

VAB - ADDRESS FOR SUCCESS SUPPLEMENT - 2019

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Bridging The Gap

Utilizing Addressable TV To Extend Hispanic-Targeted Reach



Summary

The Hispanic population has experienced immense growth in the United States over the last couple of decades. Now representing **18% of the total population** and over **56 million people** strong, their aggregated annual expenditures have grown over 50% in the last ten years and now stand at **slightly under \$1 trillion**.

As the population grows and many become acculturated, a vast majority continue to be fluent in Spanish with **66% even speaking Spanish regularly**.

But this doesn't mean that their media consumption is siloed to just Hispanic-targeted media such as Spanish-language TV. Their media habits are much more nuanced and cross both Spanish- & English-language TV networks. In fact, while Hispanic-targeted TV networks provide great coverage of Hispanic consumers, Spanish-speaking Hispanics spend more time watching **English-language TV (59% of their viewing)** than Spanish-language TV (41%).

Extending Spanish-language creative to English-language TV networks enables marketers to increase **reach, relevancy, engagement** and **credibility** against Hispanic consumers. However, with Hispanics making up less than 15% of total TV viewing, marketers must also guard against potentially wasting impressions as their messaging may not be that relevant to other audiences.

In this supplement to our **Address For Success** marketer's guide on Addressability released earlier this year, learn how the **precision targeting of Addressable TV** can be utilized to deliver **incremental reach, relevancy** and **personalization** against Spanish-speaking Hispanics with minimal wasted impressions against other segmentations.

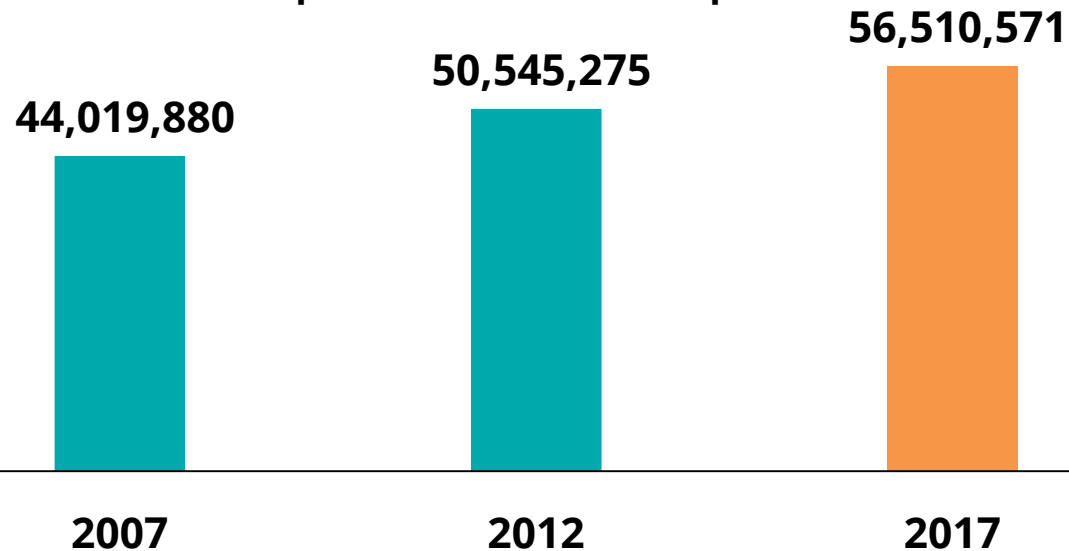
For a deeper overview on Addressable TV, [click here](#) to download the full *Address For Success* marketer's guide.

Over The Last Ten Years, The Hispanic Population Has Increased By 28% And Now Represents Over **56 Million People** Within The United States

Hispanic & Latino Americans Account For...

18%
Of U.S. Population

Hispanic or Latino U.S. Population

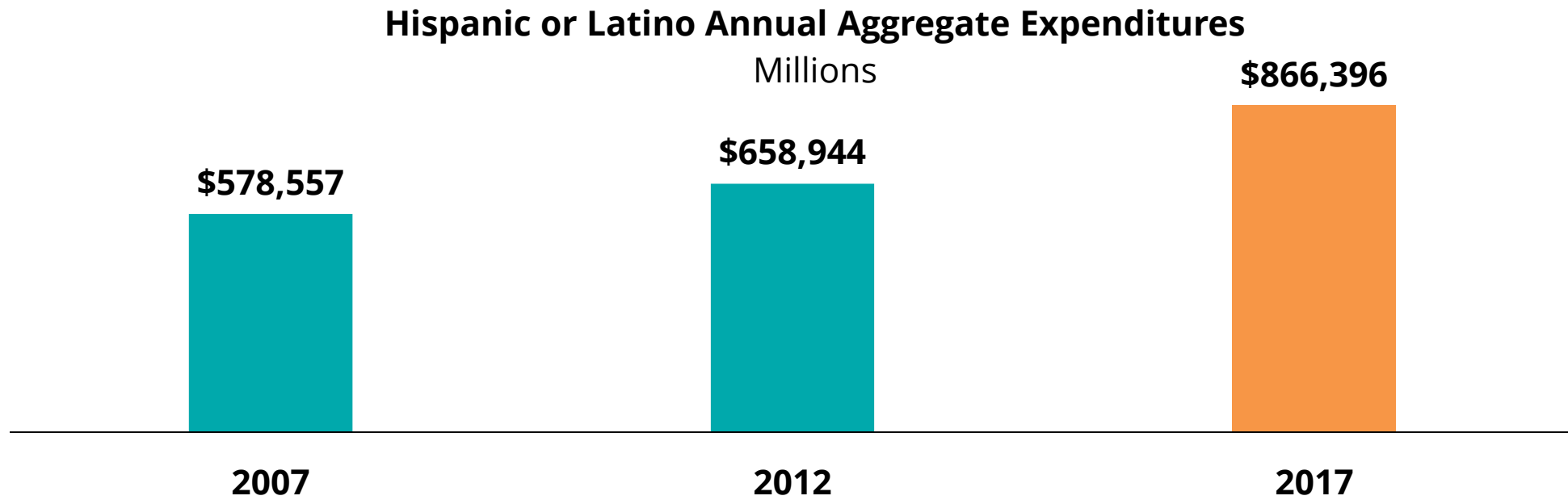


Although The Hispanic Population Has Increased By 28% Over The Last 10 Years, Their Total Annual U.S. Expenditures Have Increased **50%** During The Same Time Period

Hispanic & Latino Americans Account For....

\$866B

In Total Annual U.S. Expenditures

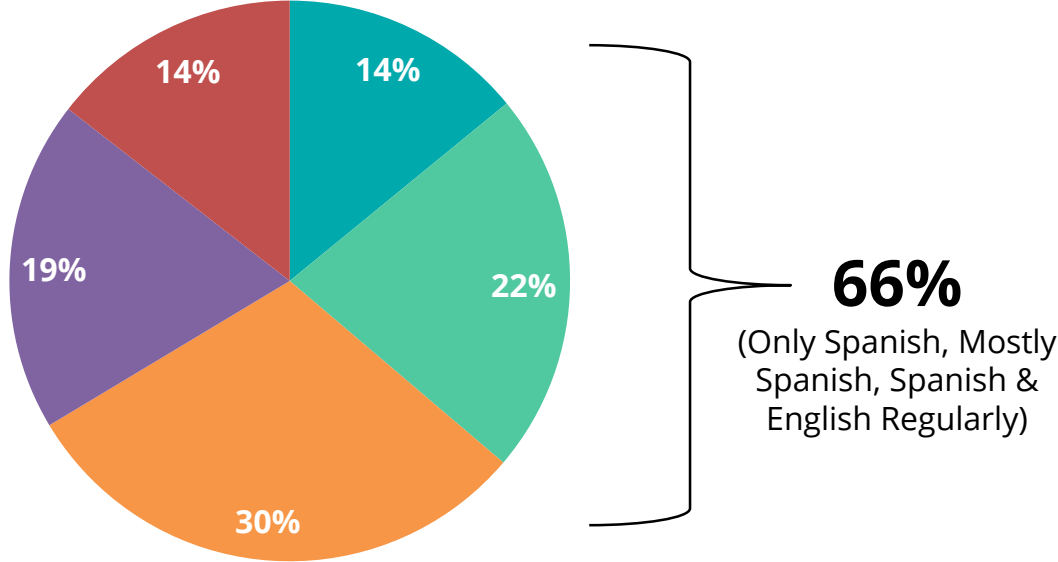


Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates; SEX BY AGE (HISPANIC OR LATINO) - Universe: People Who Are Hispanic Or Latino; VAB Analysis of Hispanic or Latino origin of reference person: Shares of annual aggregate expenditures and sources of income, Consumer Expenditure Survey, 2007, 2012 & 2017.

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Within The U.S. Hispanic Population, **86%** Can Speak Spanish And **66%** Speak Spanish Regularly

Languages Spoken
Hispanic A18+



■ Only Spanish ■ Mostly Spanish ■ Spanish & English Equally ■ Mostly English ■ Only English



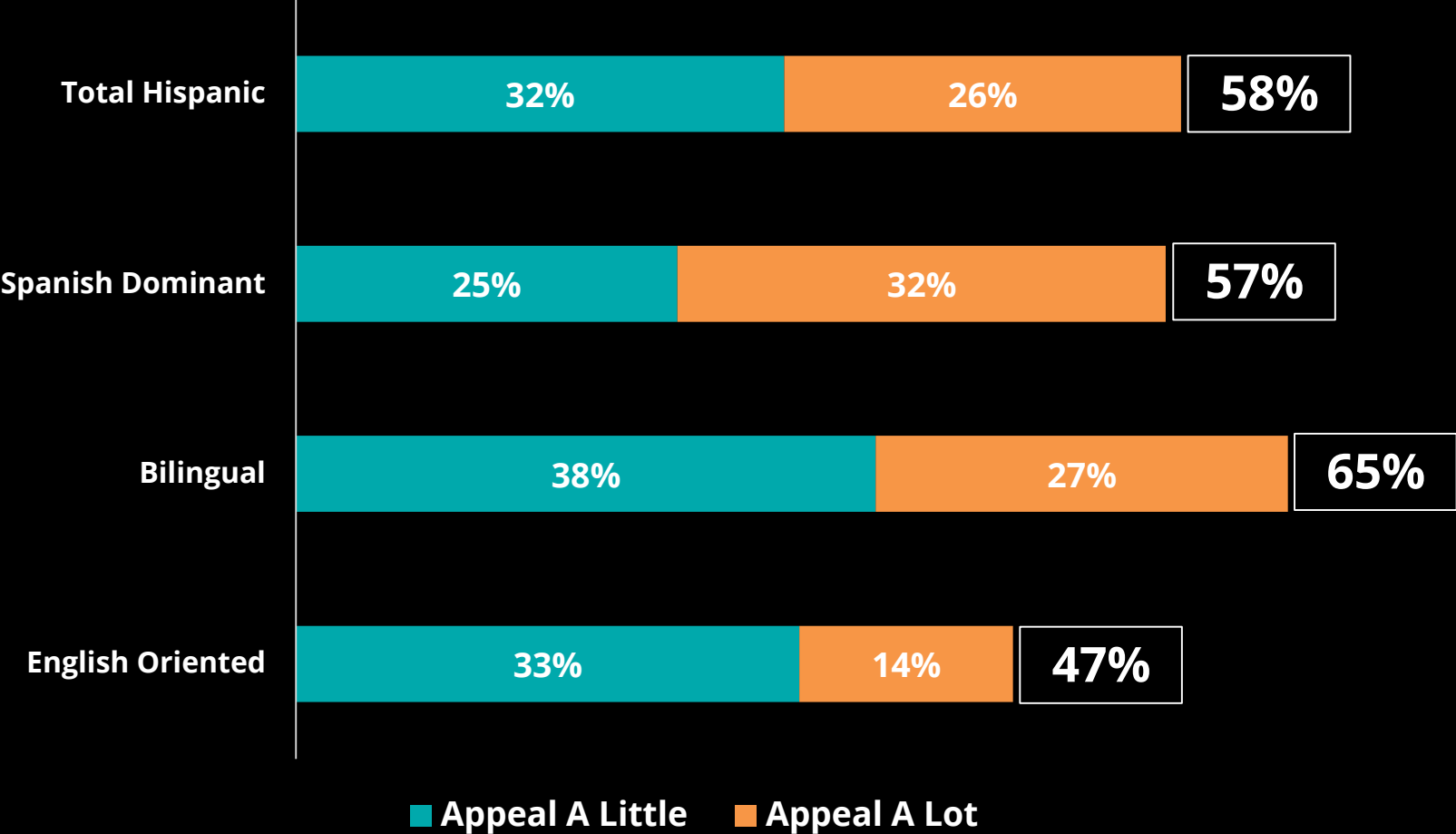
Source: VAB Analysis of Nielsen Npower R&F Time Period Report, Hispanic A18+, Playback Time Period: Live +7 Days (+168 hours) | TV | Linear with VOD, Total Day, Measurement Interval: 12/1/18 - 12/31/18.

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Both Spanish-speaking and Bilingual Hispanics appreciate when brands advertise specifically in Hispanic media.

These audiences find ads targeted towards them appealing as it signals a brand's desire in building a direct, positive relationship with them and the greater Hispanic community.

Appeal of When a Brand or Product Advertises in Hispanic Media



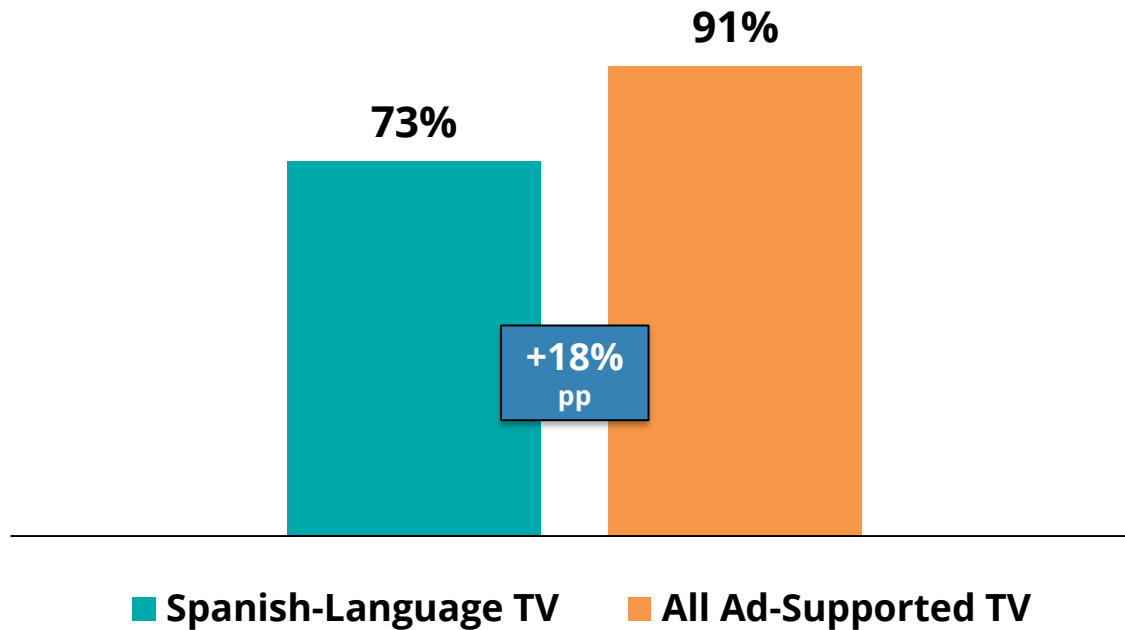
Source: Horowitz Research, State of Consumer Engagement 2018.

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While Reach Is High On Spanish-Language TV Networks, Advertisers Can Extend Their Messaging Further Against Spanish-Speaking Hispanics Through A Broader TV Plan

If an advertiser is trying to reach Spanish-speaking consumers, they'll miss nearly 20% of their potential audience by only advertising on Spanish-language TV nets

Spanish-Speaking Hispanic P2+ Spanish-Language TV Nets vs. All TV Nets % Reach



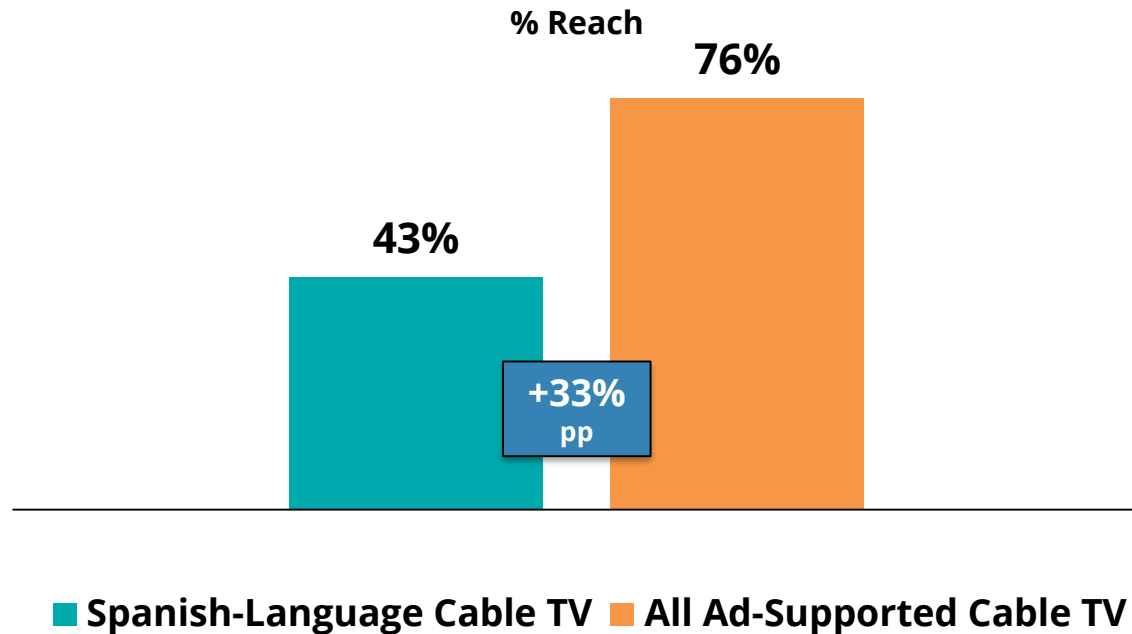
Source: VAB Analysis of Nielsen Npower R&F Time Period Report, Playback Time Period: Live +7 Days (+168 hours) | TV | Linear with VOD, Total Day, Measurement Interval: 12/1 - 12/31 2018; All TV includes all ad-supported Cable TV and Broadcast TV; Spanish Language TV Includes both ad-supported broadcast & cable TV: CNN en Español, Cine Latino, Discovery en Español, Discovery Familia, ESPN Deportes, Fox Deportes, Univision Deportes, beIN Sport Español, Azteca America, Estrella, Telemundo, UniMás & Univision. Spanish-Speaking Hispanic P2+ = only Spanish, mostly Spanish, Spanish & English equally, mostly English. PP = percentage point increase.

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The Gap In Spanish-Speaking Hispanic Reach Is Even More Pronounced When Looking Specifically At Cable TV Networks Only

If an advertiser is trying to reach Spanish-speaking consumers specifically on cable TV, they'll miss 43% of their potential audience by advertising only on Spanish-language nets

Spanish-Speaking Hispanic P2+ Spanish-Language Cable TV vs. All Cable TV



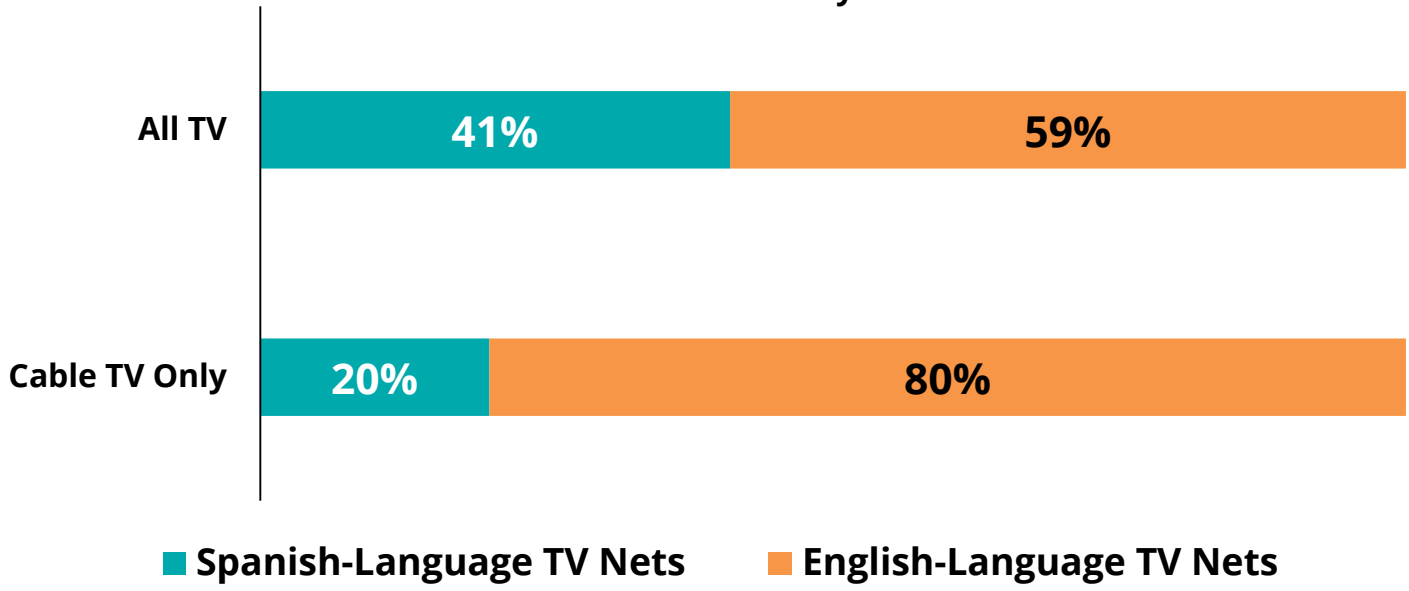
Source: VAB Analysis of Nielsen Npower R&F Time Period Report, Playback Time Period: Live +7 Days (+168 hours) | TV | Linear with VOD, Total Day, Measurement Interval: 12/1 - 12/31 2018; All Cable TV includes all ad-supported Cable TV; Spanish-Language Cable TV Includes: CNN en Español, Cine Latino, Discovery en Español, Discovery Familia, ESPN Deportes, Fox Deportes, Univision Deportes, beIN Sport Español. Spanish-Speaking Hispanic P2+ = only Spanish, mostly Spanish, Spanish & English equally, mostly English. PP = percentage point increase.

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Interestingly, Spanish-Speaking Hispanics Spend A Majority Of Their TV Time Viewing English-Language Networks

When it comes to cable TV viewing specifically, a vast majority (80%) of their time is spent engaging with English-language TV networks

Spanish-Speaking Hispanic P2+
Total Monthly Time Spent
% of Total Day



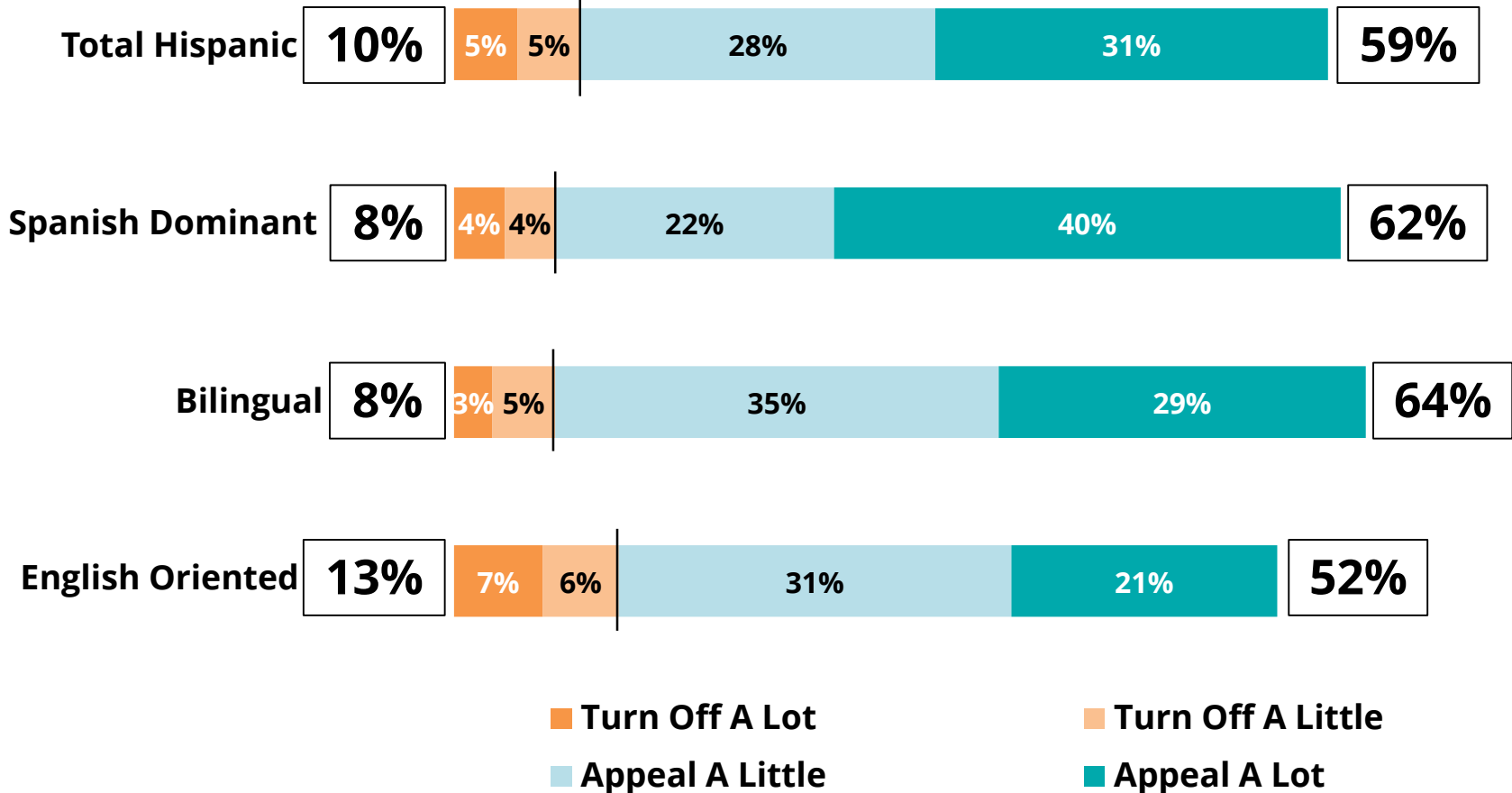
Source: VAB Analysis of Nielsen Npower R&F Time Period Report, Playback Time Period: Live +7 Days (+168 hours) | TV | Linear with VOD, Total Day, Measurement Interval: 12/1 - 12/31 2018; English-Language TV includes all ad-supported English-Language Cable TV and Broadcast TV; Spanish Language TV Includes both ad-supported broadcast & cable TV: CNN en Español, Cine Latino, Discovery en Español, Discovery Familia, ESPN Deportes, Fox Deportes, Univision Deportes, beIN Sport Español, Azteca America, Estrella, Telemundo, UniMás & Univision. Spanish-Speaking Hispanic P2+ = only Spanish, mostly Spanish, Spanish & English equally, mostly English.

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With TV viewing across two languages, it's no surprise that a majority of each Hispanic segment, even those that speak little Spanish, also appreciate when Spanish-language ads air on English-language TV.

In fact, very few Hispanics see these ad placements as a negative.

Appeal of Spanish-Language Ads on English-Language TV



Source: Horowitz Research, State of Consumer Engagement 2018.

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The Challenge

As we've shown, while Hispanic-targeted TV networks provide great coverage of Hispanic consumers, a majority of TV viewing by Spanish-speaking Hispanics is on English-language networks and thus they are quite accepting of Spanish-language ads on these networks.

However, Hispanics make up less than 15% of total TV viewing, so advertisers wishing to extend the reach, relevancy and cohesiveness of their Spanish-language messaging on English-language TV networks have a need to precision-target only the Spanish-speaking Hispanic viewers of those nets.

The Solution

Advertisers Can Further Enhance The Relevancy And Engagement Of Their Messaging By Harnessing The Power Of

Addressable TV:

Precision Targeting That Delivers *Incremental Reach, Relevancy & Personalization* Which Benefits Both Advertisers & Consumers



What Is Addressable TV?

Report Supplement Focus: Addressable TV Through MVPDs

For the purposes of this supplemental report, the term 'Addressable TV' refers specifically to the platform & technologies available through multichannel video programming distributors (**MVPDs**).

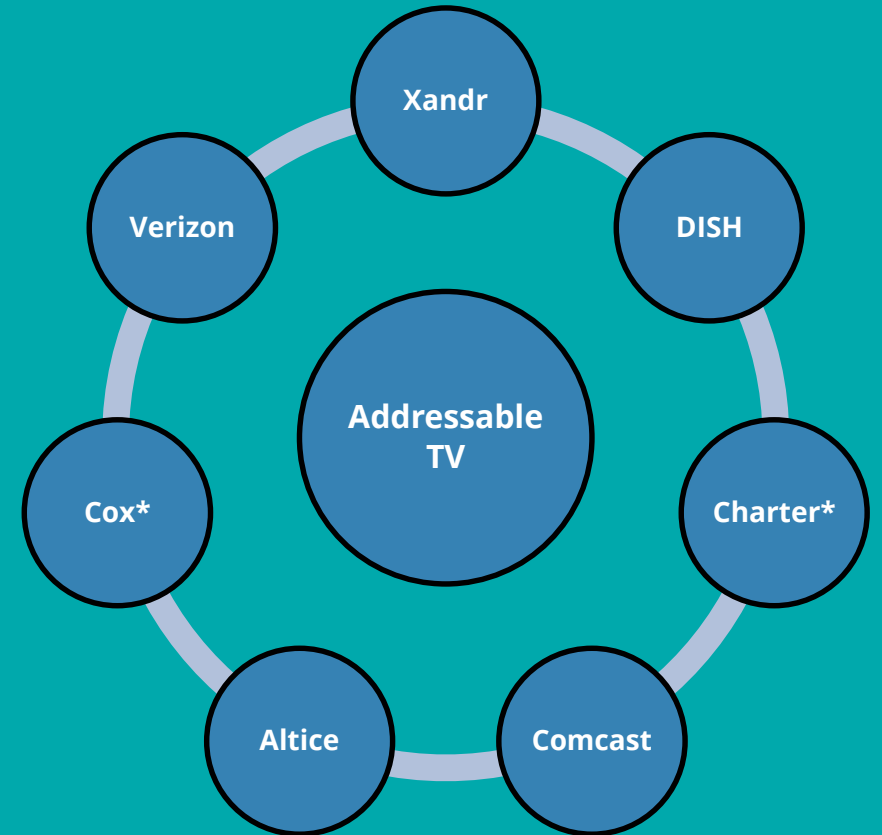
Definition:

Addressable TV is the use of technologies to enable advertisers to selectively deliver ads to individual households via cable, satellite, and Internet Protocol television (IPTV) delivery systems and set-top boxes (STBs).

Delivery is based on a defined audience-target developed through first-, second-, and/or third-party data. Segmentation can occur at geographic, demographic, behavioral and data-matched household levels.

Addressable TV is a means of delivering the **right ad** to the **right people** by combining the scale of TV with the targeting precision and measurement capabilities of 'one-to-one' marketing.

For more detail on Addressable TV and how it works, [click here](#) to download the full *Address For Success* marketer's guide.



*VOD / TV Everywhere app only

Source: FreeWheel, *A Buyer's Guide to the New Living Room*, October 2018; eMarketer, July 2018.
Note: includes targeted TV ads delivered on a home-by-home basis via cable and satellite boxes; includes video-on-demand (VOD); excludes connected TV, smart TV and over-the-top (OTT).

In terms of reaching the right consumer, Addressable TV offers advertisers the unique ability to serve ads in other languages on English-language networks to garner incremental reach against Spanish-speaking viewers.

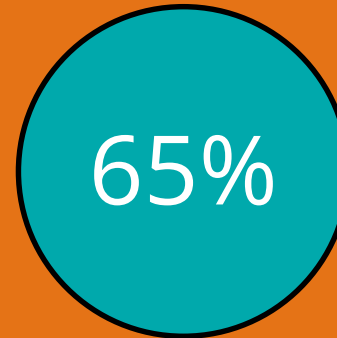
Precise targeting means greater relevancy and deeper consumer engagement for the audience and increased ROI for advertisers.

Precision Targeting & Increased Ad Relevance Are Among The Top Benefits Of Addressable TV

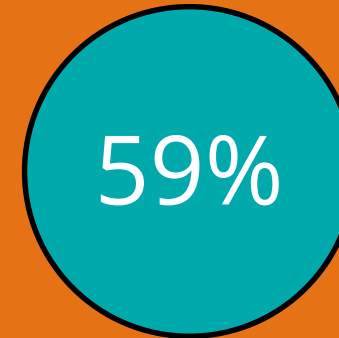
Addressable TV's Top Benefits

% of Respondents

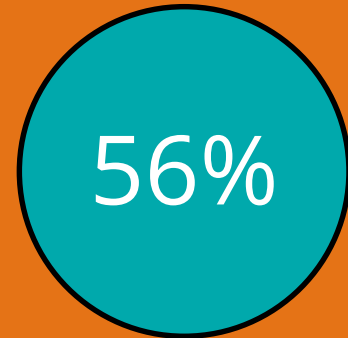
Targeting Precision
& Granularity



Increased Ad
Relevance



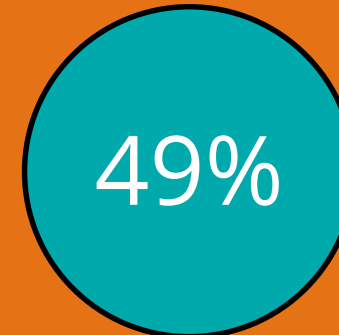
Targets Unique
Households



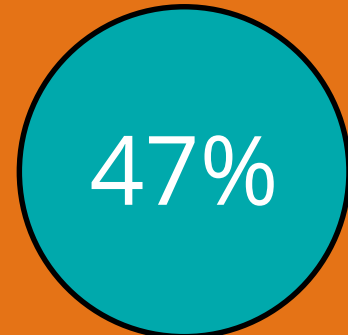
Eliminates Waste
In TV Buys



Better
ROAS/ROI



Delivers Hard-To-
Reach Audiences



Source: Xandr *Ahead of the Curve: Addressable TV Insights; Advertiser Perceptions Addressable TV State of the Industry*, March/April 2017. Q: Please rank the top 5 benefits of Addressable TV advertising. Base: Total Respondents.

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Addressable TV Ads Target A Specific Audience And Spanish-Speaking Hispanic Viewers Can Be Found Across Most English-Speaking Cable TV Networks...



Source: VAB Analysis of Nielsen Npower R&F Time Period Report, Spanish-Speaking Hispanic P2+ = only Spanish, mostly Spanish, Spanish & English equally, mostly English. Playback Time Period: Live +7 Days (+168 hours) | TV | Linear with VOD, Total Day, Measurement Interval: 12/1/18 - 12/31/18. Reflects networks with a monthly reach of 500K+ Spanish-Speaking Hispanics A18+.

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...As Well As Within A Variety Of Popular English-Language Programming Across Entertainment, News & Sports

When factoring in all cable programming, English-language programs account for **34% of the top 250 programs**



Source: VAB analysis of Nielsen NPower Program Report, ranked on top 250 regular programs (regular 3 or more t/c) ad-supported cable TV by rating; total day; Spanish-Speaking Hispanic P2+ = only Spanish, mostly Spanish, Spanish & English equally, mostly English.; 12/1/18-12/31/18.

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Addressable TV Case Studies

With A Hispanic-Targeted Campaign Across Both Spanish & English-Language Networks, Addressable TV Drove A Lift In Tune-In For Programming On A Hispanic TV Network

Addressable TV Case Study

Category:

Tune-In

The Challenge:

Drive tune-in to a specific Hispanic network

Flight Duration:

11-week campaign

Execution: Addressable

Addressable TV campaign utilizing AT&T viewership data to identify target audience and measure conversion. Media ran across Spanish- & English-language networks

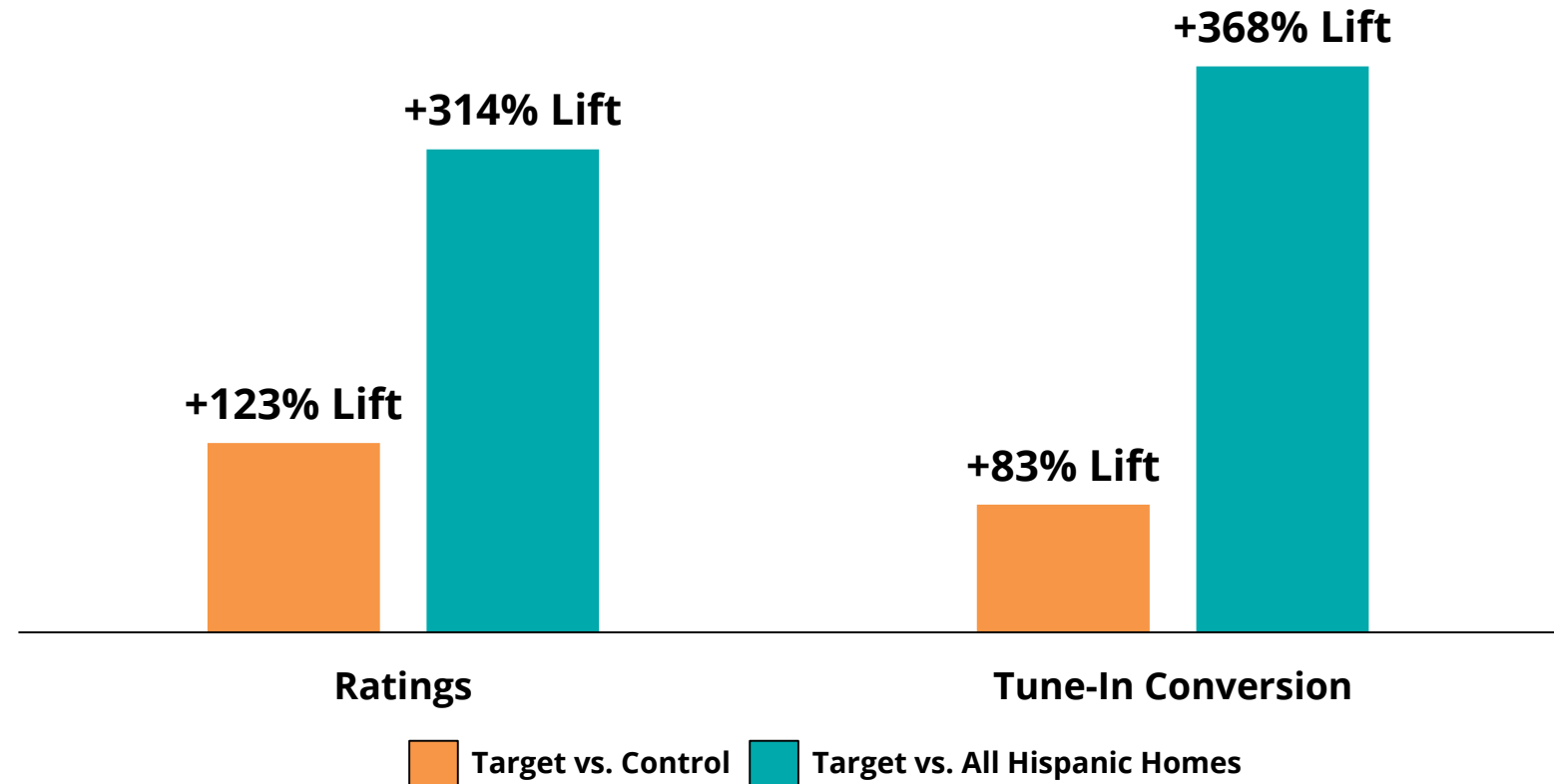
Target Segment:

Subscribers of DIRECTV's Spanish-language package and viewers of Hispanic networks



Results

- The Addressable campaign generated significant increases in both ratings and tune-in conversions amongst Spanish-speaking households.



Source: Xandr 2018; Campaign flight: Q3 - Q4 2018. Case study result are based on individual campaign factors. Xandr makes no performance warranties. All Homes: Hispanic DTV HHs. Control: Represents 10% of DTV HHs within target that did not receive ad and therefore were not exposed to Addressable spot.

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Hispanic-Targeted Campaigns Lead To Sales Lifts In The Auto Category As Well, For Both The Overall Brand And Specific Vehicle Models

Addressable TV Case Study

Category:

Auto

The Challenge:

Drive sales for major auto brand and measure campaign performance

Flight Duration:

5-week campaign

Execution: Addressable

Addressable TV campaign and sales conversion analysis utilizing Polk Audience Solutions by IHS Markit

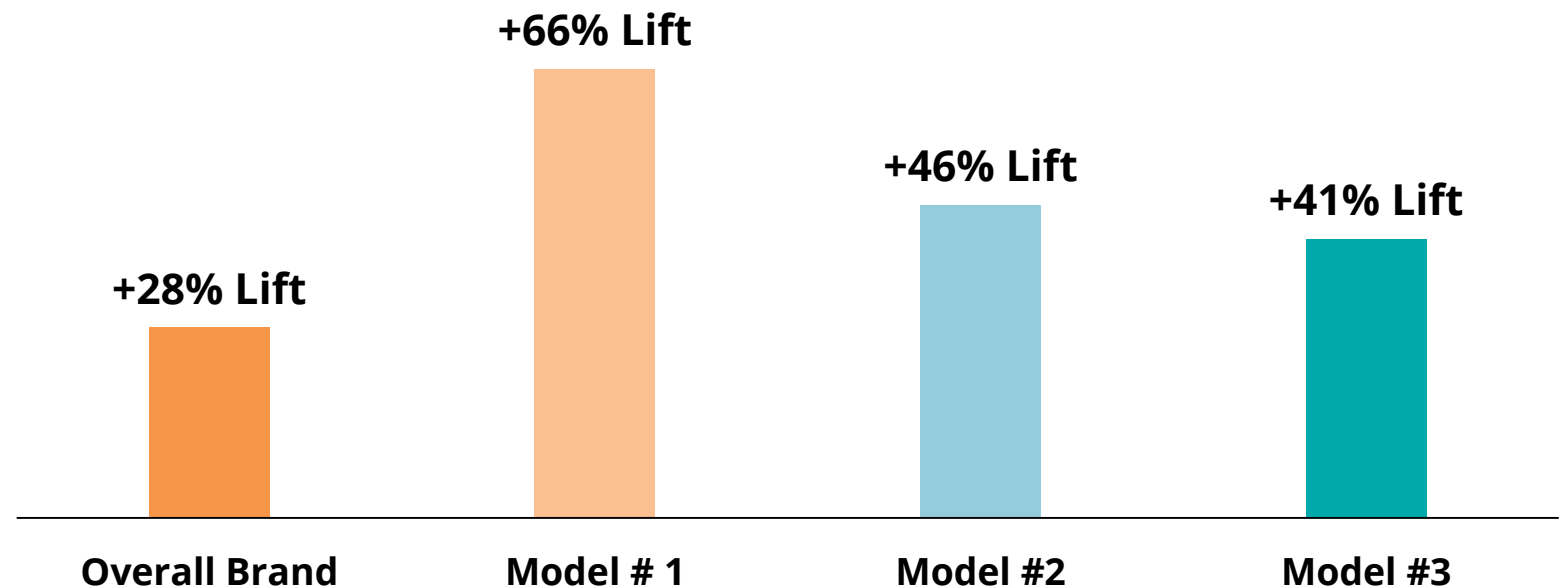
Target Segment:

- Bilingual Hispanic HHs
- Adults 25+
- HHI \$50K+
- In-market to purchase a new vehicle

Results

- The Addressable campaign generated a strong lift in sales among the target audience for both specific vehicle models and the brand overall.

Sales Lift: Target vs. Control



Source: Xandr 2019; Campaign flight: Q1 2019. Case study results are based on individual campaign factors. AT&T makes no performance warranties. Control: Represents 10% of DTV HHs within the target that did not receive exposure to the addressable ad. Source: Polk Audience Solutions by IHS Markit. *Buy Rates are based on a subset of the target HHs for which we get return path data

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Key Takeaways

Total annual U.S. expenditures by Hispanic have increased 50% over the last 10 years to \$866 billion

86% of Hispanics can speak Spanish and 66% speak Spanish regularly

From an ad-supported cable TV perspective, 33% of Spanish-speaking Hispanics watch only English-Language TV networks and 80% of total viewing is on these networks

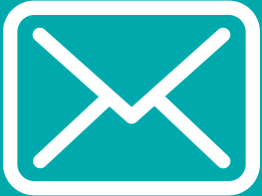
Advertisers can bridge the gap to deliver greater reach, relevancy and a cohesive message against Hispanics with Spanish-language creative across cable networks by utilizing precision-targeted Addressable TV on English-language networks with minimal wasted impressions

Contact Us

Jason Wiese
SVP, Director of Strategic Insights
jasonw@thevab.com

Leah Montner-Dixon
Senior Multiplatform Video Analyst
leahm@thevab.com

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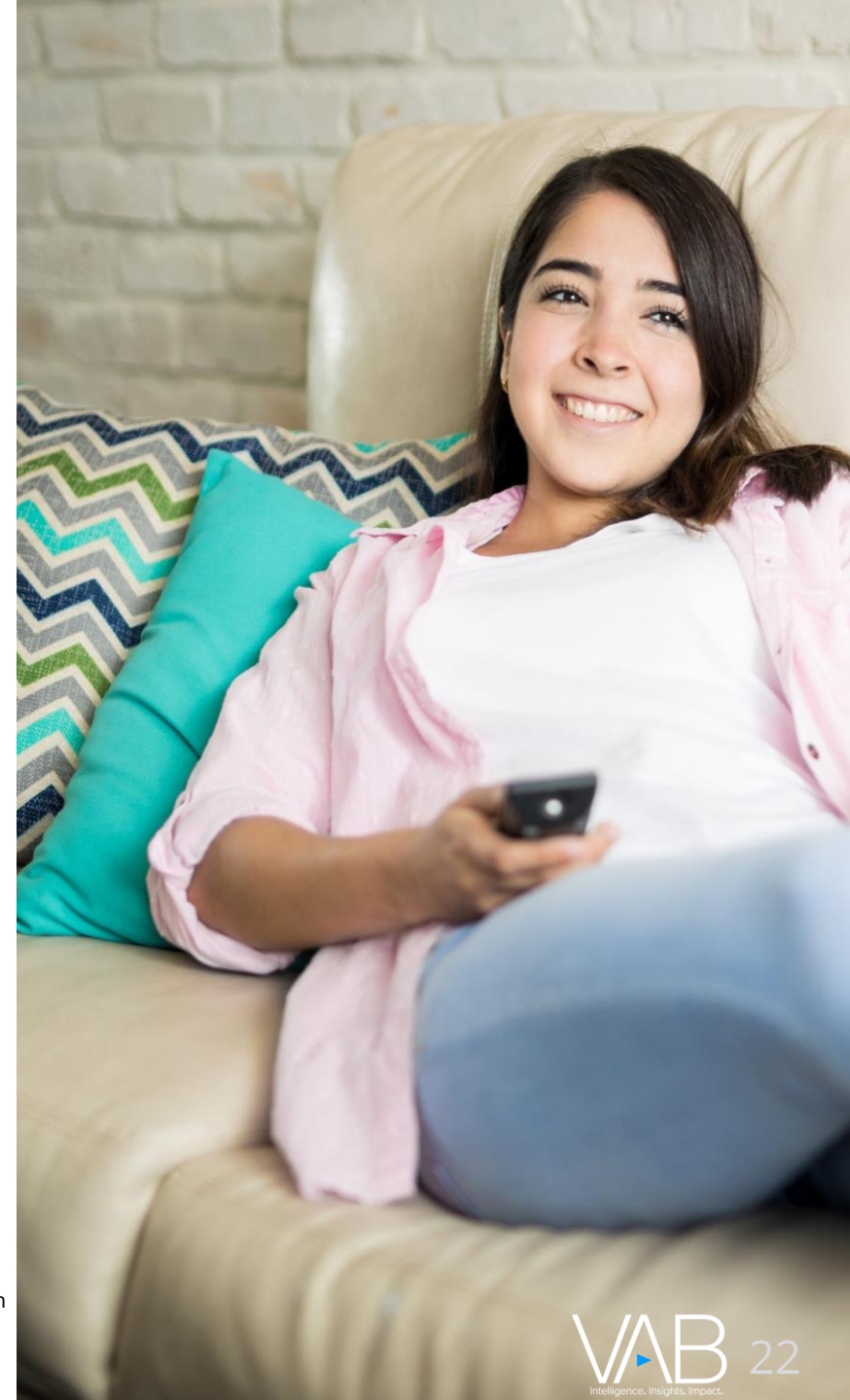
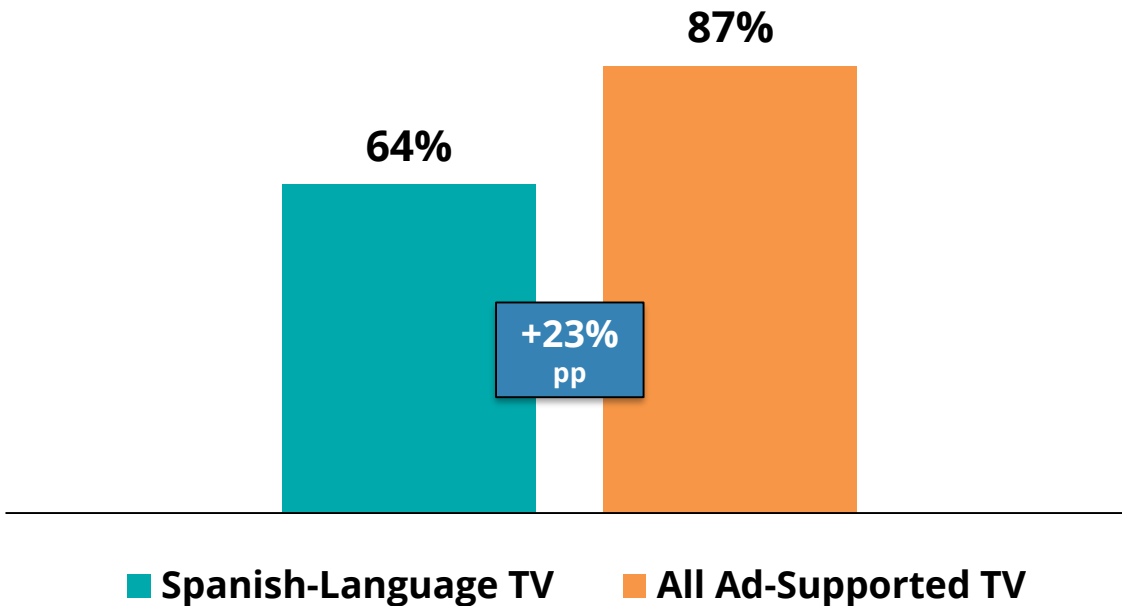


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While Reach Is High On Spanish-Language TV Networks, Advertisers Can Extend Their Messaging Further Against Spanish-Speaking Hispanics 18-34 Through A Broader TV Plan

If an advertiser is trying to reach Spanish-speaking 18-34 consumers, they'll miss nearly 26% of their potential audience by only advertising on Spanish-language TV nets

Spanish-Speaking Hispanic 18-34 Spanish-Language TV Nets vs. All TV Nets % Reach



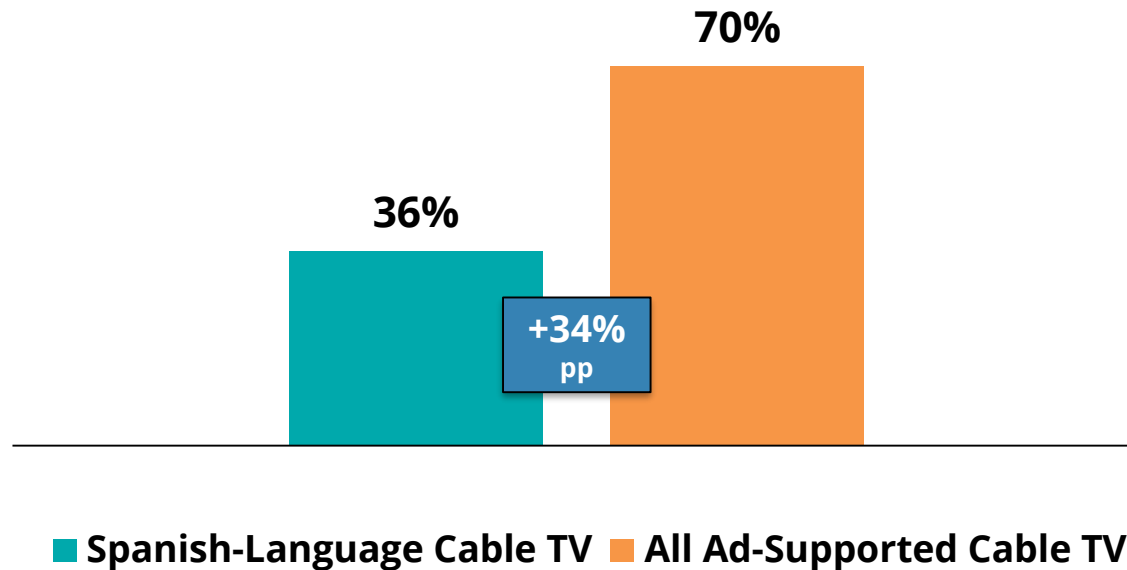
Source: VAB Analysis of Nielsen Npower R&F Time Period Report, Playback Time Period: Live +7 Days (+168 hours) | TV | Linear with VOD, Total Day, Measurement Interval: 12/1 - 12/31 2018; All TV includes all ad-supported Cable TV and Broadcast TV; Spanish Language TV Includes both ad-supported broadcast & cable TV: CNN en Español, Cine Latino, Discovery en Español, Discovery Familia, ESPN Deportes, Fox Deportes, Univision Deportes, beIN Sport Español, Azteca America, Estrella, Telemundo, UniMás & Univision. Spanish-Speaking Hispanic P18-34 = only Spanish, mostly Spanish, Spanish & English equally, mostly English. PP = percentage point increase.

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The Gap In Spanish-Speaking Hispanic 18-34 Reach Is Even More Pronounced When Looking Specifically At Cable TV Networks Only

If an advertiser is trying to reach Spanish-speaking 18-34 consumers specifically on cable TV, they'll miss 49% of their potential audience by advertising only on Spanish-language nets

Spanish-Speaking Hispanic 18-34 Spanish-Language Cable TV vs. All Cable TV % Reach



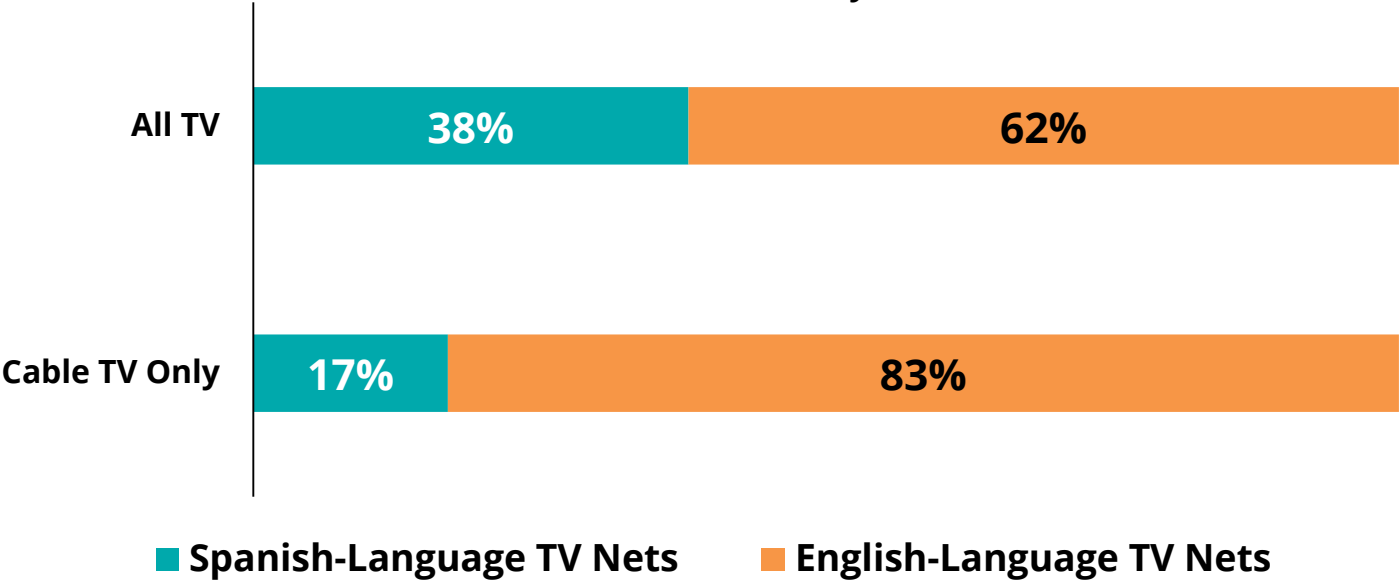
Source: VAB Analysis of Nielsen Npower R&F Time Period Report, Playback Time Period: Live +7 Days (+168 hours) | TV | Linear with VOD, Total Day, Measurement Interval: 12/1 - 12/31 2018; All Cable TV includes all ad-supported Cable TV; Spanish-Language Cable TV Includes: CNN en Español, Cine Latino, Discovery en Español, Discovery Familia, ESPN Deportes, Fox Deportes, Univision Deportes, beIN Sport Español. Spanish-Speaking Hispanic P18-34 = only Spanish, mostly Spanish, Spanish & English equally, mostly English. PP = percentage point increase.

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Interestingly, Spanish-Speaking Hispanics 18-34 Spend A Majority Of Their TV Time Viewing English-Language Networks

When it comes to cable TV viewing specifically, a vast majority (80%) of their time is spent engaging with English-language TV networks

Spanish-Speaking Hispanic 18-34 Total Monthly Time Spent % of Total Day



Source: VAB Analysis of Nielsen Npower R&F Time Period Report, Playback Time Period: Live +7 Days (+168 hours) | TV | Linear with VOD, Total Day, Measurement Interval: 12/1 - 12/31 2018; English-Language TV includes all ad-supported English-Language Cable TV and Broadcast TV; Spanish Language TV Includes both ad-supported broadcast & cable TV: CNN en Español, Cine Latino, Discovery en Español, Discovery Familia, ESPN Deportes, Fox Deportes, Univision Deportes, beIN Sport Español, Azteca America, Estrella, Telemundo, UniMás & Univision. Spanish-Speaking Hispanic P18-34 = only Spanish, mostly Spanish, Spanish & English equally, mostly English.

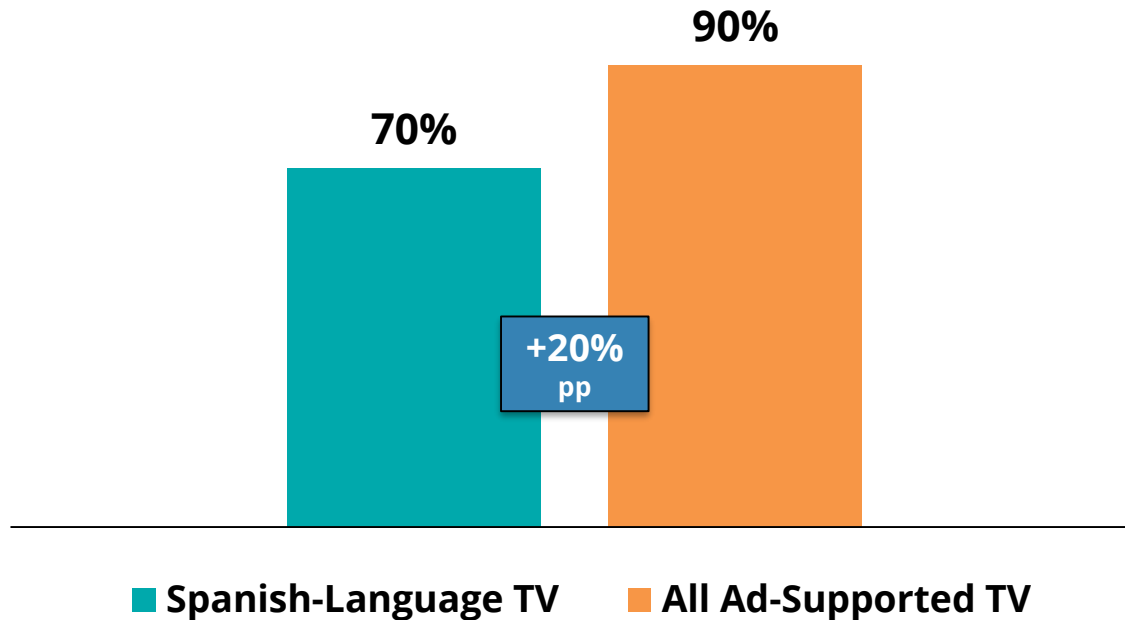
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While Reach Is High On Spanish-Language TV Networks, Advertisers Can Extend Their Messaging Further Against Spanish-Speaking Hispanics 18-49 Through A Broader TV Plan

If an advertiser is trying to reach Spanish-speaking 18-34 consumers, they'll miss nearly 22% of their potential audience by only advertising on Spanish-language TV nets

Spanish-Speaking Hispanic 18-49 Spanish-Language TV Nets vs. All TV Nets % Reach



Source: VAB Analysis of Nielsen Npower R&F Time Period Report, Playback Time Period: Live +7 Days (+168 hours) | TV | Linear with VOD, Total Day, Measurement Interval: 12/1 - 12/31 2018; All TV includes all ad-supported Cable TV and Broadcast TV; Spanish Language TV Includes both ad-supported broadcast & cable TV: CNN en Español, Cine Latino, Discovery en Español, Discovery Familia, ESPN Deportes, Fox Deportes, Univision Deportes, beIN Sport Español, Azteca America, Estrella, Telemundo, UniMás & Univision. Spanish-Speaking Hispanic P18-49 = only Spanish, mostly Spanish, Spanish & English equally, mostly English. PP = percentage point increase.

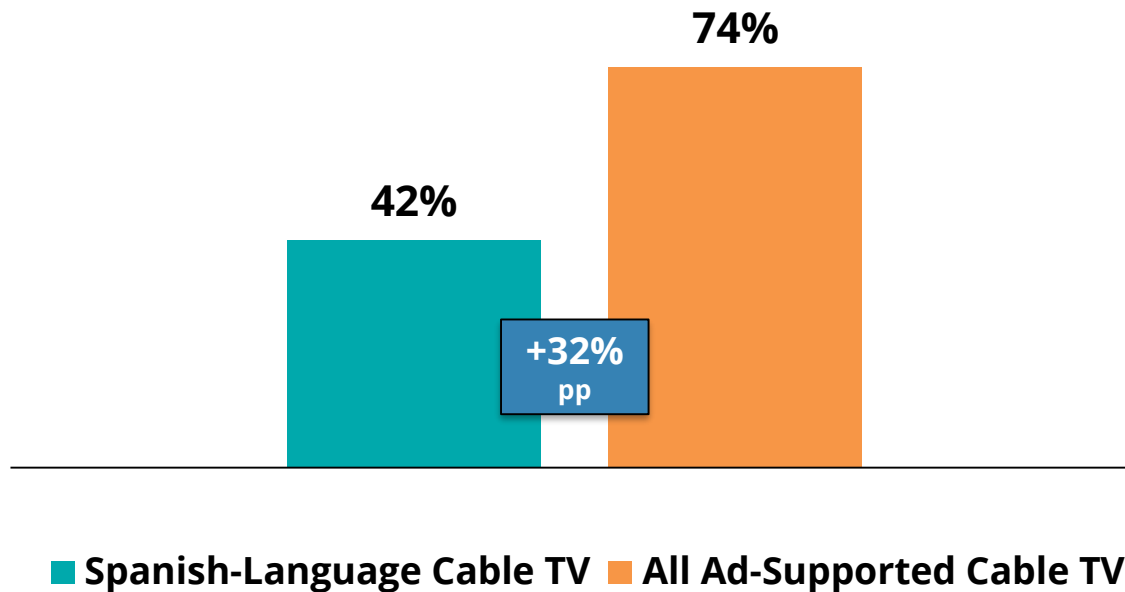
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The Gap In Spanish-Speaking Hispanic 18-49 Reach Is Even More Pronounced When Looking Specifically At Cable TV Networks Only

If an advertiser is trying to reach Spanish-speaking 18-34 consumers specifically on cable TV, they'll miss 43% of their potential audience by advertising only on Spanish-language nets

Spanish-Speaking Hispanic 18-49 Spanish-Language Cable TV vs. All Cable TV

% Reach

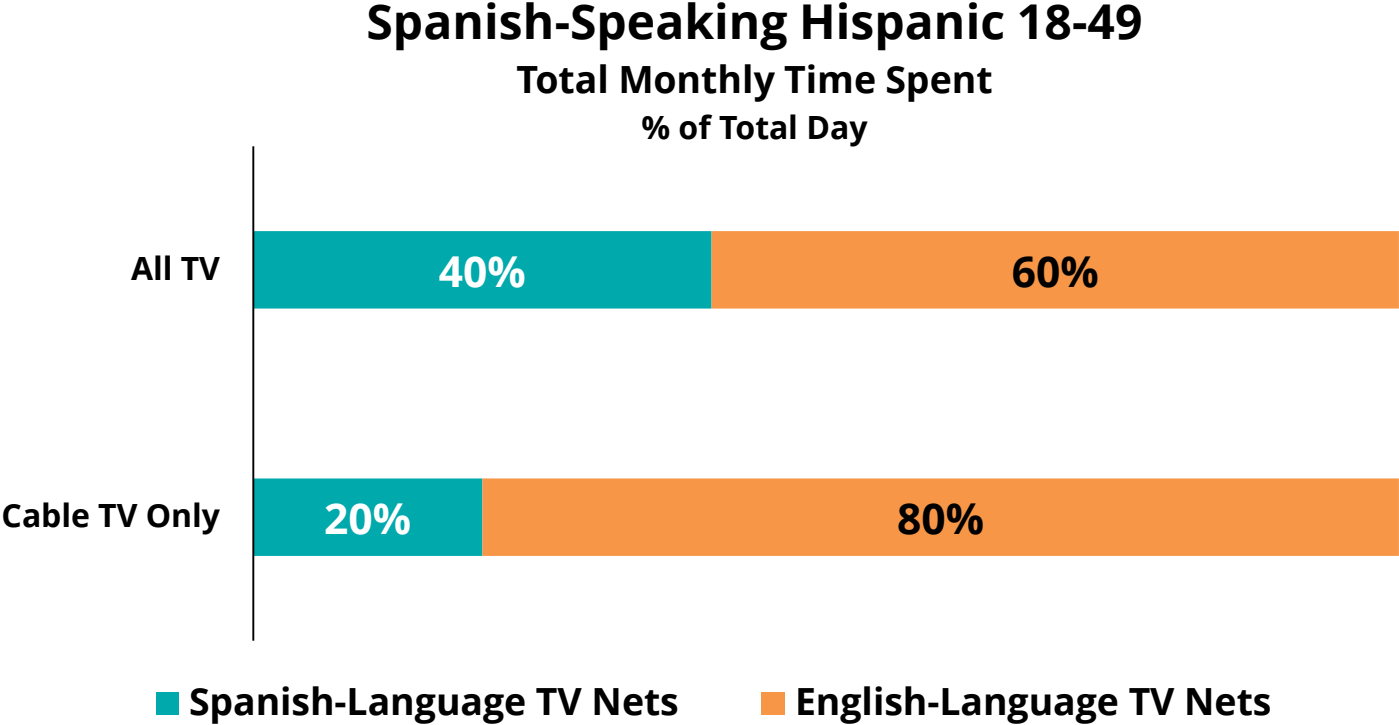


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Interestingly, Spanish-Speaking Hispanics 18-49 Spend A Majority Of Their TV Time Viewing English-Language Networks

When it comes to cable TV viewing specifically, a vast majority (80%) of their time is spent engaging with English-language TV networks



Source: VAB Analysis of Nielsen Npower R&F Time Period Report, Playback Time Period: Live +7 Days (+168 hours) | TV | Linear with VOD, Total Day, Measurement Interval: 12/1 - 12/31 2018; English-Language TV includes all ad-supported English-Language Cable TV and Broadcast TV; Spanish Language TV Includes both ad-supported broadcast & cable TV: CNN en Español, Cine Latino, Discovery en Español, Discovery Familia, ESPN Deportes, Fox Deportes, Univision Deportes, beIN Sport Español, Azteca America, Estrella, Telemundo, UniMás & Univision. Spanish-Speaking Hispanic P18-49 = only Spanish, mostly Spanish, Spanish & English equally, mostly English.

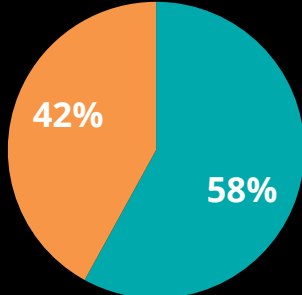
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From An Advertiser's Perspective, English-Language TV Delivers **More** Hispanic Impressions Than Spanish-Language TV.

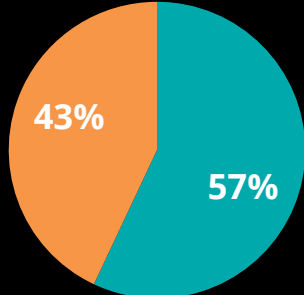
By targeting these demos with Spanish language ads across all TV networks, advertisers can benefit from greater reach and relevancy and deeper consumer engagement and attention.

% of Equivalized Ad Impressions
4Q 2018

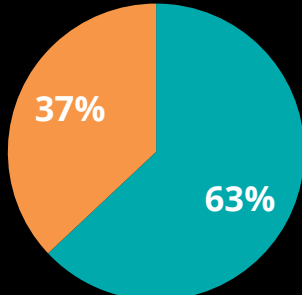
Hispanic P2+



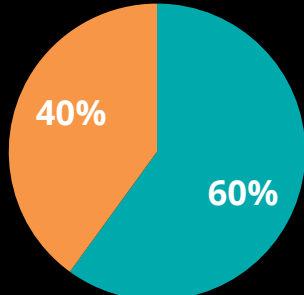
Hispanic P18+



Hispanic P18-34



Hispanic P18-49



Spanish-Language TV **English-Language TV**

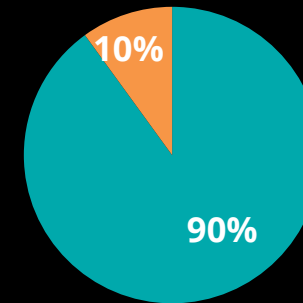
Source: VAB analysis of Nielsen Ad Intel, 4Q 2018; Hispanic TV includes Hispanic Cable and Broadcast networks; English-Language TV includes Cable TV networks; Spanish-Language Cable & Broadcast Nets Include: CNN en Español, Cine Latino, Discovery en Español, Discovery Familia, ESPN Deportes, Fox Deportes, Univision Deportes, beIN Sport Español, Azteca America, Estrella, Telemundo, UniMás & Univision.

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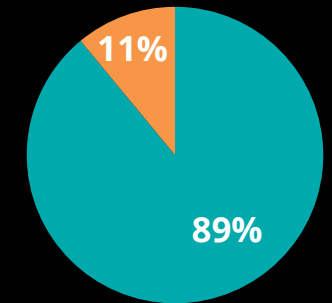
From A Cable TV perspective, nearly 9 out of every 10 Hispanic ad impressions, regardless of the demo, were delivered on English-language TV networks.

% of Equivalized Cable TV Ad Impressions 4Q 2018

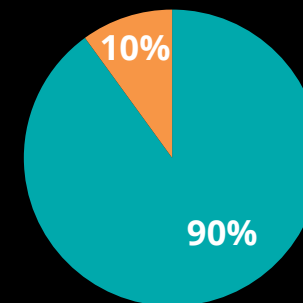
Hispanic P2+



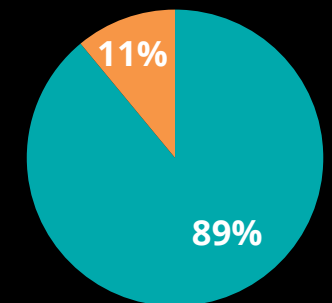
Hispanic P18+



Hispanic P18-34



Hispanic P18-49



Spanish-Language TV English-Language TV

Source: VAB analysis of Nielsen Ad Intel, 4Q 2018; Hispanic TV includes Hispanic Cable networks; English-Language TV includes Cable TV networks; Spanish-Language Cable Nets Include: CNN en Español, Cine Latino, Discovery en Español, Discovery Familia, ESPN Deportes, Fox Deportes, Univision Deportes, beIN Sport Español.

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