



AHAA Leads Industry to Improve Hispanic ROI

New Study Identifies Gaps in Data Inputs and Modeling Techniques, Recommends More Sensitive Measurements

Fairfax, VA, November 20, 2014 – An industry-wide initiative, led by the trade group **AHAA: The Voice of Hispanic Marketing**, seeks to get more granular into advertisers ROI measures of the Hispanic market. A new study, *Refining Hispanic ROI*, released today by **AHAA** finds that the rapid shifts in the Hispanic market coupled with the emergence of the Total Market Approach, demand that sales data and television measurement methods evolve or new models emerge to give marketers an accurate read on their Hispanic ROI.

The study – introduced last week at the ANA Multicultural Conference – is being led by AHAA and developed by Sequent Partners with funding from Univision, Telemundo and ESPN. It assesses and recommends best practices that would improve marketing mix models’ ability to accurately evaluate the ROI of Hispanic efforts in any language or type of Total Market approach.

“This study awakens marketers to the limitations of current ROI inputs that most often short-change the power of the Hispanic segment,” said Carlos Santiago, AHAA’s research chair and president of Santiago Solutions Group . “Evolving the models will have a huge impact for everyone racing to deliver effective growth.”

“Our philosophy is to triangulate across multiple metrics when analyzing an investment decision, balancing ROI with a broader set of brand growth metrics, which allows for a more informed decision,” said Jeff Doud, Director, Marketplace Analytics, Kellogg Company.

To achieve better alignment and help marketers better discern ROI, the AHAA study calls for some changes to the current modeling to include:

Update television measurement models

AHAA recommends creating stronger Hispanic television audience measures for ROI modeling that provide similar granular measurements available at the national level down to the DMA level for both cable and broadcast. Marketers depend on this sensitive reads to direct local markets and shopper marketing efforts. In addition changes should integrate C3 ratings to provide precise measure for live broadcasts plus playbacks on DVRs after the live or original broadcast.

Increase precision of Hispanic sales data

AHAA recommends improving sales inputs and continuing to address undercounted sales data. Until relatively recent sales data enhancements, projected Hispanic sales estimates came from high density stores which may have undercounted the marketing impact and size of Hispanic sales. Compounding the problem is inadequate coverage of smaller stores like independent chains, bodegas and convenient

stores which are not represented in ROI analyses and could account for 8-20% of Hispanic sales, depending on the brand and market. In addition, household purchase panels, a key source of Hispanic consumer sales insights, have been significantly expanded, but still may not be robust enough and may compromise Total Market strategy evaluations.

Improve overall Hispanic modeling practices

AHAA recommends adopting three key model levels: segment focused, Hispanic within Total Market, and a broader dashboard with Customer Lifetime Value (CLV). Some marketers look exclusively at investments in Spanish language media and resulting Hispanic sales and then add these results to their overall models. Others marketers measure the impact of Hispanic efforts only through their overall models – believing that lifts in Hispanic sales should be detectable at the broader market. Since it has been a challenge to reflect overall Hispanic media impact on overall Hispanic sales this creates an even greater error in a Total Market models compared to the Spanish segment models.

“One of the most surprising and unusual findings of the study showed there are no best practices in modeling approaches for Hispanic ROI,” said Sequent Partners’ Jim Spaeth . “We need to better align current Hispanic marketing mix models so that Hispanic marketing efforts are more accurately reflected in the overall ROI.”

With the release of the study at the recent ANA Multicultural Conference, AHAA will continue to host in-depth conversations about Hispanic ROI practices with marketers and modelers with the goal of improving modeling. To continue the conversation, AHAA will host an open webinar to review this study on Wednesday, December 10th – for more information or to download the executive summary of this study, please visit <http://ahaa.org>. To follow all conversations in social media, please follow @ahaa and use the hashtag #refiningROI.

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About AHAA:

Founded in 1996, AHAA: The Voice of Hispanic Marketing is the national trade organization of all marketing, communications and media firms with trusted Hispanic expertise.

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