

How Novamex Quenched America's Thirst With Radio



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"Radio is the nucleus for these campaigns."

—David Flynn, Novamex Marketing Director

Even if you don't regularly drink them, you've surely seen the brightly colored Jarritos® fruit-flavored soda line in Mexican restaurants, bodegas, convenience stores or catering trucks. Thanks to a new direction in marketing, led by Novamex's Marketing Director David Flynn and his radio-centered marketing plan, you may soon be able to find Jarritos in the mainstream soda aisle of your neighborhood grocer.

Jarritos, Mexico's first national soda brand and a cultural icon, has been making sodas in Mexico for more than 60 years. Manufactured and marketed by Novamex of El Paso, Jarritos is the top-selling Mexican soft drink in the U.S.



The United States Gets A Taste of a Mexican Cultural Icon

In 1989, Jarritos decided to capitalize on the increasingly diverse population in the U.S. They had name-brand recognition in Mexico rivaling that of leading American soft-drink brands. In the U.S., the beverage was mostly carried by Latin-themed markets, and was almost exclusively quenching the thirsts of newly immigrated Mexican Americans seeking the flavors of home.

At that time, Novamex's marketing strategy focused squarely on expanding the U.S. distribution of Jarritos. Without a general consumer marketing plan, the Mexican favorite found its U.S. growth limited to first-generation Latinos and needing to increase market awareness.

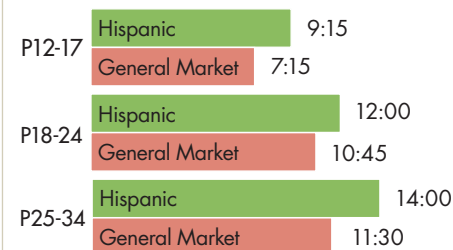
The Brand Bubbles Over with Radio

In the mid 1990s, Novamex developed radio-centered marketing plans for Jarritos that targeted the U.S. Latino market and the brand continued to gain ground.

Flynn said about the company's use of radio: "It is no secret that Latinos spend a significant amount of time with radio. Radio connects Latinos to their culture in a very personal way, and that made it a perfect vehicle for Jarritos-brand beverages."

Hispanics Spend More Time Listening to Radio

AVERAGE TIME SPENT LISTENING



Source: PPM Los Angeles, August 2011

Nearly five years ago, under the experienced direction of Flynn and senior brand management, Novamex began the development of plans focused on further building brand awareness of Jarritos among Latinos born in the U.S.

"Over the years, Jarritos has been very effective at increasing market share with our core target, based on name recognition and product affinity," said Flynn. "We have always relied on radio, and we knew the time was right to launch a full-scale, unique plan that included our popular customer loyalty program and a new general-market target."

Flynn said this direction led to their current strategy for third and fourth quarters in 2011. It comprises two components: a pilot for a local general-market outreach program in Los Angeles and the promotion of "Club Jarritos," an online customer loyalty program advertised mostly through network radio.

Plotting Jarritos's Growth in LA

In 2008, Jarritos began to target Hispanic teens in Los Angeles by using Rhythmic Contemporary Hit Radio. The brand team created a campaign that targeted second- and later-generation Latinos, in addition to reaching non-Latino youth.

"The station we chose consistently delivered a large, young and Latino audience that was ripe for the introduction to the Jarritos brand," said Eric Delamare, Jarritos Brand Manager. "Entirely acculturated, social-media-and-Internet savvy, the audience exhibited a blend in cultures with diverse tastes and attitudes making [the station] a great place for our brand messages." (See the *Top Formats by Share* table and the *Hispanics Drive Ethnic Listening for Jarritos Target* chart.)

In the summer of 2011, Jarritos began expansion into the general market, starting with Los Angeles. Focused on males, the program included Web, out-of-home and social media tie-ins, culminating with brand building on the radio. Flynn said research indicated the company's target spent a significant amount of time with radio. "Radio is the capstone of this project; we need it to promote our beverages and drive people to the various platforms to engage with the brand," Flynn said.

Format	Persons 12-24		
	Total Persons	Hispanic Bilingual	Hispanic
Pop Contemporary Hit Radio	1	1	1
Mexican Regional	2	2	3
Rhythmic Contemporary Hit Radio	3	3	2
Spanish Contemporary	4	4	4
Alternative	5	5	5

Source: PPM Los Angeles, January 2011-August 2011 Average, Mon-Sun 6AM-Mid

Data from Arbitron's National Regional Database confirm that men aged 18-24 spend 12 hours and 15 minutes per week with radio.

Building Jarritos's Online Community with Radio

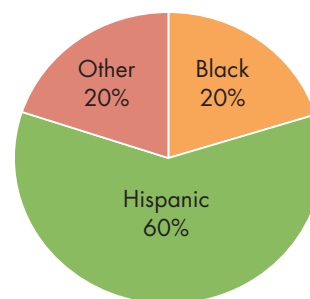
The second component of the 2011 outreach plan was the promotion of Club Jarritos. After a successful inaugural launch in 2010, the customer loyalty program ran again in 2011 from the second through fourth quarters.

Consumers can enter codes found under beverage caps onto the Club Jarritos Web site with their PC, smartphone, tablet or other personal device. By accumulating points, they earn prizes including gift cards at major retailers.

Flynn sang the praises of the program, but pointed out that promotion on the radio was key to its success. Flynn used network radio to hyper-target each piece of creative to specific regions. "Working with network radio has made media trafficking, placement and revisions so easy. Radio is

Hispanics Drive Ethnic Listening for Jarritos Target

A RHYTHMIC CONTEMPORARY HIT RADIO STATION



Source: PPM Los Angeles, August 2011, 12+

a mass medium, but the ability to target locally makes it feel very personal," said Flynn.

New technology offered by network radio allowed Jarritos to keep the promotion fresh, interesting and dynamic, with on-air daily winner announcements.

"When we randomly selected winners, the information was electronically shared with announcers at all included stations, giving us the opportunity to personalize the message and infuse immediate excitement into the campaign every single week, all summer long, in all of our participating markets.

continued...



"These new programs with radio allow Novamex and Jarritos to have fresh commercial content daily that we believe people will be listening for," Delamare added.

Novamex Bottles Up a Winning Recipe

For Jarritos, the mix of local, national spot and network radio platforms offers unique and complimentary solutions. By selecting programming and formats that are embraced by their target market with a balanced mix of platforms, the brand achieves what they feel is an efficient reach at a reasonable cost. Network radio's unique ability to deliver a national spot with local customization gives Jarritos ads a personal feel.

Flynn and Novamex expect these programs, promoted largely via radio, to bring a surge in brand awareness and engagement from their customers. "Radio is the nucleus for these campaigns and Novamex depends on it to

introduce the brand to new consumers and to grow the customer loyalty program." They expect the radio advertising to drive customers into stores, onto the Web and ultimately move product off shelves.

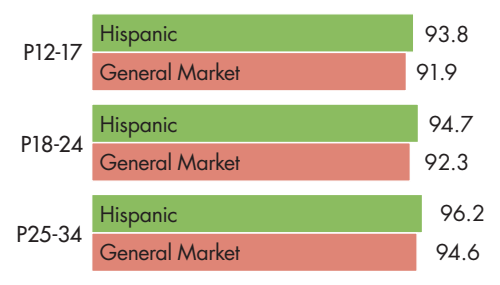
Novamex attributes much of their continued sales gain to using radio, which they feel communicates directly with their core consumer market.

The well-planned and strategically layered local and national spot radio summer campaigns for Jarritos had a great start. The brand is pushing to make this classic Mexican soda a U.S. favorite. With a truly unique flavor, a growing following and a partnership with radio, Novamex and Jarritos believe they have a winning recipe.

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Hispanics Dominate Radio Listening

TOTAL PERCENT OF POPULATION THAT LISTENS TO RADIO IN A WEEK



Source: RADAR 109, Cume Reach

According to Flynn, the reach, immediacy and flexibility of radio are three strategic advantages for the medium."

Radio technology has advanced tremendously, allowing us to be nimble and flexible with messaging. Before these advances, several days lead time was needed to make changes. With the current digital technology in radio commercial production, radio has the ability to make instant changes and adjustments to the copy, and that is invaluable for our brand."



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