.

EXPERIENTIAL LEADS FOR MEDIA EFFECTIVENESS

Like most consumers, Hispanics are averse to the hard-sell of traditional mass marketing. They are looking for something that is both personally engaging and culturally relevant. Not surprisingly, experiential averaged a first place ranking compared to other media for driving purchasing decisions, generating word of mouth, personal engagement and learning about new products. Compared to communications delivered via the Internet, magazines and newspapers, direct mail, radio and television, face-to-face interaction was preferred.

For marketers, the insight is clear: make experiential core to your Hispanic marketing strategy.

EXPERIENTIAL GENERATES ADVOCACY THAT EXTENDS IMPACT

Survey participants revealed a high degree of networking and influence within their social circles. Almost 70% said they interacted with up to 10 family members a week, for example. And when asked about impact on their purchasing decisions, they said that hearing from family and friends about products and brands is an important influence on purchase decision as well as brand perception. When asked what form of marketing interaction would be most likely to inspire them to talk to friends and family, most chose experiential.

The insight for marketers: by not only inspiring purchase among direct participants but also influencing others via word of mouth, experiential promises results above and beyond the immediate engagement.

EXPERIENTIAL EXPECTATIONS

Survey participants were asked about their preferences for types of experiences that would be most relevant and influential:

- Lifestyle-driven events, particularly around platforms of family, music, food and technology, were preferred.
- Events with a mix of passive and active engagement were preferred by 64%, and strongly favored over events that are either just passive or just active.
- Relatively small events (between 50 and 200 people) represent a “sweet spot” for those surveyed; this preference for smaller-scale interactions suggests that Hispanic-targeted experiential campaigns should achieve scale and reach through cross-media campaign integration, a multi-venue approach, word of mouth and social media strategy.
- Technology is a must-have for Hispanic experiential campaigns: 25% expect social media to be integral to interacting with a brand experientially, and 18% expect the same of mobile phones and text messaging.

Interestingly, those surveyed relayed differing expectations and preferences for experiential engagement depending on the type of brand and product concerned (e.g., vertical industry sector).

To request additional information about how Hispanic consumers responded across vertical industry sectors, please contact Isabel Villegas. (isabel_villegas@jackmorton.com).

MAKE EXPERIENTIAL CORE TO YOUR HISPANIC MARKETING STRATEGY

\$992 billion

Hispanic purchasing power is estimated to reach \$992 billion by 2010.

#1

Experiential is ranked #1 by Hispanics for driving purchase, generating WOM, personal engagement and learning about new products.

25%

A quarter of Hispanics surveyed expect social media to be integral to interacting with a brand experientially.



RESEARCH IN ACTION:
ALLTEL WIRELESS CASE STUDY

Many of the key insights gleaned from Jack Morton Latino's survey are proved out by a recent campaign for Alltel Wireless that targeted bicultural Hispanics in the Southwest.

Alltel runs the largest geographic wireless network in the country and their "My Circle" calling plan is the benchmark to beat in the industry. However, their former status as a regional carrier has hampered Alltel's ability to gain greater market share in key Latino/Hispanic markets.

Alltel Wireless asked Jack Morton Latino to engage Hispanic consumers throughout the Southwest and achieve two core goals:

1. Create awareness of the Alltel brand and "My Circle" by forging an authentic, culturally relevant connection with Hispanic consumers.
2. Drive foot traffic into Alltel retail locations.

Jack Morton Latino's planning team recommended that Alltel focus not just on Hispanic consumers but especially those aged 18-34, a segment typically more acculturated, more tech savvy and highly influential in their families and communities when it comes to wireless purchase decisions.

Our experience and in-market research revealed music to be a key "passion point" that rallies the target demographic. This finding was born out in our broader research, where music (along with family and food) was identified as a rich engagement platform for Hispanics.

Jack Morton's strategy for Alltel was to create a regionally customized concert series with the hottest musical acts at high profile venues and offer tickets to these one-of-a-kind events only through Alltel retail locations. Branded "Mi Círculo, Mi Música" (or, "My Circle, My Music"), the campaign featured a unique pairing of Latino music performers who had never previously appeared in these markets on the same bill. This strategy drove the target demographic into stores, created excitement around the Alltel brand and positioned Alltel as a culturally hip and relevant brand among Hispanics.

An integrated media campaign that included print, radio, Internet and POP displays promoted the concerts and provided instructions on how to pick up general admission tickets at Alltel retail outlets in the target markets. VIP tickets to a smaller concert and after-party were made available to those customers who purchased select products or services. Multi-channel media outreach and media attendance at all VIP events resulted in excellent press coverage.

Mobile technology was also leveraged during the concerts to increase consumer engagement and collect contact data. Concert-goers could text messages and photos to a dedicated Alltel number. Those messages were then displayed on the jumbo screens at the concerts. One concert-goer even used the opportunity to propose to his girlfriend.



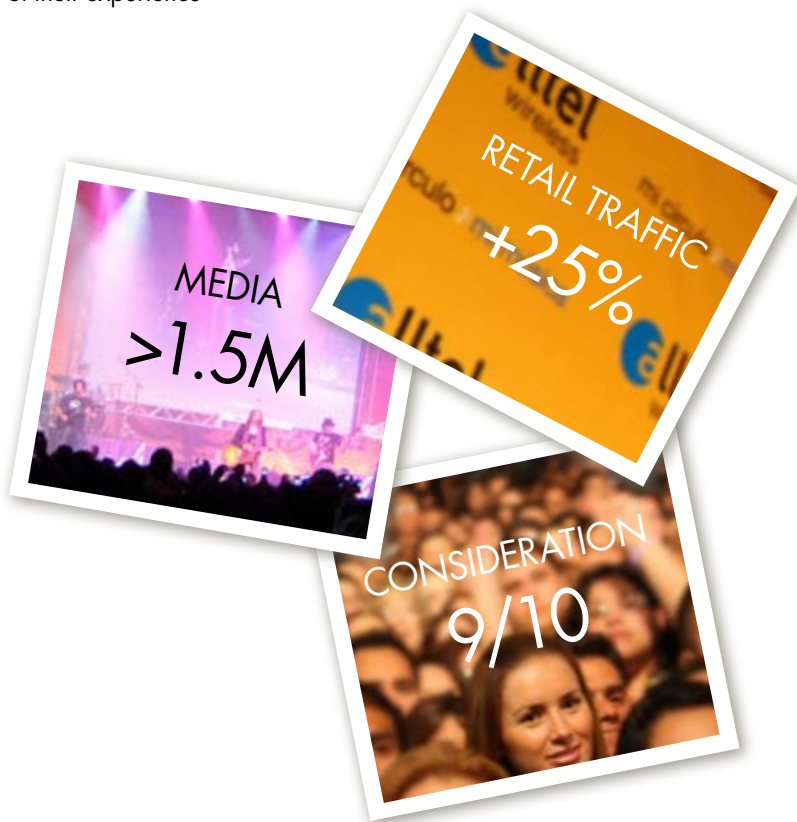
RESULTS

Mi Círculo, Mi Música concerts have taken place in El Paso (twice), the Rio Grande Valley (twice) and Phoenix. In each market Alltel retail outlets experienced outstanding increases in store traffic. Pop-up stores were also constructed at each of the venues, providing additional opportunities to increase retail sales and market share. Immediate sales impact was achieved by linking VIP access to purchase.

In addition to the retail traffic and sales increase, the campaign generated significant and relevant media coverage. Further, even though consideration was not among Alltel's original metrics, we proactively tracked the events' impact on attendees' attitudes toward the brand.

The results were even better than expected:

- **RETAIL TRAFFIC:**
25% increase
- **MEDIA:**
High levels of highly targeted media in each local market, including just under 1.5 million media impressions in Phoenix; and just over 1.5 million media impressions per event in El Paso
- **CONSIDERATION:**
9 out of 10 concert-goers would now consider an Alltel purchase as a result of their experience



¹ The survey was conducted online between March and April 2008.

JACK MORTON LATINO creates experiential marketing campaigns that speak to the cultures, values and desires of Hispanic audiences. Tomorrow's most successful companies will foster brand relationships with Hispanic communities today by engaging their hearts and minds through inspiring and relevant experiences. As a specialized practice within leading global agency Jack Morton Worldwide, Jack Morton Latino combines the understanding of an experienced bicultural team with the reach and resources of a blue chip agency.

Leading global experiential marketing agency JACK MORTON WORLDWIDE creates multidimensional experiences that inspire key stakeholders to new insight, action and advocacy. Integrating live events, branded environments and interactive media, the agency engages consumers, business partners and employees—helping clients build brands, improve performance and increase sales. Jack Morton has a staff of 600 employees in the US, Europe and Asia-Pacific, and is part of the Interpublic Group of Companies, Inc. (NYSE: IPG).

For more information, visit us online at jackmorton.com

CONTACT

Isabel Villegas
Tel 312.274.6060
isabel_villegas@jackmorton.com

jackmorton.com/latino

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