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HISPANIC MARKET | 20
OVERVIEW | 13

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A NOTE FROM THE AUTHOR

In an opinion piece appearing in the April 21, 2013 edition of *The New York Times*, Washington Bureau Chief David Leonhardt declares that Hispanics are “the New Italians.”

To be fair, Hispanics could also be “the New Germans,” or perhaps the New Chinese or New Jews. Each of these groups, when they first arrived on American shores in the 1800s, continued to use their native language and clung to their culture in ways that led Americans to wonder if these new immigrants would ever assimilate.

As we all know, Germans and Italians are fully integrated into the American mainstream. All but a small segment of observant Jews and first-generation Chinese are also largely assimilated. And that's where the Latino population is headed, Leonhardt concludes. Citing Pew Research Center data featured in the February 2013 report *Second-Generation Americans*, Leonhardt points to higher high school and college graduation rates among second-generation Latinos, compared to first-generation Latinos. He also took note of the higher home ownership rates and median household income among second-generation Hispanics.

The findings could present even more headaches for Hispanic advertising agencies and multicultural marketers who every day are confronted with findings that suggest Hispanics—like every previous group of immigrants—will eventually “become American.” Of course, we know better. The reverse is happening. America is becoming more Latino. And, this can't be stopped.

As Leonhardt points out, “unlike previous generations of immigrants, today's can remain in daily telephone and video contact with their homeland.” In the case of Hispanics, one has instant access to Spanish-language television, radio, print media, digital media, and social media created expressly for U.S. audiences. Italians and Germans didn't exactly have their Univision.

American University history professor Alan Kraut, interviewed by Leonhardt, believes that “everything with Latinos points to a very typical pattern of integration in American life in a generation or two.” That's not entirely true. While future generations of Latinos will indeed have higher matriculation levels, leading to greater income potential and increased buying power, they remain closely tied to their culture and their heritage. As a result, Hispanics aren't assimilating. Rather, they are reshaping what it means to be American.

As we discuss throughout *Hispanic Market Overview 2013*, Spanish-language media is alive and well, and growing. Digital platforms are bringing culturally relevant content—and marketing messages—to a growing group of consumers that use Spanish, or English, or both. Pending immigration reform will increase the need for relevant Hispanic media. An improved economy could bring another wave of immigrants from Latin America to the U.S.

Hispanic advertising professionals already know this.

The question is this: Are multicultural marketers willing to listen and learn?

Adam R Jacobson

2012: WHERE THE DOLLARS WENT

Spanish-language television continues to surge, with ad spending soaring from 2010.

According to Kantar Media, Spanish-language television enjoyed a 15% jump in measured ad spending between 2011 and 2012. This statistic includes the four broadcast networks rated by Nielsen – Univision, Telemundo, TeleFutura and Azteca América – in addition to four undisclosed Spanish-language cable television networks and 73 local Spanish-language television stations. By comparison, Spanish-language television enjoyed an 8.3% jump in measured ad spending between 2010 and 2011.

For the second straight year, Kantar Media notes that higher sell-out levels at over-the-air networks served as the chief catalyst for the growth. This was particularly apparent in Q4 2012, when Spanish-language television ad spending surged 20% from the same period a year earlier.

These growth percentages do not include MundoFox, which launched in Q3. Also absent from these percentages are two new Univision cable networks—Univision TLNovelas and Univision Deportes. When factoring in these networks, Spanish-language television is at its hottest point with advertisers in years.

While Hispanic TV remains of high interest to marketers and advertisers, CMOs should not neglect the power and reach of Spanish-language print media.

Kantar Media, which uses data from the Publishers Information Bureau and reflects print editions of publications, measured 13% year-over-year increases in measured ad spending for Hispanic magazines between 2011 and 2012. This compares to a 2% year-over-year decline for all magazines measured by Kantar Media/PIB – a sign that Spanish-language glossies remain a medium of high value to both consumers and marketers.

Spanish-language newspapers also saw growth, albeit small, with a 2% year-over-year climb from 2011 to 2012. Still, weeklies and dailies targeting Spanish readers continue to defy total-market trends that show a continuation of a prolonged decline in ad dollars for the media segment. For all newspapers, year-over-year ad expenditures declined 3% from 2011 to 2012. By comparison, all newspapers were off 3.7% from 2010 to 2011.

Hispanic print media enjoyed a particularly strong Q4 in 2011, and ad expenditure growth in Q4 2012 was hardly conservative. Spanish-language magazines grew 11% from Q4 '11 to Q4 '12, while Spanish-language newspapers experienced a 1% rise in ad expenditures between Q4 '11 and Q4 '12 (compared to a 4% drop for all newspapers between Q4 '11 and Q4 '12).

Percent Change in Measured Ad Spending¹

MEDIA SECTOR • Media Type (Listed in rank order of full year 2012 spending)	4th Quarter 2012vs. 2011	Year 2012 vs. 2011
TELEVISION MEDIA	5.%	8%
• Cable TV ²	-2%	3%
• Network TV	5%	9%
• Spot TV ³	12%	10%
• Spanish Language TV ⁴	20%	15%
• Syndication – National	-1%	8%
MAGAZINES⁵	-1%	-2%
• Consumer Magazines	-1%	-3%
• B-to-B Magazines	-2%	-2%
• Sunday Magazines	2%	-3%
• Local Magazines	0%	2%
• Spanish Language Magazines	11%	13%
NEWSPAPERS⁶	-4%	-3%
• Local Newspapers	-3%	-2%
• National Newspapers	-13%	-12%
• Spanish Language Newspapers	1%	2%
INTERNET (Display Ads Only)⁷	1%	-3%
RADIO MEDIA	4%	3%
• Local Radio ⁸	3%	0%
• National Spot Radio	8%	3%
• Network Radio	-2%	16%
OUTDOOR	8%	5%
FSIs⁹	-3%	5%
TOTAL	2%	3%

Source: Kantar Media

- Figures are based on the Kantar Media Strategy™ multimedia ad expenditure database across all measured media, including: Network TV (5 networks); Spot TV (731 stations in 125 DMAs); Cable TV (75 networks); Syndication TV; Hispanic Network TV (4 networks); Consumer Magazines (198 publications); Business-to-Business Magazines (299 publications); Sunday Magazines (8 publications); Local Magazines (31 publications); Hispanic Magazines (19 publications); Internet display (2,536 sites monitored at least one year); Local Newspapers (133 publications); National Newspapers (3 publications); Hispanic Newspapers (46 publications); Local Radio (33 markets); Network Radio (6 networks); National Spot Radio (205 markets); and Outdoor (192 markets). Figures do not include public service announcements (PSA) or house advertising.
- Cable TV figures based on 71 English language networks and do not include any Hispanic cable networks
- Spot TV figures based on 658 English language stations and do not include any Hispanic stations
- Spanish Language TV includes 4 Hispanic broadcast networks, 4 Hispanic cable networks and 73 local Hispanic TV stations
- Magazines include Publishers Information Bureau (PIB) data and reflect print editions of publications
- Newspapers figure reflect print editions of publications
- Internet expenditures reflect the value of desktop display advertising only. Video ad formats and mobile ad formats are specifically excluded.
- Local Radio reflects expenditures for 33 markets in the U.S. and the data are provided by Miller, Kaplan, Arase & Co.
- FSI data represents distribution costs only

Across-the-board growth in Hispanic advertising expenditures was seen as total U.S. ad spending during FY2012 increased 3%, while ad spending in Q4 '12 grew by 2%. The overall growth in ad expenditures during Q4 '12 is a welcome sign of a rebound in total advertising activity, as Q4 '11 ad expenditures were off 1% year-to-year.

In prepared comments, Kantar Media North America Chief Research Officer Jon Swallen said the 2012 Summer Olympics and political advertising contributed roughly half of the 3% increase in total U.S. advertising expenditures. "Large advertisers also played a significant role," Swallen notes. "After reducing their media budgets in 2011 as a precaution against slowing economic growth, the Top 10 marketers reversed course in 2012 and invested more."

CORE ADVERTISERS: BEYOND P&G

Top Ten Advertisers Of 2012¹

Rank	Company	Year 2012 (\$ Millions)	Year 2011 (\$ Millions)	% Change
1	Procter & Gamble Co	\$2,805	\$2,946	-5%
2	Comcast Corp	\$1,713	\$1,562	10%
3	General Motors Corp	\$1,642	\$1,773	-7%
4	AT&T Inc.	\$1,572	\$1,832	-14%
5	L'Oreal Sa	\$1,461	\$1,338	9%
6	Verizon Communications Inc.	\$1,409	\$1,620	-13%
7	News Corp	\$1,274	\$1,201	6%
8	Toyota Motor Corp	\$1,239	\$1,095	13%
9	Berkshire Hathaway Inc.	\$1,165	\$1,037	12%
10	Chrysler Group Llc	\$1,065	\$1,246	-14%
	TOTAL²	\$15,3456	\$15,651	-2%

Source: Kantar Media

1. Figures do not include FSI, House Ads or PSA activity

2. The sum of the individual companies can differ from the total shown due to rounding

Kantar Media did not publicly release data that show the top 10 advertisers in Hispanic media for 2012. However, a look at the top 10 overall advertisers for 2012 in the media measured by Kantar Media offers a glimpse at where the biggest marketing opportunities may be.

As noted in *Hispanic Market Overview 2012*, Kantar Media data show the top 10 advertisers in Hispanic media invested \$1.4 billion during 2011. Their activity reflected nearly 25% of all Hispanic media expenditures in 2011. The top advertiser in Hispanic media during 2011 was Procter & Gamble Co., with \$209.6 million invested; as shown in the chart above P&G's total advertising expenditures in 2011 totaled \$2.95 billion.

For FY 2012, P&G's overall ad expenditures slipped by 5% from FY 2011, marking the second consecutive year of media cutbacks for CPG giant. The reason? P&G has reduced its overall marketing expenses by shifting budgets toward digital media.

Any impact on P&G's Hispanic advertising initiatives is highly likely to be negligible, even if a decrease in expenditures was seen in FY 2012. Kantar Media reported in 2012 that P&G's Hispanic marketing budget increased by nearly 10% from 2010 to 2011. The company's efforts in the U.S. Hispanic market surrounding such brands as Gain, Tide, Bounty, Charmin, and Dawn remained strong throughout 2012, based on its overall advertising activity on Spanish-language television as measured by Competitrack.

General Mills and Toyota Motor Corp. also showed their might by placing among the top 10 Hispanic media advertisers in 2011. Each company can be found in overall top 10 for 2012, according to Kantar Media—a sign that these companies understand and value the Hispanic consumer, and recognize their ever-increasing buying power. However, GM trimmed its overall ad expenditures by 7% from 2011 to 2012. Furthermore, AT&T and Verizon sliced their ad expenditures by 14% and 13%, respectively, from 2011 to 2012.

Kantar Media did not publicly release data that show the top 10 advertisers in Hispanic media for 2012. However, it revealed that for Q3 2012, Spanish-language television enjoyed a 17.8% spike in ad spend. For Q4 2012, Spanish-language television saw a 20% jump in ad spending.

Comcast grew its overall ad expenditures by 10%—a move that propelled the company ahead of GM, AT&T, and Verizon, making it the nation's No. 2 media advertiser. The company's efforts in the U.S. Hispanic market have been extensive, incorporating radio, digital media and television.

Meanwhile, other companies seen among the top 10 advertisers in Hispanic media in 2011 are absent from the list of the top 10 overall advertisers in 2012. Among these companies are Kraft Foods and Dish Network, which surpassed McDonald's to become the No. 2 Hispanic market advertiser in FY 2011.

DIGITALLY SPEAKING

Equally as important to marketers as Kantar Media data reflecting overall ad spending activity is data reflecting digital advertising revenue trends. **According to the 2012 IAB Internet Advertising Revenue Report, digital advertising revenue reached a new high during 2012—\$36.6 billion.** This marks a 15% rise over 2011, based on PwC U.S./IAB data tabulations. In particular:

- **Mobile dollars surged by 111% from 2011, to \$3.4 billion in 2012. Mobile accounts for 9% of total internet ad revenue in 2012.**
- **Dollars devoted to digital video climbed by 29% from 2011 to 2012, accounting for \$2.3 billion.**
- **Search revenue in 2012 totaled \$16.9 billion, accounting for 46% of all 2012 digital revenue.**

Retail advertisers continue to outpace other categories in their investment in digital media, accounting for 20% of all ad spending. The financial services category is a distant second, accounting for 13% of 2012 digital revenue.

IAB CEO Randall Rothenberg sums up the growth by saying, “These record-breaking numbers represent a paradigm shift when it comes to marketers recognizing the role a

multiplicity of screens plays in effectively reaching today's consumers. Mobile, in particular, soared due to its ubiquity and intrinsic ability to serve as a powerful digital dashboard that travels with you from morning commute to nighttime video viewing and beyond."

In prepared comments, PwC partner David Silverman added, "As Smartphones get smarter, cellular networks get faster, and user penetration of smart mobile devices increases, the combination of personalization and location will have tremendous appeal to marketers. We are just at the tip of the iceberg."

Digital Advertising Revenue (Pricing Models)

	Full Year 2011		Full Year 2012	
	%	\$ (in millions)	%	\$ (in millions)
Impression-Based	31.3%	\$9,926	32.0%	\$11,709
Performance-based	64.6%	\$20,491	65.9%	\$24,093
Hybrid	4.2%	\$1,318	2.1%	\$768

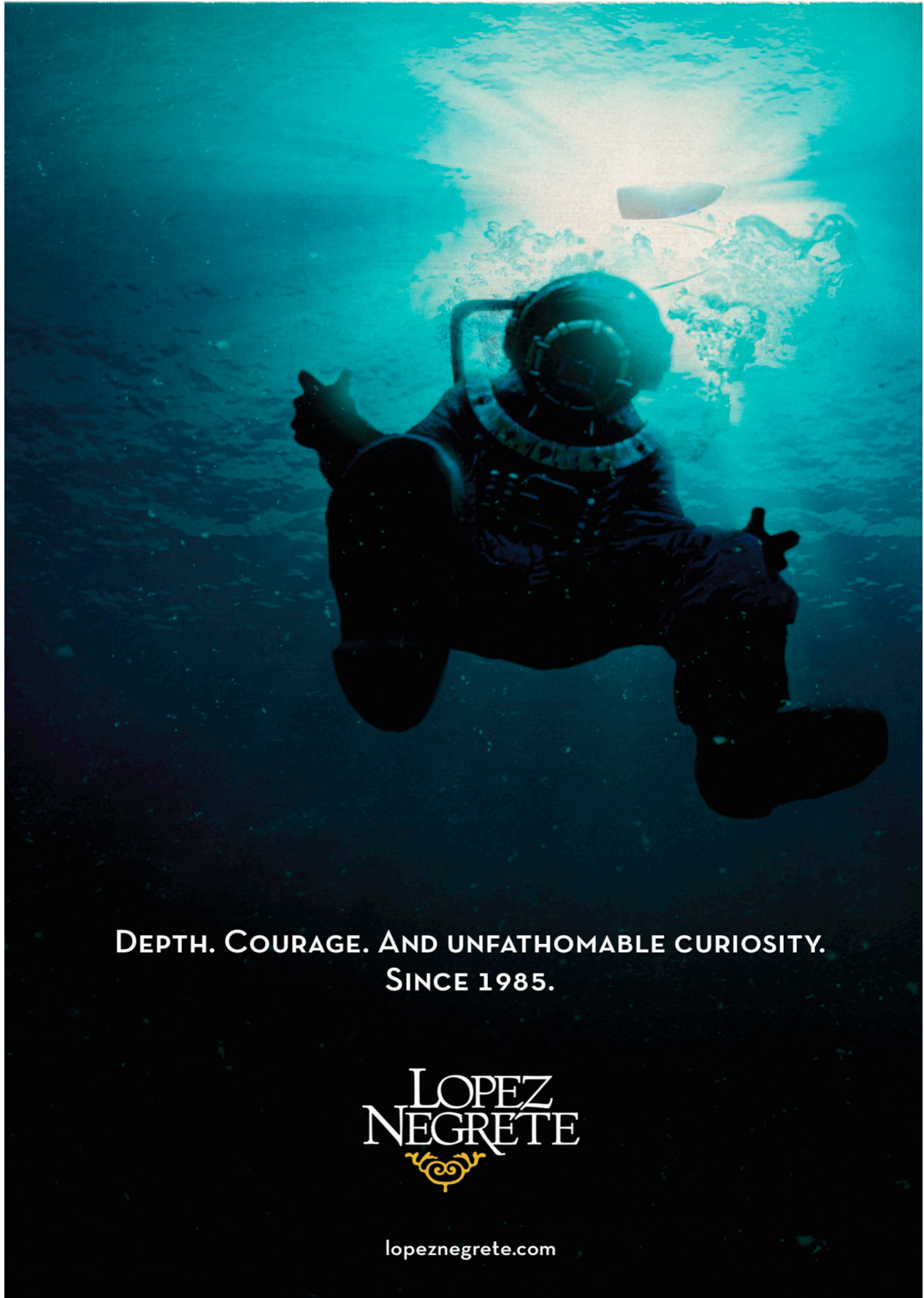
Source: IAB Internet Advertising Revenue Report, 2012

As we discuss throughout this report, digital and social media activities are now at the forefront of growth opportunities for brands that wish to capture the Hispanic consumer.

According to The CMO Survey, a poll of 468 U.S.-based CMOs conducted by Duke University’s Fuqua School of Business, social media spending presently accounts for 8.4% of their budgets. Over the next year, that will increase to 11.5%. By 2018, social media spending will comprise 21.6% of their budgets.

Furthermore, CMOs in the B2C category, which includes such active Hispanic advertisers as P&G and The Coca-Cola Co., are expected to increase their collective social media expenditure from 9.6% of total marketing dollars to 24.6% of total marketing expenditure in five years.

“Unfortunately, marketers are behind the curve with their current levels of social media expenditure, given the amount of time customers spend engaged with one another and with companies online,” survey director Christine Moorman said in prepared comments echoed by T. Austin Finch, senior professor of business administration at Fuqua. “The good news is that marketers are seeing the imperative to rectify this through increased investment in social media marketing in the upcoming years.”



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CORE ADVERTISER CATEGORIES INCREASE THEIR AD EXPENDITURES

According to Kantar Media, the retail and automotive categories continued to drive total advertising activity, with expenditures for these categories rising by 3% and 7%, respectively, from 2011 to 2012. Automotive dealers increased their ad spend by 14%, while manufacturers grew their ad spend by 3%.

Of the top 10 overall advertiser categories, all increased their ad spend from 2011 to 2012 except for financial services and insurance (down 2%, respectively).

Top Ten Advertising Categories Of 2012¹

Rank	Category	Year 2012 (\$ Millions)	Year 2011 (\$ Millions)	% Change
1	Retail	\$16,345	\$15,866	3%
2	Automotive	\$14,840	\$13,848	7%
	• (Manufacturers)	\$8,859	\$8,582	3%
	• (Dealers)	\$5,981	\$5,266	14%
3	Local Services	\$8,978	\$8,736	3%
4	Telecom	\$8,660	\$8,348	4%
5	Financial Services	\$7,889	\$8,074	-2%
6	Personal Care Products	\$6,836	\$6,525	5%
7	Food & Candy	\$6,567	\$6,433	2%
8	Direct Response	\$6,342	\$6,224	2%
9	Restaurants	\$6,185	\$5,912	4%
10	Insurance	\$4,860	\$4,949	-2%
	TOTAL²	\$87,502	\$84,916	3%

Source: Kantar Media

1. Figures do not include FSI or PSA activity

2. The sum of the individual categories can differ from the total shown due to rounding

RADIO: DOLLARS FUELED BY EMERGING MARKET GROWTH

While Spanish-language print media and television networks are highlighted by Kantar Media, Spanish-language AM and FM radio stations remain a vital conduit for reaching a segment of the population that relies on these media for information and entertainment in the language they prefer to communicate in. According to Arbitron's *Hispanic Radio Today 2012*, roughly 95% of Hispanic consumers tune to the radio in an average week. Furthermore, of the radio formats Hispanics tune to when listening to AM or FM stations, Mexican Regional dominates, capturing 20% of all Hispanic listeners. Spanish Contemporary is ranked second, with 11.6% of all Hispanic listeners. The most-listened-to English-language format—Pop Contemporary Hit Radio—attracts 9.4% of all Hispanic listeners. While this is the format's highest-ever share seen in the 11 years Arbitron has produced *Hispanic Radio Today*, it still represents less than half of listeners to Mexican Regional. Thus, marketers that rely on English-language formats to reach Hispanics are missing the mark in their outreach efforts.

As reported by Radio-Info.com, 2012 over-the-air revenues for AM and FM radio stations in the U.S. increased 1.5% from 2011 to finish at \$14.3 billion, based on BIA/Kelsey estimates. This compares to \$14.1 billion in over-the-air revenue seen for U.S. radio

stations in 2011. Online and digital revenue continued to increase in importance for the radio industry, reaching \$491 million in 2012, compared to \$439 million in 2011.

BIA/Kelsey VP/chief economist Mark Fratrick said in prepared comments that the radio industry “is still recognized as an important part of the media mix as it continues to meander around, rising slightly with the rate of inflation but not keeping up with the economy.” He adds that as the digital marketplace continues to rise in all sectors of advertising, “radio is improving its listener engagement online and benefitting from the value of its web and mobile assets.”

Furthermore, radio industry income from online advertising is expected to rise at a rate of nearly 11% annually over the next five years, reaching \$818 million by 2017. This compares to 2.5% growth for over-the-air advertisements, to \$17 billion, BIA/Kelsey’s *Investing in Radio Market Report* notes.

According to Media Monitors, the top advertiser at the Spanish-language radio stations it monitored from April 1-14 is McDonald’s. The Home Depot, AutoZone, State Farm and Wells Fargo Bank are also among the top 10 advertisers presently active on Spanish-language radio.

Overall annual radio revenue in Chicago dipped by 2% in 2012, to \$430.9 million, according to Miller Kaplan Arase & Co. data published by TimeOut Chicago. Of the top 10 stations in Chicago by annual billings, Univision Radio’s WOJO-FM “La Qué Buena” is the lone Hispanic offering. WOJO ranked ninth and was statistically flat from 2011, with \$21.1 million in revenue.

The Radio Advertising Bureau (RAB), which uses Miller Kaplan Arase & Co. to compile its annual industry revenue estimates, notes that automotive dollars, along with political advertising, fueled AM and FM stations during 2012. Automotive comprises 29% of top five category spending at radio, a percentage not seen since 2008. Broadcast and cable television networks, the communications sector,

and restaurants each represent 18% of top five category spending.

According to the RAB, radio’s top five advertisers in 2012, regardless of format, were as follows:

- Comcast Xfinity**
- McDonald’s**
- T-Mobile**
- AT&T**
- Verizon Wireless**

Meanwhile, a category of interest to several Hispanic radio operators—casinos—gave the radio industry a healthy revenue boost in Q4, contributing to a 9% category gain from 2011 to 2012. Harrah’s Hotel & Casino was the top spender within the casino category, up 40% year-over-year.

Specialty retail declined 13% in 2012, with a 33% percent drop between Q4 2012 and the same period in 2011. However, The Gap increased its year-over-year radio budget by 161% in 2012, while H&M grew its year-over-year radio spending by 138% in 2012.

While this overall growth is positive, CMOs must include Hispanic radio in their media buys to effectively reach a total audience that will represent nearly \$1.7 trillion in just four years. According to the 2013 edition of *The Infinite Dial*, produced in partnership by radio industry ratings firm Arbitron and Edison Research, nearly six in 10 adults 18+ say they use AM or FM radio “most” or “almost all of the times” they are in the car, far outpacing the next highest in-car audio options (the CD player, portable digital audio/MP3 players and satellite radio).

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THE U.S. HISPANIC MARKET: POPULATION PROFILES

It comes as no surprise to most multicultural marketers that the U.S. Hispanic market has continued to grow at a breathtaking pace. Much of this population growth, however, is taking place outside of the top 10 Hispanic DMAs and in areas of the country where the Hispanic population may have been miniscule or virtually nonexistent just a decade ago.

Additionally, Census Bureau data show births, rather than immigration, as the principal driver of Hispanic population growth. This has helped in crafting a generation of Hispanics who are unique, in that they are bilingual, bicultural and American. At the same time, they have embraced their heritage and are the new influencers that brand managers and CMOs actively seek. These Hispanics are helping to reshape the U.S. mainstream.

According to Census Bureau estimates, nearly 34% of Hispanics will be younger than the age of 18 by 2017. This compares to 24% of the total population. Additionally, more than half of Hispanic women are between 18 and 54 years of age. This compares to 47% of Hispanic men.

In 2000 Latinos surpassed Blacks as the largest multicultural group. In 2011 Hispanics comprised 16.4% of the total U.S. population. By 2016, nearly 18% of the population will be Hispanic – accounting for 58.4 million.

HISPANICS BY NATIONAL HERITAGE

According to 2010 American Community Survey data examined by Pew Hispanic Center, there are 50.7 million documented Latinos in the U.S. Of this population, roughly 32.9 million are Mexican, 4.7 million are Puerto Rican, and 1.9 million are Cuban. Salvadorans comprise 1.8 million of the total Hispanic population, while Dominicans number 1.5 million, Guatemalans are 1.1 million in number, Colombians represent 972,000 Hispanics, and Hondurans account for 731,000 Hispanics nationwide.

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Hispanic America, By County

- Here are the top 10 counties in the U.S. based on national heritage (based on self-described family ancestry or place of birth), ranked in descending order, according to 2010 U.S. Census Data:

COLOMBIANS

- Miami-Dade, FL
- Queens, NY
- Broward, FL
- Los Angeles, CA
- Palm Beach, FL
- Orange, FL
- Harris, TX
- Bergen, NJ
- Union, NJ
- Hudson, NJ

CUBANS

- Miami-Dade, FL
- Broward, FL
- Hillsborough, FL
- Palm Beach, FL
- Los Angeles, CA
- Hudson, NJ
- Orange, FL
- Clark, NV
- Lee, FL
- Collier, FL

DOMINICANS

- Bronx, NY
- New York, NY
- Queens, NY
- Kings, NY (Brooklyn)
- Miami-Dade, FL
- Essex, MA
- Passaic, NJ
- Hudson, NJ
- Providence, RI
- Broward, FL

SALVADORANS

- Los Angeles, CA
- Harris, TX
- Montgomery, MD
- Suffolk, NY
- Prince George's, MD
- Nassau, NY
- Fairfax, VA
- Dallas, TX
- Prince William, VA
- San Bernardino, CA

GUATEMALANS

- Los Angeles, CA
- Harris, TX
- Cook, IL
- Palm Beach, FL
- Miami-Dade, FL
- Providence, RI
- Orange, CA
- Riverside, CA
- San Bernardino, CA
- Prince George's, MD

HONDURANS

- Miami-Dade, FL
- Harris, TX
- Los Angeles, CA
- Bronx, NY
- Jefferson Parrish, LA
- Broward, FL
- Fairfax, VA
- Dallas, TX
- Nassau, NY
- Prince George's, MD
- Kings, NY (Brooklyn)

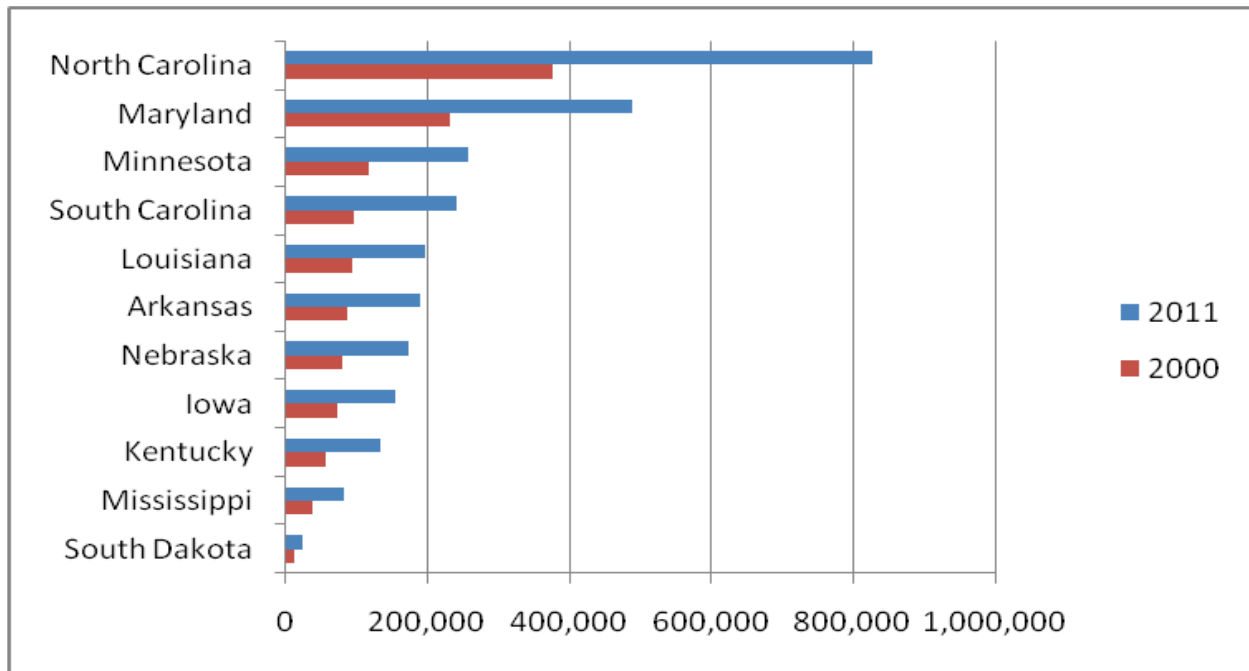
MEXICANS

- Los Angeles, CA
- Harris, TX
- Maricopa, AZ
- Cook, IL
- San Diego, CA
- Riverside, CA
- Orange, CA
- San Bernardino, CA
- Bexar, TX
- Dallas, TX

PUERTO RICANS

- Bronx, NY
- Kings, NY (Brooklyn)
- Orange, FL
- Cook, IL
- Philadelphia, PA
- New York, NY
- Queens, NY
- Hartford, CT
- Miami-Dade, FL
- Hillsborough, FL

HISPANIC POPULATION BY STATE – 2000-2011



According to Pew Hispanic Center tabulations of 2000 Census and 2011 American Community Survey data, North Carolina's Hispanic population in 2011 is nearly 120% higher than in 2000. At the same time, Maryland's Hispanic population is 112% higher and Minnesota's Hispanic population is 120% higher. The most significant change was seen in South Carolina, where the Hispanic population is 155% larger than in 2000.

Given the swift emergence of the Hispanic population in these states, marketers will be seeking the most appropriate media to help build their brands. This increases the value of Hispanic media, particularly in emerging markets, thus strengthening the case for investment opportunities that may yield strong ROI.

THE TOP 60 HISPANIC MARKETS: INSIGHT AND OBSERVATION

A September 2012 analysis of 2010 American Community Survey data by the Pew Research Center finds that 45% of the nation's Hispanic population lives in 10 metropolitan areas.

However, the number of Hispanics who reside outside of the Census Bureau's Metropolitan Statistical Areas (MSAs) increased by 7.7% from 2006 to 2011. The population of Hispanics outside principal cities grew by 8.5% during the same period.

The West and South are the areas with the largest concentration of Hispanics. The percentage of Hispanics in the West has grown by 34.3% from 2000-2010, to 40.8% of the nation's Hispanic population. At the same time, the percentage of Hispanics in the Midwest increased by nearly 50% from 2000-2010, to 9.2% of the nation's Hispanic population.

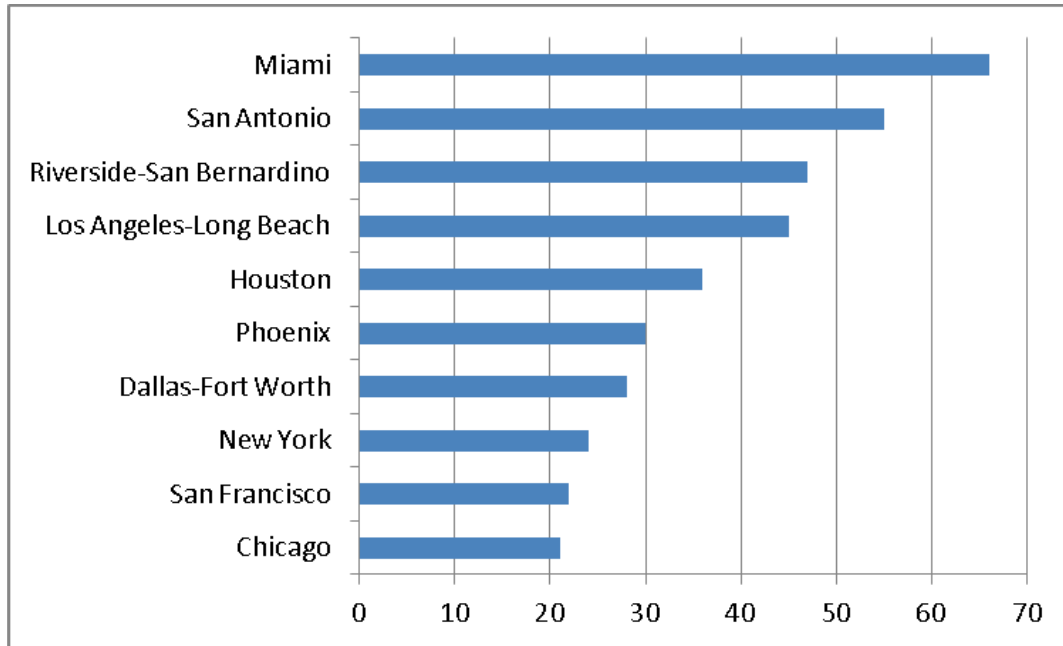
TOP 10 METROPOLITAN AREAS BY HISPANIC POPULATION (in millions)

<i>METRO AREA</i>	<i>HISPANIC POPULATION</i>	<i>TOTAL POPULATION</i>
Los Angeles-Long Beach	5.7	12.8
New York-NE New Jersey	4.2	17.8
Houston-Brazoria, TX	2.0	5.6
Riverside-San Bernardino	2.0	4.2
Chicago	1.9	9.2
Dallas-Fort Worth	1.7	6.3
Miami-Hialeah	1.6	2.4
Phoenix	1.1	3.8
San Antonio	1.1	2.0
San Francisco-Oakland-Vallejo, CA	1.1	4.9

Source: Pew Hispanic Center tabulations of the 2010 American Community Survey (1% IPUMS)

In terms of Hispanic share of the total population, Miami is the top market. New York ranks No. 8, while Chicago ranks tenth.

HISPANIC SHARE OF METROPOLITAN AREA POPULATIONS (%)



Source: Pew Hispanic Center tabulations of the 2010 American Community Survey (1% IPUMS)

Of the 60 metropolitan areas with the largest concentration of Hispanics, Laredo, Texas is the most Hispanic. While the market ranks No. 36 by Hispanic population, just 4% of the city’s population is non-Hispanic. The McAllen-Edinburg-Pharr-Mission, Texas, metropolitan area, ranked No. 13 by Hispanic population, has a population that is just 9% non-Hispanic.

The Pew Hispanic Center has created an [easy-to-navigate guide to the top 60 Hispanic markets](#) that includes the percentage of foreign-born Hispanics in each market, in addition to the percentage of Hispanics that are under the age of 18. The guide also offers percentages of the top three groups by Hispanic origin in each market. We strongly recommend that marketers interested in developing advertising campaigns in the top 60 Hispanic markets bookmark this website on their internet browsers, as understanding this information is extremely pertinent to formulating the most effective media buying and planning initiatives.

THE U.S. HISPANIC MARKET: HOUSEHOLD INCOME

According to the U.S. Census Bureau's report *Income, Poverty, and Health Insurance Coverage in the United States: 2011*, the median household income of all U.S. Hispanics was statistically flat in 2011, compared to 2010, at \$38,624. Hispanic household income is greater than that of Blacks but less than Whites and Asians. However, median household incomes for all non-Hispanics declined from 2010 to 2011. This suggests that Hispanic consumers are recovering from the Great Recession at a much healthier rate than Asians, Blacks, and Whites, making them ever more attractive to marketers.

Of the top 10 states ranked by value of Hispanic buying power, as reported by the Selig Center for Economic Growth's "The Multicultural Economy 2012," Virginia – home to emerging markets such as Norfolk, Richmond and the Fairfax/Arlington/Alexandria/Prince William corridor—ranks at No. 10, with \$19.5 billion in Hispanic buying power.

The Hispanic poverty rate dipped from 26.5% in 2010 to 25.3% in 2011. At the same time, the Black poverty rate inched from 27.4% to 27.6% and the Asian poverty rate moved from 12.2% to 12.3% during the same period. Furthermore, the poverty rate among the foreign-born slid from 19.9% to 19%.

THE U.S. HISPANIC MARKET: HOUSEHOLD EXPENDITURES

Hispanics consume more than the average American household in many categories. According to data from the Bureau of Labor Statistics, Hispanics' average spending on food, beverages, housing, apparel and clothing, transportation, health care, entertainment, and personal insurance and pensions is \$41,981. This compares to \$35,311 for Blacks, \$56,308 for Asians, and \$50,723 for White non-Hispanics.

AVERAGE ANNUAL EXPENDITURES OF ALL CONSUMER UNITS BY RACE/HISPANIC ORIGIN
(In Dollars)

Type	All CUs	White	Asian	Black	Hispanic
Food	6372	6585	7565	4524	6094
Food at home	3753	3870	3905	2880	3784
Food away from home	2619	2715	3660	1645	2310
Housing	16895	17224	20395	13503	15983
Apparel	1725	1704	2150	1755	2002
Transportation	7658	7950	8784	5302	7156
Health care	3126	3351	2498	1763	1568
Entertainment	2693	2894	2270	1404	1664
Personal Insurance and pensions	5471	5674	7117	3550	4230

Source: U.S. Bureau of Labor Statistics, [Consumer Expenditures in 2009](#)

THE U.S. HISPANIC MARKET: TRENDS IN AD EXPENDITURES

According to data compiled by ahaa (formerly the Association of Hispanic Advertising Agencies), the share of advertising dollars devoted to Hispanic media in 2009 represented 5.4% of the total advertising pie. While this is up from 5.1% in 2008, industry executives have been vocal in getting the share of dollars they believe should be allocated to the Hispanic market.

That could be a difficult task in 2013, based on the results of the seventh edition of the Association of National Advertisers' ANA Recession Survey. The latest survey, released in April 2012, found that 82% of marketers surveyed by the ANA continue to push for cost savings and marketing budget reductions.

Of this group of marketers, 75% plan to lower their marketing budgets by up to 10% in 2013. This is comparable to 2012 and somewhat more favorable than 2009, when 75% of respondents said they planned to reduce their budgets by at least 11%.

Still, ANA President/CEO Bob Liodice said the industry can expect to see continued pressure on advertising budgets in the coming years, establishing a "new normal." In prepared comments appearing at HispanicCMO.com, Liodice said, "The 'new normal' for marketers is an environment that challenges brands to grow earnings through improved marketing effectiveness and increased spending efficiencies to cut costs. Companies expect technology, expanding media platforms and better decision making to better enable marketers to pursue earnings growth objectives."

For a detailed look at top trends of the U.S. Hispanic population, we invite you to view a [slide show](#) prepared by Pew Hispanic Center featuring the key findings of its statistical portrait of Hispanics in the U.S. by visiting www.pewhispanic.org.

According to the Selig Center for Economic Growth at the University of Georgia's Terry College of Business, Hispanic purchasing power is expected to grow by nearly 700% between 1990 and 2017, reaching close to \$1.7 trillion.

HISPANIC ADVERTISING AGENCIES

THE HMO INTERVIEW: ROBERTO ORCÍ

Strong results. Exceptional ROI. It's why marketers keep looking at the Hispanic market, says Acento CEO Roberto Orcí, who also serves as chairman of industry advocacy group **ahaa**.

In an exclusive interview with *Hispanic Market Overview*, the veteran Hispanic advertising executive notes that two things in particular are different for agencies and marketers today than just a few years ago.

"Because of the continued growth and size of the Hispanic population, and because these consumers live in both the Spanish-speaking world and the English-speaking world, clients want us to work with total-market agencies, African-American agencies, and Asian agencies to help create a cohesive message for a brand," Orcí says. "Today the concept of total-market marketing is much more inclusive of other segments."

"Immigration wanes and crests. And, I'm not sure you can take the U.S. born Hispanic and just assume that they are going to be English-dominant. I would not predict the death of Spanish just yet."— Roberto Orcí

How has this affected Acento's relationship with its clients? Orcí notes that from the beginning of the creative and planning process, the client briefs each of its agency partners—African-American, Hispanic, and total market—at the same time. This has helped alleviate any concerns about whether English-language initiatives or more effective than Spanish-language efforts.

Not that Orcí is in the least bit concerned that Spanish-language media will soon fade, given the rise in English-preferred and bilingual Hispanics seen in the U.S. "You can't take a short term situation and turn it into a trend," he says. "We know from the past that as the economy slows down, the current labor trend goes down. Immigration wanes and crests. And, I'm not sure you can take the U.S. born Hispanic and just assume that they are going to be English-dominant. I would not predict the death of Spanish just yet."

Meanwhile, the rise of digital, social, and mobile media among younger Hispanics has rightfully resulted in a heightened focus on how to capture these increasingly important consumers. "There is a difference in use among younger Hispanics in how they spend their time with media. Digital, in many cases, is replacing TV or radio and other delivery channels." This means that the days when Hispanic marketing efforts meant checking off the TV, outdoor, and radio boxes are forever gone.

"I don't think digital is overhyped," he adds. "As far as digital platforms are concerned, we haven't had as many platforms as the general market. We are far from saturated, and I don't think it is detrimental to other media out there. Plus, traditional media is

developing alternatives that include digital platforms. Look at how Univision is investing in this arena.”

Print media—namely newspapers—possess a tremendous opportunity for longevity and increased ad dollars by further embracing digital platforms. “The newspaper clearly has to evolve, which we do see,” Orcí says. “But this is an industry-wide issue and not just a Hispanic market issue.” As newspapers play a key role in the Hispanic market for providing local news in markets where there simply isn’t another relevant source, their continued viability is important for marketers to recognize, he adds.

TO 6% ... AND BEYOND

“In 2008, everybody took a hit in both the general market and the Hispanic market,” Orcí says of advertising dollars, and how the Hispanic market is pacing into 2H 2013. “A lot of segments simply went dark. I think the Hispanic market and the general market are coming back to pre-recession levels, and I see the Hispanic market rebounding a little bit faster. Are we where we should be? Absolutely not. A lot of marketers have not gotten into the Hispanic market, and quite frankly I’m surprised.”

Orcí believes the increased power of the Hispanic electorate, which contributed significantly to the defeat of Republican presidential nominee Mitt Romney in the 2012 elections, will further lead marketers to “stand up and notice” the Hispanic consumer. Pending immigration reform will also spark renewed interest among marketers to capture Hispanics.

“When the Hispanics who are undocumented come out of the shadows, one of the first things we will see is fair labor treatment, which means fairer wages, and more buying power. It’s just good economic sense and puts more dollars into the economy.”

According to Raul Hinojosa, a professor of political economy at UCLA, the actual financial impact of undocumented immigrants is approximately \$800 billion when buying power is combined with workplace productivity. Hinojosa’s estimate is based on data that show undocumented workers typically earning 20% less than documented workers. All undocumented workers earn between



Thinking Under The Influence is the theme for the 2013 ahaa annual conference, held April 29-May 1 at the Eden Roc Hotel in Miami Beach. The three-day confab was set to feature an opening keynote from WPP Group CEO **Sir Martin Sorrell**, a CMO chat with Heineken USA VP/Marketing **Felix Palau**, and presentations from Drafftcb CEO **Laurence Boschetto**, Wells Fargo & Company EVP/Corporate Communications **Oscar Suris**, and Leo Burnett Worldwide Chief

\$450 billion and \$500 billion, and 90% of this money is spent each year within the U.S.

Immigration reform and the trillion-dollar opportunity for brands to grow their stature among undocumented Hispanics on a clear path to citizenship still may not spark the types of advertising activity Orcí would hope for. “Of the 300 to 400 major general-market advertisers, only half are in the Hispanic market. It makes you wonder. The gap shouldn't be that big.”

Even among “traditional” categories such as CPG and retail, Orcí sees some Hispanic market holdouts. The pharmaceutical and health care categories, however, remain largely absent. “We get sick, too,” he says.

While L’Oreal and Cover Girl have major Hispanic advertising campaigns and have been long commitment to reaching Latinas, several cosmetics brands aren’t doing much to capture the Hispanic woman. “It’s a mixed bag,” Orcí observes. There are some stars, and there is some darkness.”

If Orcí was in the shoes of the client, what would he do to increase a brand’s efforts to reach Latino consumers across all touchpoints? “I think my job would be to use my agencies effectively and efficiently, and work with them to understand each of my segments well. I would then make smart decisions based on that. I would hate to make a knee-jerk decision based on inaccurate data.”

Yet, he fears, some CMOs and brand managers are guilty of making miscalculated moves because of data that is erroneous or misinterpreted. This is where ample research can help put the client on the right path. “I’d really just want to find out what the best way is to spend our scarce resources, and plan accordingly.”

Smart words for marketers that strive to achieve the strongest ROI.

HMO

Even as the economy improves, 94% of all Americans indicate they will remain cautious and keep their spending for food, beverage and household goods at its current level. This is according to Deloitte’s 2013 American Pantry Study. For full details, visit HispanicAd.com.

HispanicAd.com

THE HMO INTERVIEW: ALEX LOPEZ NEGRETE

As the president and CEO of **López Negrete Communications**, Alex López Negrete works with a wide variety of clients who “absolutely get it” when it comes to how to best reach today’s Hispanic consumer. Those clients include Walmart and Verizon Wireless.

But, he laments, “some clients are still checking the box that says ‘we’ve done Hispanic’ and they do some TV and radio ... and that’s it.”

Such limited efforts frustrate López Negrete, as his agency has fully enveloped itself in digital, mobile and social solutions that are a part of every discussion with clients. “Once they realize that some media entities like Univision have robust platforms, they go back and review their strategies. For the agency, that’s not really a stretch. There’s no adapting a campaign from our perspective, because all of these platforms are already integrated into the client’s efforts.”

Even so, the education process persists with some clients. “In some cases they are just so stuck in what the Hispanic agency should do, or what the Hispanic market is,” López Negrete says. “Some of the things that Univision is doing digitally helps, but it’s a process.”

For the clients that “get it,” their interest includes digital, mobile and social—and not one over the other or without the other, López Negrete says. “It’s the client that has taken time to listen to the agency and listen to the Hispanic consumer that wants it.” But, he adds, “If all you have is an internet strategy, you’re going to fall short. You have to roll them all together.”

As clients move to incorporate more digital, mobile, and social efforts into their Hispanic marketing initiatives, a reallocation of budgets may transpire. Lopez Negrete is not too worried that this will come at the expense of Hispanic print, radio and television efforts. Rather, López Negrete is more concerned that clients won’t devote any dollars to Hispanic digital, mobile and social platforms.

“The good clients understand that there is a balance, but the ones that don’t get it are still stuck in the traditional media paradigm,” he says. “I’ve not seen many clients that say, ‘Let’s just do digital.’ My view is a little jaundiced, because I have technology clients, and they absolutely get it. Walmart and Kraft Foods are sophisticated partners; we’ve worked with Kraft Singles for four years and our scope of work included digital from the get-go. “

How does López Negrete measure digital/social/mobile success? “We all agree on [key performance indicators] but no two clients have the same set of KPI. When it comes to digital, mobile, and social media some clients are more granular and are measuring more than likes or hits. They are looking at conversions. In the case of a client like Kraft, we definitely have KPIs built into our plans.”

What challenges do López Negrete Communications and the Hispanic advertising industry face going into 2014 with respect to satisfying client demands?

“I think the challenge we have as Hispanic agencies is always going to be the Gospel, and the proselytization of how to go about the Hispanic market in the right way,” Alex López Negrete says. “It is also about how to move into a different model than the one we used to know. But, this is not unique to Hispanic agencies, and all agencies are faced with that.

“We completely changed our structure to become a digitally infused agency. Digital and offline creative were combined into one creative unit. The same thing was done with planning and with media, with digital media infused into our planning unit.”

With Hulu as a client, it was a no-brainer for López Negrete. But, he says, it serves as an important model regardless of who the client is.

Is there a perceived threat—or perhaps a real one—that the Hispanic advertising agency will be outmoded? López Negrete says,

“The challenge for Hispanic agencies is to get them to serve as a cross-channel solutions provider, and not just as a strategic partner or as a mass media solutions provider. We are an end-to-end solutions provider.”—Alex López Negrete

“The challenge for Hispanic agencies is to get them to serve as a cross-channel solutions provider, and not just as a strategic partner or as a mass media solutions provider. We are an end-to-end solutions provider.

“The other part of it is getting clients to understand that just because they have a digital agency or a general market agency,

they shouldn't keep doing the same thing. The digital agency may have no expertise in the U.S. Hispanic market, and they've already got a separate media buying agency, and a social media agency, and a below-the-line agency, and a promotions agency ... and no one is connected. More than anything, you've got to be connected, and on the ground, with all of the knowledge so you can move quickly, swiftly and effectively.”

Do López Negrete Communications' clients fully understand the continued importance of Spanish-language and Hispanic-focused media, despite the surge in English-preferred Hispanics seen in Census 2010?

“Yes,” Alex López Negrete says. “Spanish-language television is going to continue to grow, particularly as the programming continues to evolve. The term ‘English-only’ will start changing—at least how we think of it. And English-language TV will continue to be more and more relevant. One of the projects we handled this year was *The Voice*. Shakira had a lot to do with a huge jump in Latino viewership, and having more than a few Latino contestants on the show, singing in Spanish, had something to do with it.”

To say the infusion of relevant Hispanic content to the NBC reality program helped *The Voice* in the all-important Nielsen ratings is an understatement. For the week ending

April 7, 2013, the program was the big No. 1 in all Hispanic households, and was the lone program to exceed 1 million Hispanic viewers 2+.

López Negrete believes the Hispanic television version of the show—Telemundo's *La Voz Kids* will see similar ratings riches, and will be particularly relevant for millennials.

Where does López Negrete see Hispanic agencies a decade from now?

"The successful agencies, the ones that make the necessary changes and step up to do what needs to be done, will have more clients consider us the primary agency because the Latino consumer has become so key to their business," he says. "For us, I don't think we will have the same destiny as an African-American agency because our work is so robust, and because the target audience and media landscape in the Hispanic market are different.

"I see a very bright future for us, but the challenge is to demonstrate the value we bring to the table, as opposed to serving as a Latino offshoot of a general-market agency that is just trying to keep the dollars in the doors. We have a bright future. We'll be very different, for sure, but no—we won't disappear."

HMO

RadioLatino

What songs are Hispanic radio listeners most likely to hear on Spanish-language radio? Here's a glance at the most-played current singles, year-to-date, as measured by Mediabase 24/7 through April 20, 2013.

REGIONAL MEXICAN

Voz de Mando "Y Ahora Resulta" Record label: Disa/Universal Music Latino (UMLE)

SPANISH CONTEMPORARY

Daddy Yankee "Limbo" Record label: El Cartel

TROPICAL (SALSA/BACHATA)

Romeo Santos "Llevame Contigo" Record label: Sony Music Latin

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THE HMO INTERVIEW: LUIS MIGUEL MESSIANU

It's a busy late April afternoon in Chicago, and Luis Miguel Messianu, President and Chief Creative Officer of Miami-based **Alma**, is taking a break from "the United Nations of McDonald's owners."

He's in the Windy City for McDonald's quarterly meetings with its franchisees and O&O restaurant managers from across the U.S., taking part in the roundtable review of the company's marketing and creative strategies.

The discussions, which include a highly aggressive promotion of the QSR's recently launched Premium McWrap, include how to use a fully integrated campaign—one that includes TV, radio, print, outdoor, and digital media—to best reach the consumer. The same goes for the Golden Arches' Hispanic efforts. And, for total market and Hispanic market efforts, there's an excitement around OOH and digital.

Indeed, digital media is a key component of McDonald's massive Hispanic market efforts. But, Messianu says, it is important for marketers to realize that the use of digital, like OOH, depends on the particular promotional effort and should not use a blanket formula for reach. For instance, if Latina moms are the target, traditional media vehicles including Univision and Telemundo may be the focus of the buy. However, to reach the Hispanic millennial, increased use of social and digital media will be had.

Given the attention Hispanic media and agencies are giving to the millennial, this makes the use of digital essential for any marketer seeking to capture and retain the bicultural, bilingual, young and vibrant Hispanic consumer.

"One thing is for sure: Millennials are the future of many brands," says Messianu. "Millennials are diverse. They are setting the trends. Yes, as an industry we tend to overuse buzz words, and everybody is talking about the same things, and the millennials. But the main thing is *how* they are talking about it."

With "sophisticated" clients that also include State Farm and Rosetta Stone, Messianu says Alma is lucky that it does not need to explain at length the power of digital advertising initiatives. The State Farm Latino Facebook page as of April 24, 2013 has 215,000 likes, making it one of the most-liked pages focused on Spanish-speaking U.S. Hispanics. Meanwhile, digital efforts for Rosetta Stone meshed well with the language instruction brand's online sales.

Such efforts are just a small sample of what Alma sets out to do with each of its clients, and in every one of their campaigns. "The biggest accomplishment as an agency is that we stopped looking at digital as a discipline and turned it into a mindset. That was an important transformation and now every single business unit at the agency has digital embedded."

Messianu adds that most of his recent work shows that digital is driving the work. For example, [State Farm strayed from a traditional sponsorship of the 2011 CONCACAF Gold Cup](#) by developing an entire campaign around soccer balls that, when kicked continuously, generated enough energy to charge fiber optics wired to the ball that allowed it to work as a lamp. “This generated a lot of attention, and won several awards, but if you look at the case you realize that digital thinking was driving this idea,” Messianu notes. “It was not your traditional TV sponsorship—like developing a commercial celebrating the sponsorship of the Gold Cup. There was consumer engagement, and the ability to make the idea come to live.”

“The biggest accomplishment as an agency is that we stopped looking at digital as a discipline and turned it into a mindset. That was an important transformation and now every single business unit at the agency has digital embedded.”— Luis Miguel Messianu

On Jorge Mercado: “Our signal to our commitment to our new way of thinking.”

VP/Digital Genevieve Jenkins, joined in 2012 – “Evangelizing the teams internally, and to help us with our clients.”

Advancing Alma’s digital efforts involves the “evangelization” of its power to deliver ROI across all departments. Genevieve Jenkins, who joined in 2012 as VP/Digital after running the P&G account at top global PR agency Fleishman-Hillard, and recently arrived Consumer Connections Director Jorge Mercado, who cut his teeth at a traditional Hispanic agency before taking marketing stints at Terra and Prisa Digital, are directing these efforts.

“In a way social media and PR are becoming one, and in a way Genevieve is working as a coach between different business units,” Messianu says. “That’s where Jorge comes in. He started as a traditional agency marketer at Accentmarketing and then moved to Terra where he gained a digital experience. Both positions are an investment on our end to try to be more integrated and to offer the client a different perspective. Jorge is working with our different teams to bring added value to their campaigns and to enhance the client’s ability to reach consumers at different touch points.”

That’s why Messianu believes that for marketers today, the “air date” is just the beginning of a campaign. “It’s the entry fee. Now, once we launch a campaign, that’s when the job of establishing a conversation and listening and fine-tuning a message is done.”

The mindset is central to Alma’s desire to transform itself from a Hispanic agency to a cultural curator.

“Hispanic agencies, if we do it right, are better equipped for dealing with the multicultural market because we have the multicultural perspective,” Messianu says. “Part of our DNA has been able to deal with adversity and limitations, and the

mainstream for us is upstream. It's really hard to understand a multicultural and diverse audience. For us, it's native."

Bringing additional advertising dollars to Hispanic initiatives isn't likely, Messianu laments. But he's confident that digital stands to gain, because it will become easier to target different segments of Hispanic consumers than other types of media.



"I don't mean to be cynical, but the industry likes big trends and I think digital will grow at the expense of print and, to some extent, TV," he says. "But Telemundo and Univision have done a great job of marketing their offerings. They just need to be a little bit more holistic and need to create packages that are not as TV-centric and

leverage their different digital platforms."

Looking beyond the ahaa conference, Messianu wonders how the television networks participating at the Hispanics Upfronts in mid-May will be able to expand beyond traditional TV by promoting their digital capabilities. Messianu will be balancing his time in New York for the three-day series of Upfront presentations with program development for an effort for The Clorox Corporation's Pine-Sol brand that will see Alma work closely with the brand's total market shop, DDB San Francisco.

"It's about finding balance," Messianu says. "We'll be working closely with the advertiser and the general-market agency, and at the end of the day, it's not about agency turf. This requires maturity and objectivity, but this will need to be done to fully deliver what the client seeks."

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THE HMO INTERVIEW: PETE LERMA AND ALDO QUEVEDO

The 2010 Census, as telling as it is about Latino population growth in the U.S., is a snapshot of the past.

Thus, learning what bicultural Hispanics desire today is of key interest to marketers. Dallas-based branding, creative and interactive advertising agency **Richards/Lerma** has strived to provide multicultural and total-market CMOs with quality metrics and the data needed to achieve the highest ROI.

Agency principal Pete Lerma believes its recent activities with clients such as Ram Trucks that have helped to define how to successfully target all Hispanic consumers, regardless of the language they may prefer. In September 2011, the Chrysler truck brand unveiled an advertising campaign featuring spots in both English and Spanish targeting Latinos, using the tag line '[A Todo, Con Todo.](#)' Richards/Lerma selected 15 Hispanic markets where radio, TV (Univision and Telemundo), print media (*Hispanic Business*, *ESPN La Revista* and *Automundo*), and digital media were used to share true stories of bilingual Ram truck owners.

In early 2013, Richards/Lerma again placed a focus on reaching bilingual, bicultural Hispanics in its advertising efforts for wireless services provider [Metro PCS](#).

What's the secret to defining how to best reach the bilingual, bicultural Latino? Aldo Quevedo, principal and creative director at Richards/Lerma, says it's all about the media buy. "With Metro PCS and with Ram there was an understanding with our clients that language is a tactic, and the right media buy allows us to go deeper with the consumer," Quevedo says.

Client cognizance is vital in executing a successful effort that incorporates English-language and Spanish-language media. Lerma notes, "Great client advocates are the ones that really understand the importance of the Hispanic audience." Until mid-April 2013, that was Fred Diaz, who departed as CEO of Ram Truck for a role as a divisional vice president of sales and marketing at Nissan. Diaz had been with Ram since 2009.

From 2010-2015, Hispanics will spend \$257 billion on telecommunications services, accounting for 17 percent of all residential telecom expenditures, according to a market analysis by Insight Research.

"We're coming into a new area of multicultural marketing, where for some brands the multicultural market is key for overall growth," Quevedo says. "The client can achieve strong results and it's where the best ROI is. Green is green, as they say, so if your brand happens to be more relevant or interesting among multicultural consumers, that's where the client can build on this growth to achieve greater general-market results."

Indeed, Lerma believes clients possess the power to influence their general market work so that it becomes more multicultural in nature, and that the client now understands these abilities. “This is a big difference from five years ago,” he notes.

Lerma, along with Quevedo, believe multicultural agencies should foster the spirit of collaboration, acting as the liaison between clients and their total-market shops. “It’s about creating that understanding that consumers are exposed to both English-language and Spanish-language creative, and that each can serve to deliver results for a singular campaign,” Quevedo says.

However, Lerma notes, it is pertinent that the essence of the brand remain consistent across both its Hispanic market and total-market work. “A brand has a voice, and it can have a different conversation among different groups of people—so long as the message is the same across these different audiences,” he says.

“I’ve seen research that suggests 30% of millennials have reduced or cancelled their paid TV service. This does not mean, however, that they are not watching TV. It simply shows that the way they are consuming content is changing.”—Aldo Quevedo

How does Richards/Lerma keep up with the ever-evolving bilingual and bicultural Hispanic consumer? “We’re constantly out there taking the pulse of these consumers,” Lerma says.

In the digital world, this can be done through continual audience engagement opportunities. “We’ve learned to follow the audience,” Lerma says. “Digital is a very exciting topic for me. It is the discipline I grew up in, and Hispanics overindex in smartphone and tablet adoption. They are leapfrogging the laptop computer and going straight to the tablet.”

Quevedo points out that reaching younger Hispanics—in particular the highly desired millennial—will require marketers to go beyond television advertising to effectively capture this audience. “I’ve seen research that suggests 30% of millennials have reduced or cancelled their paid TV service. This does not mean, however, that they are not watching TV. It simply shows that the way they are consuming content is changing.”

Lerma adds, “The future is platform agnostic. You’re going to have content that people want, but it’s going to be delivered on whatever digital platform is most appropriate.”

HMO

HISPANIC TELEVISION

THE HMO INTERVIEW: OSWALD MENDEZ

It's not easy to launch a broadcast television network. There's the matter of programming, and finding the right shows to air not only in prime-time but also in the daytime hours. Then there's the task of landing affiliates, securing a slot on local cable television lineups, and alerting the intended viewer through extensive marketing efforts that a brand-new television option exists. Furthermore, there's the difficult task of securing advertisers when no metrics yet exist and ratings are only forthcoming.

Luckily, Fox Hispanic Media simply had to look into the archives of sibling Fox Broadcasting Company to understand how to best bring to market **MundoFox**. Launched in October 1986, Fox struggled in its early years to find an audience, relying on programs such as "21 Jump Street," "Married ... With Children," and "The Tracey Ullman Show" to differentiate itself from the "Big Three." The latter program gained notice for its inclusion of an offbeat animated segment focused around a family called The Simpsons. "The X Files" were seven years away from solidifying Fox as an entertainment destination. NFL Football was eight years away from cementing Fox's status as a serious competitor to CBS, ABC, and NBC.



Less than nine months since its debut, MundoFox has seen some immediate success with programs that the network's EVP and chief marketing officer, Oswald Mendez, says challenge the status quo—meaning ratings leaders Univision, Telemundo and UniMás. Still, he notes, "We are under a microscope. We created incredibly high expectations, and we're extremely happy of the receptiveness to the network from the trades and the media. Most importantly, the consumer took notice of what it is that we stand for, and now we need to keep up with those expectations."

In less than a year, MundoFox has attracted a sizable audience for such programs as *Minuto para Ganar*—the Spanish-language version of the prime-time offering *Minute to Win It*—and *El Capo*, a Colombian telenovela that follows the story of a fictional drug lord which shifted from UniMás' former incarnation, TeleFutura, in 2009. And then there are the less-than-successful programs that can be expected with any brand-new network.

"You'll have your hits and misses ... we don't have a crystal ball," says Mendez. "We set out to challenge the traditional Spanish-language content that is found across all of the other broadcast networks. Was everything that was put out there a hit? No. But, obviously not everything can be a hit."

Figuring out the hits and misses is part of MundoFox's mantra to provide viewers with content made expressly for the U.S. Latino—a shot at Univision, which purchases many of its top-rated telenovelas from Mexico's Televisa. "When seeking to define our target audience we had to ask what we stand for," says Mendez. "The answer was that MundoFox is a mass appeal Latino entertainment source, with an edge. Now, are we going to deliver 'the edge' in every single daypart? I don't think so. But, it is a challenge that we set out to do from the very beginning."

A bright spot for MundoFox has been its prime-time newscast, *Noticias MundoFox*, which has quickly established itself as a destination for information and insight into local, regional, and global events. "Our mantra is to really explain the news to them, and how it affects them in their daily lives," Mendez says of MundoFox's approach to delivering news to its viewers. This includes the debut in late March of an opinion segment, allowing the audience to respond to news stories.

How MundoFox came to fruition involves a popular reality show and an "a-ha moment." Mendez, a 2002 contestant on CBS's *The Amazing Race* who spent the next eight years as director of integrated communication at The Vidal Partnership, sat in the conference room of Fox Hispanic Networks' Buenos Aires office, strategizing with two other executives on what could be done to effectively challenge Univision and Telemundo in the U.S. "I happened to recall a *Time* magazine article on how Latinos will decide the 2012 U.S. election," says Mendez. That discussion led several key executives, including Fox Hispanic Media EVP/Sales Tom Maney, to review the Spanish-language programming available across the U.S. networks and measure that against population trends.

"We took a look at what's out there, and we found that there's a lot of really great content for first-generation Latinos," Maney says. Thus, a plan was crafted that would create a destination for programming that reflects today's contemporary U.S. Latino. Central to this idea was providing content that would bring Hispanics back to Spanish-language television from English-language television, where they had gone due to a lack of programming that was relevant to them.

As reported by online trade publication *Medialife Magazine*, Nielsen's season-to-date ratings place MundoFox with an average 50,000 households and 40,000 adults aged 18-49, giving it a 0.0/0. Azteca América and Estrella TV each have a 0.1/0, while UniMás has a 0.4/1. Telemundo has a 0.7/1, year-to-date, while Univision is the overall leader with a 2.0/3.

For the week ending April 14, 2013, MundoFox failed to attract enough adults aged 18-49 to place in Nielsen's broadcast ratings; total persons and total households lagged behind Azteca América, Estrella TV, UniMás, Telemundo, and Univision. By comparison, Univision had a 1.5 rating/4 share and Telemundo had a 0.6 rating/2 share.

Additionally, Nielsen data reflecting the top 25 Spanish-language programs for the week ending April 7, 2013 shows MundoFox failing to place with any of its shows; Univision, Telemundo, UniMás, Azteca América and Estrella TV are each represented in the top 25.

Nevertheless, Maney remains a relentless advocate for MundoFox. “If you had said a year ago that we would have launched this network with 63 or so affiliates, built a news organization around it, and launched successful game shows, I would have questioned you. I am absolutely ecstatic about MundoFox, and what we’ve accomplished is unbelievable. It’s been a lot of work, and with anything you take the key learnings and you build on them.

“About 20 years ago a guy named Jerry Perenchio bought a Hispanic television network from Hallmark called Spanish International Network and everyone laughed. Today, it is a giant named Univision worth about \$12 billion. MundoFox is like adding more cilantro to your stew. With the continued growth of the Spanish language and Hispanic culture, there are not only more people but the need for more marketplaces for reaching the Hispanic consumer.”

HMO

CNN LATINO EXPANDS TO FOUR MARKETS

CNN en Español has added affiliates in New York, Orlando, Tampa, and Phoenix for **CNN Latino**, a syndicated prime-time block of news and lifestyle programs created expressly for U.S. Hispanics.

In the Big Apple, CNN Latino can be found on WBQH-Channel 3, a low-power television station that is associated with the BuenaVision network. Similarly, Orlando viewers will be able to see CNN Latino on low-power WATV-Channel 47. In Tampa-St. Petersburg audience can view CNN Latino on low-power WTAM-Channel 30. Lotus Communications-owned KPHE-Channel 44 serves as CNN Latino’s home in Phoenix.

On the East Coast, affiliations for CNN Latino are being handled by WTAM owner TMA-TIG LLC, headed by Miami-based Andres Isais. CNN en Español SVP/GM Cynthia Hudson-Fernández, who helped build SBS-owned Mega TV’s programming lineup, said, “We are so fortunate to be in a strategic partnership with TMA-TIG and their first group of stations, which will allow for a rapid expansion of the CNN Latino-branded programming block across the east coast, and to have a relationship with Lotus Communications in their heritage Phoenix station. We believe that CNN Latino programming is a great alternative to the current offering of Hispanic broadcast content in the U.S.

CNN Latino’s first affiliate is KBEH-Channel 63 in Los Angeles, which airs programming from 3pm-midnight PT. KBEH, owned by Hero Broadcasting, is set to air a locally

produced issues-focused talk program in addition to the syndicated lineup of shows. KBEH was a broadcast affiliate of MTV Networks Latin America's Tr3s network.

THE HMO INTERVIEW: STEVE MANDALA

It's been quite a year for **Univision Communications**.

In March 2012, the company teamed with its Mexican programming partner, Televisa, in launching Univision TLNovelas, a pay television network available on Dish Network and AT&T U-Verse. One month later, Univision Deportes launched as a 24/7 sports focusing on Mexican league soccer and Formula 1 racing.

Then, on January 7, 2013, the TeleFutura network shed 11 years of heritage by rebranding itself as [UniMás](#). Univision Networks president Cesar Conde described the re-envisioned network as an improved platform designed to offer the new generation of Hispanic Millennial trendsetters options for bolder content.

Furthermore, Univision took a bold step into digital and social media with the October 2012 launch of UVideos, a bilingual content hub accessible via traditional web browsers and through a mobile App for iOS and Android devices.

In an exclusive Q&A session with *Hispanic Market Overview*, Univision Communications EVP/advertising sales Steve Mandala offers his thoughts on the company's recent moves and enhanced opportunities for marketers.

HMO: *Univision has unveiled a plethora of mobile and digital platforms that give marketers more opportunities than ever to reach Hispanic consumers through the greatest amount of touchpoints. How have advertisers reacted to the introduction of these new content delivery vehicles?*

STEVE MANDALA: As a company, Univision has evolved from what was once a niche broadcast network into a multimedia powerhouse, and the response has been very positive. Univision is everywhere U.S. Hispanics want to consume content—broadcast and cable TV, mobile, connected devices, and social media. For advertisers, that means we are one company that delivers results across all platforms. We understand that advertisers don't want just a simple TV spot anymore: They want a ubiquitous connection to the consumer, and we are leveraging all of our assets to make those multiplatform opportunities available.

HMO: *Are advertisers eager to take a multiplatform approach to their marketing strategies when having conversations with Univision about how to best target Hispanic consumers?*

SM: Absolutely, and we are successfully delivering as the first media company to package all platforms for our advertising partners. We recognize two of the biggest



growth opportunities for U.S. businesses today are Hispanics and digital, and we are focused on delivering a Univision-branded experience everywhere our audience is. We work with all of our clients and agency partners to help them understand the Hispanic digital opportunity as part of their overall strategy.

HMO: *Univision's brand value among Hispanics who consume Spanish-language television is tremendous. How has this benefited Univision in growing new media platforms?*

SM: Univision's brand strength is a key part of our competitive advantage. In addition to the quality of our entertainment, news and sports programming, what truly sets Univision apart is the depth of our relationship with our audience and the trust our community places in the Univision brand. Our brand equity is unparalleled in the media industry. Univision is a time-honored, trusted brand with a deep, 50-year relationship with the youngest and fastest-growing community in the U.S.

HMO: *From 1997 until April 2012 you were a sales executive at NBCUniversal, spending nearly 11 years at Telemundo. Since you joined Univision in October 2012, what is perhaps the most revealing, or most surprising, thing you've found when speaking to advertisers about Univision?*

SM: I have a long history with Hispanic media, so for me being back at Univision after so many years is a homecoming. [Editor's Note: Mandala was VP/West Coast Sales for Univision from 1992-97.] The best part of being back home is how we've expanded and are able to connect with audiences when and how they want. You see, when I was part of the company in the late 1990s Univision was not the multimedia powerhouse it is today. We now also have a centralized sales function, an approach we pioneered, which means that we can effectively deliver all of our assets across broadcast, cable and local television, radio and digital platforms.

HMO: *Is cross-platform measurement a topic of discussion, or concern, at Univision?*

SM: Nielsen has done an admirable job measuring television viewership in Hispanic households, and the company's acquisition of Arbitron could greatly advance metrics of out-of-home viewing. Still, the growth of digital and mobile platforms may increase the need for a single metric – or a combined metric that properly takes into account digital and social media consumption. Like everyone else in the industry, we are looking at ways to help our partners measure their campaigns across platforms. Hispanics over-index on digital, and we also know they consume television in big numbers. We will be announcing more about our cross-platform measurement efforts in the coming weeks.

HMO: *It's clear that the thirst for Spanish-language television hasn't slowed. Do advertisers understand the continued need and importance of Spanish-language television, despite the surge in English usage?*

SM: Yes, many of our advertisers understand the sustained power of Spanish-language media. For those whose brands do not fully realize their Hispanic market potential, we work with them to help them understand that Univision competes with—and often beats—the English-language networks.

HMO: *TeleFutura is no more, replaced by UniMás. The change was done as part of an effort to better serve the growing number of bilingual, bicultural young Hispanic adults in the U.S. Its programming mix also seems to have a male appeal, compared to Univision's fare of telenovelas. Can you talk about the transformation of UniMás, and how Univision has been able to capitalize on its relaunch as a millennial-focused hub?*

SM: The UniMás rebranding was a result of careful listening to our audience who wanted more action, more drama, and more sports. The move also allowed us to strategically create a new brand that complements our other networks' offerings while expanding our opportunity to deliver the best content for our audience. We know UniMás has been well received. Ratings on the network are up by double digits year-over-year.



HMO: *Is the main purpose of social media to promote Univision programming and products and to serve as a brand extension opportunity for Univision?*

SM: Univision's social media strategy is centered on engagement and staying connected to our fans wherever they are, giving them the opportunity to directly access and discover our content, connect with their favorite celebrities, and share these experiences with their friends. We leverage our social media platforms to increase tune-in to our linear and digital properties, strengthen our connection to the audience, listen for their feedback, and, most importantly, build new audiences. Our efforts are delivering strong results. We were up in engagement 320% from 2012 and our social media efforts positioned the broadcast as the No. 1 most social program on television and Univision as the No. 1 broadcast network on Social TV for the night.

HMO: *What is the main purpose of The Univision Agency?*

SM: The Univision Agency is a formalization of a number of groups within Univision Communications now under a central leader and is designed to drive internal efficiencies with cross-promotional marketing strategies for the various UCI brands.

HMO: *Where do you see Univision network's platforms, from a sales and marketing standpoint, in 10 years? Will Spanish-language media have faded?*

SM: Despite naysayers who have predicted the demise of Spanish-language media for decades, we continue to see it grow and new players enter the market. Unlike our English-language counterparts who continue to experience audience erosion, Hispanic media is alive and thriving.

HMO

THE HMO INTERVIEW: JOE BERNARD

Television networks, in many ways, are no longer “television networks” but multiplatform media sources that now incorporate digital and social platforms. This gives consumers more opportunities to access a network’s programming, and also provides marketers greater avenues to best reach Hispanic consumers.

In a Q&A session with *Hispanic Market Overview*, Joe Bernard, SVP/Sales for Telemundo and pay television network sibling Mun2, discusses how NBCUniversal’s Hispanic networks have embraced digital solutions and have incorporated them into a multiplatform marketing effort.

HMO: *How have advertisers reacted to the introduction of new content delivery vehicles that include digital platforms?*

JOE BERNARD: They are overwhelmingly positive. Today many clients are looking for ways to maximize their investments in programs and tentpoles by expanding their association beyond the first screen. With each passing year, mobile, VOD and second-screen Apps are becoming focal points in advertiser discussions.



TELEMUNDO

HMO: *The brand value of both Telemundo and Mun2 among Hispanics who consume Spanish-language television is tremendous. How has this benefited the networks in growing new media platforms and attracting clients to sponsor these platforms?*

With the appointment of Joe Uva as chairman of NBCUniversal Hispanic initiatives, the company made the statement that the Hispanic market is important to its success. Advertisers will have even more opportunities to engage with Hispanics across all of NBCUniversal’s platforms.

HMO: *Are there still misconceptions about the Hispanic consumer among the clients or media buyers and planners you communicate with in your role at NBCUniversal?*

JB: The biggest misconception about mun2 is about the audience we serve. Just because our core target is younger than broadcast television doesn’t mean they are not consumers like broadcast viewers. As a matter of fact, the millennial is most likely driving and/or helping in the purchasing decisions across all categories. Additionally, millennials are clearly purchasing for themselves. From home buying to CPGs, millennials are the next generation consumers who are consumers *now*—not in the next few years.

HMO: *Spanish-language television continues to attract the lion’s share of advertising dollars, and new networks continue to appear on the landscape. Do advertisers understand the continued need and importance of Spanish-language television?*

JB: Spanish-language media is incredibly effective in reaching Hispanics and will continue to be for years to come. Clients do see the changing landscape of the consumer base and look to networks like mun2 to help fill in some of the gaps found in the general market. Most English language nets still under-index in bilingual viewers versus networks that provide content relevancy like mun2.



HMO: *In 10 years, will Spanish-language media have faded, given that growth in the U.S. Hispanic market is being driven by births rather than immigration?*

JB: Spanish-language media will easily remain a fixture in the TV landscape for the next 10 years. I see Hispanic TV improving its quality and storytelling to better serve the market. Through new, original content that presents captivating stories and people, Hispanic TV will continue to grow and allow Hispanics to enjoy it, no matter what the language preference.

Who Is The Hispanic Millennial?

- * According to mun2, the all-important millennial is “young and bicultural, living in both worlds.”
- * Mun2’s core viewers—like networks such as Viacom’s Tr3s—are millennials. At mun2, the network’s median viewer age is 29.
- * More than half (52%) of mun2 viewers are bilingual—more than any other cable network, regardless of language (source: Nielsen Q412)
- * Mun2 viewers spend at least six hours online per week and 75% of viewers owning a smartphone, the network reports.

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THE HMO INTERVIEW: IVAN BARGUEIRAS

“Amazing stories and extraordinary characters that entertain and inform our viewers in their own language.”

That's how **Ivan Bagueiras**, GM of Discovery Networks US Hispanic and the head of pay television networks Discovery en Español and Discovery Familia, sums up their success in attracting a wide spectrum of Hispanic viewers.

Launched in June 1998, Discovery en Español is a 24/7 offering that superserves Hispanic men aged 18-49 and can be viewed in 5 million U.S. households. Its younger sibling, Discovery Familia, targets Hispanic moms and their children and debuted in August 2007. It is available in 4 million U.S. Households.



Today, each network has established itself as key Spanish-language destinations for relevant non-fiction entertainment. According to Nielsen data reflecting Q1 2013 viewership of Hispanic adults aged 18-49, Discovery en Español was the No. 2 Spanish-language cable network from 7-11 PM. Among the leading series and specials that attracted viewers during this period are “Los Archivos FBI,” “A Vista de Pajaro” (Earth Flight), “Cuerpos extraños” (Extreme Bodies) and “Planeta Humano.”



At the same time, Discovery Familia solidified its position as the top Spanish-language cable television network among children aged 2-5—a highly lucrative spot that allows the network's ad sales team to approach brands of keen interest to Hispanic moms. Discovery Familia ranked during Q1 2013 in the top 3 Spanish-language cable television networks, total day, among Hispanic women aged 18-49. The network is driven by such infant-friendly fare as “Mecanimales” (Animal Mechanicals) and “Mister Maker Sobre Ruedas” (Mister Maker Comes to Town).

How each network gauges what its audience craves when tuning in is an essential part of the programming process. This involves access to quality research, Bagueiras says. “You can never have enough smart intelligence of the marketplace. Our networks participate in syndicated research, we have online panels, we conduct focus groups, and we have access to databases at our agencies. We are constantly working with our programmers on how to tweak our programming and make adjustments based on what the viewer seeks, ensuring that we fill the appetite of our consumer in the best ways possible.”

In some cases, Bagueiras and his team tap into research conducted by the networks' advertisers to help craft the right programming mix. “They are making large investments to attract the Hispanic consumer, so getting to understand each others challenges allows us to best reach our respective targets.”

That being said, the "\$1 million question," as Bagueiras describes it, is determining which direction Discovery en Español and Discovery Familia evolve. "If assimilation is occurring among U.S. Hispanics, general market networks can attract these consumers. Yet we just continue to see viewer growth. For the last few years it just hasn't stopped growing."

This underscores the fact that viewership of Spanish-language television hasn't ebbed, and is not likely to do so in the immediate future. Keeping its viewers interested in Discovery Networks' two U.S. offerings, however, is Task One for Bagueiras and his team. "It is critical for marketers to look at the Hispanic television viewer five years or 10 years out," he says. "Today a third of Hispanics are bilingual and a third are English-dominant. In terms of audience, we deliver a greater Spanish-dominant Hispanic audience than general-market networks deliver with respect to English-dominant Hispanic audiences."

With births, rather than immigration, driving U.S. Hispanic population growth today, two things can happen: This pattern can continue, with all Hispanic media striving to evolve their content in order to remain relevant. Or, immigration reform will open the doors to a new group of immigrants from Mexico and Central America, leading to continued demand for Spanish-language programming out of necessity.

Should the former hold true, Bagueiras isn't particularly worried that Spanish-language television viewership will crater among under 30s and the all-important Hispanic millennial. "A lot of moms want their kids to retain the use of Spanish, and Discovery Familia offers a good opportunity for them to do so. After the kids go to sleep, we then shift our programming focus to health, style and beauty, talking about the things that appeal to the Hispanic mom.

"Our networks know the Hispanic viewer, their preferences, and the challenges they face. We are able to stir their emotions through stories and characters that entertain and inform viewers—in their own language."

HMO

THE LINE OF CARS AT THE DRIVE-THRU AT 2 AM.
THE SARASOTA GIRL THAT HASN'T TOUCHED A CIGARETTE IN TWO MONTHS.
THE GRILL EXPERT THAT AFTER YEARS AND YEARS FINALLY ADDED NEW FLAVORS TO HIS DISHES.
THE YOUNG ENTREPRENEUR THAT MANAGES HIS FINANCES ONLINE.
THE MOM THAT WON'T LET ANYBODY LEAVE THE HOUSE BEFORE EATING A GOOD BREAKFAST.
THE HOUSEWIFE WHO'S REALLY PROUD OF HOW CLEAN HER HOME IS.
THE PROUD KID THAT INSURED HIS FIRST CAR.
THE MEXICAN GRANDPA THAT CAN FINALLY SPEAK ENGLISH WITH HIS AMERICAN GRANDCHILD.
THE FAMILY THAT LEARNED HOW TO PRACTICE PREVENTIVE MEDICINE.
THE GIRLS THAT SHARE THOUSANDS OF SONGS ON THEIR SMARTPHONES.

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THE HMO INTERVIEW: CRAIG GELLER AND BILL HILARY

As stated in this report, births, rather than immigration, are fueling growth of the U.S. Hispanic population. As a result, Hispanic teens, tweens and children are exploding in number. At the same time, the Hispanic millennial has become an increasingly desirable consumer target for marketers looking to connect to a group of growing affluence and influence.

To reach these consumers, marketers will likely need to use a mix of English-language and Spanish-language media. But “English-language” doesn’t necessarily mean “non-Latino” anymore.

Thank the team behind **NuvoTV** and one Jennifer Lopez for bringing forth a network that’s committed to delivering viewers “modern Latino entertainment”—all of it in English.



“We are the channel for the English-speaking Latino, with content that is culturally relevant,” says Craig Geller, SVP/Ad Sales for NuvoTV. “The majority of viewers are born in the USA and are not looking for the stereotypical television programming that they get from Spanish-language television.”

A glance at NuvoTV’s lineup includes a wide variety of reality programming and chat shows featuring such Latin notables as Wilmer Valderrama (*That ‘70s Show*) and Mario Lopez. It’s also the home of *Operation Osmin*, featuring 30 days of unconventional training from Cuban fitness trainer Osmin Hernandez; *Miami Ink*; and the *Model Latina* franchise.

“For the most part, people want a TV network that is representative of them,” Geller notes. We have very small duplication with Spanish-language broadcast or cable television, thus there is a huge opportunity for marketers to reach a segment of the Hispanic audience that until now has had nowhere to go for culturally relevant entertainment that speaks to them.”

Yet, some of NuvoTV’s other programming may lead one to scratch their head and ask what’s so Hispanic about it? Take for instance the network’s afternoon block of the game show in a taxi, “Cash Cab.” The network is also airing blocks of the classic Fox sketch comedy show “In Living Color.”

Geller explains, “In our life cycle of being seven years young [*Editor’s Note: NuvoTV was previously branded as Sí TV*], we went from programming we could afford to programming that makes sense. We took a look at the shows that had a good track record and the number of Hispanics that were tuning in. As we moved toward the

evolutionary relaunch of the network, we felt very confident in the content that we have on the air. We're hitting the target pretty good."

NuvoTV has three criteria for determining what makes a show a "Modern Latino Entertainment" choice:

- Movies that resonate with the Latino audience will air on NuvoTV
- Quality shows that have a good track record will air on NuvoTV
- Original programming designed by and for the Latino audience will air on NuvoTV

That's where Ms. Lopez comes in the picture, with original content set to debut in Q2 and Q3 2013 the result of a partnership between the network and the celebrity that includes giving Lopez part-ownership in the network and shows from her Nuyorican Productions. Lopez will appear at NuvoTV's upfront presentation set for May 15 in New York. "We have a robust developmental slate," Geller says of the programs Nuyorican will be providing NuvoTV. "We have a rigorous process of how we green-light our shows. There is audience testing, and we use insights and trends to guide us."

Geller is quick to note that NuvoTV is not "The JLo Network." But, he says, "it needs to be understood that her brand—a high-quality, high-profile brand—is going to be representative of the brand she brings. The look and feel of the network needs to be consistent."

While reality television programs dominate the NuvoTV schedule, Geller says, "I can tell you that Honey Boo Boo is not on the slate."

Meanwhile, NuvoTV will focus on its bilingual, bicultural target and thus not be offering Spanish-language subtitles for its shows. "If you put on subtitles in Spanish, you have to ask if your goal is to teach the audience Spanish," Geller says.

On March 14, NuvoTV made a bold move by luring Bill Hilary, a native of Northern Ireland with experience building Comedy Central, as its head of programming. Why did he come on board at a Hispanic-focused, English-language cable television network that had just rebooted itself?

"I truly believe that not only is this the biggest and fastest-growing demographic in the U.S., but that Hispanics will be at the forefront of American culture and be the trendsetters of pop culture in America," he says. "In two to three years we will be driven by comedies, drama, and reality TV programming that offers a Latino point of view, but for a broader audience. This is an explosion waiting to happen. The energy is here. It's just harnessing it and putting it into reality."

The first mark Hilary seeks to make at NuvoTV is to make the network's stand-up comedy franchise *Stand Up and Deliver* a prime destination for bilingual, bicultural viewers—in particular Hispanic millennials.

"This generation of Hispanics is growing, and it's very important to give a voice to the young American Latino comic," Hilary notes. "It's part of our conscious decision that we are not a channel that is going to copy other channels and simply put a spin on the programming. We are not going to do *The Real Housewives of Miami* just because that would be Hispanic. And, we're not the English-language version of Univision or Telemundo."

Hilary admits that there's some risk-taking at NuvoTV, but he cannot think of a better person who epitomizes the network's brand proposition than Jennifer Lopez. "She's proved that the Modern Latino is of value, and represents our audience in a way that is very important," he says. "We have something unique and original, and we're committed to maintaining this vision for an amazingly vibrant community."

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HISPANIC PRINT AND DIGITAL MEDIA

THE HMO INTERVIEW: MONIQUE MANSO

As the publisher of People en Español, **Monique Manso** is in an enviable position. The monthly Spanish-language entertainment-focused publication is the dominant leader with respect to ad dollars, according to Media Economics Group's HispanicMagazineMonitor.

Yet Manso isn't simply a publisher of a magazine. Rather, she oversees an entertainment brand that includes digital, social, and mobile platforms. "We're very different from the competitive set that's out there in the Hispanic magazine space," says Manso. "It's why we continue to lead in the marketplace."

Establishing People en Español as a source of trusted content is a major reason why the brand is an undisputed leader in its space. "Readers will say they don't believe anything until they read it in People en Español," Manso says.

Until recently, this literally meant reading People en Español in its glossy, printed form. Now, it could mean reading a Tweet from editor [Armando Lucas Correa](#). "We invest in keeping our finger on the pulse of what our audience wants," Manso explains. "It's part of ensuring that we have two-way dialogue with them."

Manso and her team at People en Español have spent much time on how to properly deliver content to Hispanic women. Ensuring that it is accessible anytime, anywhere has become a critical concern. "It's just not enough to put it in the magazine," she says. "We break news online."

At the same time, People en Español's groundbreaking annual Hispanic Opinion Tracker (HOT) Study, now in its 12th year, has provided ample insight into what drives its core reader. "In 2011 we saw that Hispanic women moderate their behavior depending on the circumstances they are in," Manso says. "They may appear to be driven by general-market content sources, but when she hits on something that pulls at the heartstrings, that is when the Hispanicity kicks in."

Thus, placing bachata superstar and former Aventura lead singer Romeo Santos on the cover of a monthly People en Español magazine makes sense, as the publication can tell the story unlike its older English-language sibling.

Yet, the fact that People would even mention Romeo Santos, let alone place him on its cover, is a far cry from 17 years ago, when People en Español launched as a publication focused primarily on Spanish-dominant women. Today, Manso carefully crafts People en Español's content so that it appeals equally to Spanish-dominants, English-dominants, and bilinguals.

“Our 2012 HOT study found that 90% of Hispanics across all three acculturation levels think it is important for their children to speak Spanish,” Manso notes. “Furthermore, the younger generation is most likely to say that.”

The Ultimate Interactive Experiencia

As an entertainment brand that has successfully gone beyond a print publication by using digital platforms, People en Español has taken its social capabilities to a whole new level by creating a two-day festival that literally brings the brand to life.

In its second year, the two-day Festival People en Español has become the world's largest celebration of Hispanic entertainment, culture and community in the world. Set for Labor Day weekend in San Antonio, Festival—sponsored by Target—is simply another way to create a “People en Español experience,” Manso explains. “It’s more than just a celebration of Hispanic culture and entertainment. From interviews with stars to a fashion show to free shows, it’s a way to bring our brand to life.”

Festival also includes two nights of paid, ticketed performances at the Alamodome. This year’s Festival is set to include such acts as Alejandro Fernandez, Tejano superstar Bobby Pulido, and reggaetón hit makers Wisin y Yandel.



Being social in all ways possible is essential for Manso and her team. Director of Fashion and Beauty [Kika Rocha](#) has more than 67,000 Twitter followers. “Hispanic and Black women are absolute leaders in the use of social media, and this is something that is not lost on our advertisers,” Manso says.

People en Español is continuing to build out its online video content, while Manso says her team is open to branded entertainment opportunities—a potentially lucrative avenue for People en Español to strengthen its already dominant brand among Hispanic television viewers.

Meanwhile, working with editors and photographers at its bigger sibling will only continue as both People and People en Español seek to maintain their market stature. “All the economics are there for continued collaboration between People and People en Español,” Manso says.

In the meantime, she and her People en Español colleagues will continue to determine what its audience demands, and how it can best act on its insights. “It’s great that there are new magazines that pop up, because it is increasingly important for Hispanics that prefer to read in Spanish to have options. But we’re unique and offer a delivery mechanism that allows us to do what no other publication can.”

HMO

HISPANIC MEDIA: DIGITAL DELIVERY

THE HMO INTERVIEW: ALFREDO RODRIGUEZ

As the VP/Marketing for **DishLATINO**, Alfredo Rodriguez is charged with growing the direct broadcast satellite service's Hispanic subscriber base. Rodriguez hopes to accomplish this through solid channel lineups and by offering packages that make the most sense to the viewer.

Rodriguez, who joined Dish Network in August 2010, previously spent much of his time marketing beer and cigarettes: He's a former marketing director for Coors in Puerto Rico, GM of Molson Coors, Mexico and Sr. Marketing Director for Molson Coors Brewing overseeing US Hispanic and enjoyed a stint at Philip Morris International in Ecuador and Colombia.

Today, he's proudly promoting televised offerings to Hispanics that include a mix of Spanish-language and English-language programming, and among the legions of executives who understand the growing importance of providing Hispanics of all acculturation levels with relevant choices.

"We offer a lot of programming to our consumers, and we do offer English-language programming, because we realize that our customers watch English-language programs," Rodriguez explains. "Variety has a lot to do with our success."

Dish Network in early April 2013 announced that it has submitted a \$25.5 billion unsolicited bid for **Sprint Nextel**, the No. 3 wireless carrier in the U.S. Such a merger could put Dish on par with AT&T and cable companies such as Comcast by offering bundles that consist of television, high-speed internet, and telephony services.



DishLATINO customers have a choice of four different packages, ranging from 180+ channels at \$24.95 per month to 265+ channels at \$39.99 per month based on current promotional incentives; normal monthly rates are \$35.99 and \$61.99, respectively.

By comparison, competitor DirecTV offers four "Spanish Packages" that range from 100+ digital channels at \$22.99 per month to "Lo Maximo"—a 300+ channel package at \$99.99 per month.

Rodriguez is not only watchful of his DBS competitor but also of aggressive cable television systems that have added more Spanish-language channels to their lineup in a bid to win over Hispanic subscribers. However, he believes DishLATINO has a technology advantage, thanks to the Hopper.

Introduced in 2012, the whole-home DVR device includes a series of attributes that now includes Sling—a way to view live TV and recorded DVR shows through an active internet connection. This, effectively, turns a tablet device into a television. “These attributes are groundbreaking, and offer us an additional point of differentiation beyond price and programming,” Rodriguez says. “It makes us the only pay television provider that offers content both inside and outside the home wirelessly.”

Is pricing an issue when it comes to DishLATINO’s services? “Not all Hispanics are alike,” Rodriguez says. “There are some Hispanics that have more disposable income than others, and there are those that are more price-sensitive. Price is a universal driver, but this is not a price play. This is a value technology option.”

Introduced as a Hispanic market option in 1999, DishLATINO has carved its own independent identity from Dish Network, thanks to aggressive marketing efforts that today are hyperfocused on first-generation Latinos but are relatable to more acculturated consumers that desire culturally relevant televised programming.

Rodriguez describes one recent DishLATINO ad as being particularly relatable to all Hispanics, regardless of their language preference and acculturation level. “In one ad we featured three generations of women, an *abuela*, mom, and daughter. All are shown speaking in Spanish and the grandmother asks her granddaughter when she learned Spanish? The girl answers that it was when they received DishLatino, giving her a selection of programs that she had an interest in watching.”

With continued growth in Hispanic television and more programming variety than ever, Rodriguez sees no end in sight to the continued demand for Spanish-language content.

“The fact that there are more channels in Spanish is just a testament to the enormity of the demographic,” he says. “Good for us, because it perhaps limits migration to better content that may not be in their preferred language. We’ve never seen the advent of technology before as it is now. We could go back 100 years and say that Italian immigrants lost their language a generation into their presence in the U.S. But now there is Skype, and this makes it difficult to predict what will happen. There is also proximity to countries of origin—nearly 70% of Hispanics are of Mexican descent, and customs and traditions aren’t lost easily. Marketers can be reminded that culture keeps us there.”

HMO

HISPANIC MEDIA: DIGITAL DELIVERY

THE HMO INTERVIEW: RAFAEL HERNANDEZ

As the head of multicultural initiatives at Boston-based marketing technology firm **Digilant**, Rafael Hernandez has one singular mission when working with clients: He simply wants them to do better advertising in the digital space.

To accomplish this, Digilant—known until February 2012 as Adnetik—works to provide meaningful customer insights and the tools to bring these insights to action. This includes brand-building, customer engagement, product introductions, competitive differentiation, and demand generation.

To some, this may seem similar to what Google does. Hernandez is quick to point out the differences between what the digital media giant does and what Digilant is capable of. “Google categorizes pages based on their look and feel,” he says. “We go a step further by looking at the content of each page. For example, if there are Spanish-language words on a web page, we will look at the words and dialect and best determine the target reader based on this.”

Digilant uses a technology known as RTB—“real time buying”—that allows users to tap into an audience member that demonstrates a certain type of behavior of interest to them. “We can identify the person, the content they are accessing, and then pay x amount of dollars for this impression,” Hernandez explains.

No personal information is shared. “All we see is a computer, with certain path behaviors,” Hernandez says. “This is information such as a URL, the user’s location, prior search history, and in some cases, we can see their purchasing behavior. From that, our system can decide what is important to the advertiser.”

Multicultural marketers can take advantage of Latino index technology that has allowed Digilant to provide the right online publishers for a digital buy. Hernandez’s aim is to get advertising agencies to work with them, on behalf of their clients. The idea, at first, was met with resistance.

“We initially struggled with attracting agencies because they viewed our capabilities as being the same,” Hernandez says. “But, we are constantly data mining. We purchased a lot of the technology we used to do this, and it was out of Havas. Thus, a lot of agencies thought we were a part of Havas.”

As word spreads about Digilant’s capabilities, it has also applied its RTB technology to recently launched African American and Asian indices. “We’re simply here to try to get CRM-based companies to up their spend on digital, by showing them the biggest basket size,” Hernandez says. “We’re here to help you define the digital space, and to have you communicate your message in the digital space better.”

HISPANIC MEDIA: DIGITAL DELIVERY

THE HMO INTERVIEW: NATALIA BORGES

A few years ago, Batanga was perhaps best known as an online destination for Latin music fans who wished to listen to internet radio stations featuring genres as diverse as bachata and ranchera.

Batanga still offers Latin music fans no-cost audio streaming. But, it also happens to be the largest independently-owned digital and social media company serving the Latin American and U.S. Hispanic markets.

“Yes, we still have the Batanga.com music platform, but today we own 200-plus website, and produce 5,000 pieces of content each month,” says Natalia Borges, VP/Marketing at what’s now known as **Batanga Media**.

In the last three years, Batanga Media has developed new sites while rapidly expanding its digital ad networks across South America. Its key calling card is, in Borges’ view, Batanga’s ability to hyperfocus on consumer behavior and microtarget digital efforts for its clients. “We can better help those marketers that really want to accomplish significant growth in digital,” she says.



Batanga Media

In particular, Batanga Media’s system will judge where the best ad placements are, and take into account click-throughs, back-end metrics, and the cost per acquisition of customer. Borges says this is quite a contrast to radio, where “spots just run based on where the affiliates for a national ad sales network are.”

For marketers that wish to effectively use digital media networks, Borges believes the most crucial step is obtaining a full understanding of the brand’s overall objective. “Sometimes it is about engagement, not about clicking through a banner,” Borges says. “Every metric is not the same for every client, and the most important thing is what determines success for them.”

By producing content that is relevant and by possessing technology that allows marketers to closely shape their digital strategies, Borges believes Batanga is on target for long-term growth in both hemispheres. The embrace of mobile technology in the U.S. and in Latin America will drive this acceleration, but will fail to eliminate current habits.

“Consumers are rapidly moving from websites to mobile platforms, but I think PCs will continue to dominate in the workplace, and you’ll still see a high level of consumption in this manner,” Borges believes. Additionally, she believes Hispanics that use PCs in the home will continue to do so for some time. “Mobile will grow even more, but it will not replace the PC.”

HISPANIC MEDIA: SPORTS MARKETING

THE HMO INTERVIEW: FREDDIE ROLON AND LINO GARCIA

The desire to connect to Hispanic sports fans through as many touch points as possible has been a hallmark of **ESPN Deportes'** digital initiatives since their inception. Today, employing social media connectivity to the Spanish-language television network's live studio programs is central to at least one of its programming and marketing initiatives.

Airing weeknights at 8pm ET/5pm PT on ESPN Deportes, #Redes is an entire sports talk program that relies on Twitter and Facebook fans for its content and daily discussion.

"We're really trying to establish ourselves beyond television," says Freddie Rolon, VP/Programming and Business Units for ESPN Deportes. "There is integration between what we do at espndeportes.com and what we do on Redes."

Nearly 2,500 people "like" Redes ESPN on Facebook, while the Redes Twitter feed has an impressive 8,538 followers. Many of the Tweets are in English, reflecting the bilingual, bicultural sports fan who likely goes to Redes to find information they can't get from English-language sports sources.

Building out a cross-platform opportunity not only helps marketers in reaching the widest possible audience of Hispanic consumers, but provides ESPN Deportes with ways to reach Hispanics of different acculturation levels.



"The Hispanic audience that we see touching our brands on the digital side is significantly different than those who may be doing so on the TV side, or on the radio side," Rolon says. "The Hispanic who listens to ESPN Deportes Radio is likely Spanish-dominant who may not have access to ESPN Deportes on TV. The Hispanic who visits our website is a little more affluent, and is bilingual. But the Hispanic who access ESPN Deportes through mobile platforms is much more likely to be Spanish-dominant, and this is a much faster-growing platform for us than audio or dot-com."

Ultimately, ESPN Deportes will be pushing out a greater amount of mobile offerings, increasing access to content via Android and iOS platforms. Rolon adds that ESPN Deportes' WAP site will be upgraded, providing users with a better mobile web experience. "It will include pictures and videos, and anything our desktop site has," he says.

Ultimately, Rolon believes there will be no delineation between each of ESPN Deportes' delivery mechanisms, at least from a content perspective. "I feel like the lines are blurring on all of this stuff. We have social media content on TV, and ultimately for the fan it is just 'ESPN Deportes'—regardless of how they are receiving our content."

ESPN Deportes GM Lino Garcia adds, "We've really looked at our sales platforms as being multimedia for a while now. We've reached a critical point for reaching consumers and supplementing TV with what we do on the digital side."

Garcia says the number of multiplatform advertisers has increased significantly, and they are regularly looking across all available mediums when planning their Hispanic marketing strategies with the network. Then again, he notes, "We were doing multiplatform solutions before it became cool."

ESPN Deportes launched as a stand-alone television network in January 2004. In August 2005, ESPN Deportes La Revista brought the brand a glossy vehicle while ESPN Deportes Radio brought audio content to Spanish-language radio stations across the U.S.

Garcia is presently eyeing ESPN Deportes' Twitter and Facebook traffic, and figuring out the best ways to integrate advertising messages. "We just don't want to do it off the cuff," he says. "We want to make it a robust platform for our advertisers. We've been in this space long enough to know that competition has come at us in all platforms. Some of this is good, because it makes us work harder to serve Hispanic sports fans. But when they come up and they are aggressive, it just makes us want to step up even more."

One downside could occur from the latter tactic: Exorbitant rights fees for valued sports leagues, teams and tournaments. Garcia laments, "If sports rights shoot up beyond what the market can bear, that's not a good thing for any sports network."

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Source: U.S. Census 2010, Centris Hispanic Market Overview 2010, Nielsen State of the Hispanic Consumer report Q2'12.

THE HMO INTERVIEW: VINCENT CORDERO

Mention **Fox Deportes'** current ratings performance and sales success, and GM Vincent Cordero will likely explode with excitement. "Our No. 1 selling point is that we are the undisputed No. 1 Hispanic sports network. Period. That's something we could not say 2 ½ years ago."

That's also fightin' words for a scrappy Spanish-language sports network that has surged in viewership in a marketplace where ESPN Deportes is just one major competitor: beIN Sport, owned by an affiliate of Al Jazeera Media Networks, launched channels in both English and Spanish targeting U.S. audiences in August 2012. Univision Deportes is also new to the mix. There's also the live sports and studio-based sports programs that air on Univision and Telemundo, and continued competition from GoTV.

Yet since its fall 2010 rebranding from Fox Sports en Español, Fox Deportes has soared to become the top-rated Hispanic sports network among Hispanic viewers 2+ and adults 18-49 in both total-day and prime-time, Cordero notes.



Much of this success is tied to a shift from a dependence on live sports to studio shows such as *Central Fox* and *La Última Palabra*. These shows compete head-to-head with similarly styled shows on ESPN Deportes. And, as Cordero is quick to point out, *Central Fox* defeated ESPN Deportes' *Sports Center* during the last six months of 2012, among total Hispanic persons and among Hispanic adults 18-49.

"How do we break out of the pack in such a competitive landscape? Fundamentally, it was about a philosophy and paradigm shift," Cordero explains. "In the past, sports primarily meant soccer and Latin American-oriented shoulder programming. Our concept, and our first premise, is not to think of us as a Latin American sports network that airs in the U.S. but as *the* U.S. Hispanic sports network. Clearly, there is a foreign-born viewer and the U.S.-born viewer, but what unifies this group is a passion for sports—all sports."

To reach this goal, Fox Deportes shed some of its soccer properties while reinvesting in its core offerings, including UEFA soccer telecasts and the popular Copa Libertadores and Copa Sudamericana soccer tournaments. It also tapped into Fox Sports' relationship with Major League Baseball to expand its presence on Fox Deportes. Lastly, Cordero moved to fill the "white space" in Hispanic sports networks that one had yet to fill by aggressively acquiring the rights for UFC mixed martial arts telecasts and Golden Boy boxing.

Today, the mix is what Cordero believes makes Fox Deportes a leader. "If you look at any network, original programming defines its essence. It defines your brand and your voice, and makes the viewer come to you."

This doesn't mean a network should stay static in its programming options. NASCAR coverage debuted on Fox Deportes in February 2013, and college football is now a part of Fox Deportes' programming skein.

Fox Deportes has also been aggressive in offering a range of cross-platform opportunities for consumers and marketers to embrace. As of mid-April 2013, Fox Deportes had 1.3 million Facebook likes—more than Fox Sports and twice as many as Univision, Cordero notes.

What's next for Fox Deportes? Expansion of its news and soccer talk programming. And, Cordero hopes to build the NASCAR and NCAA college football brands. "I don't want to put anything on this network that isn't great," he says. "I couldn't think of greater brands on our air than these. It all ties in, and provides Latino sports fans with an aspirational call to action through great entertainment."

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HISPANIC RADIO

Eric Rhoads, Chairman/Publisher of *Radio Ink* and *Radio Television Business Report*, is passionate and emphatic about Hispanic radio—and its importance to the entire radio industry.

Perhaps it's tied to his earliest days in radio, as an air personality on Miami Top 40 stations WHYI-FM "Y-100", WMJX-FM "96X," and WQAM-AM 560 during the 1970s and later as a co-founder with legendary music programming consultant Jerry Clifton of New World Communications. As Miami evolved into a Latino metropolis, its musical tastes also changed, and Rhoads was in the middle of it all.

Fast-forward nearly 40 years, and Rhoads is convinced that Hispanic radio is a critically important element of radio listening throughout the U.S. "A giant piece of radio's future will be determined by Hispanic audiences," he notes in an open letter to marketers and radio industry professionals who may be considering to attend the **2013 Radio Ink Hispanic Radio Conference**, set for May 16-17 at the Biltmore Hotel in Coral Gables, Florida.

"If you're in broadcasting, there is a Hispanic radio station in your future. No kidding," Rhoads notes. He cites Census 2010 data that show swift Hispanic population growth in nontraditional markets across the U.S., in addition to regions and cities that continue to bolster their current Hispanic population totals. "Any American cities that do not have Hispanic radio stations will have them soon," Rhoads says. "In fact Hispanic radio is the only growth segment in radio today. If you plan to be in radio for the next 5 to 10 years, you need to understand Hispanic radio."

The overall landscape for Hispanic radio includes a diverse mix of AM and FM radio stations in markets large and small. However, marketers have largely been focused on only the largest operators of Hispanic radio: Univision, SBS, Entravision, Lotus Communications, Adelante Media Group, Davidson Media Group, Clear Channel, CBS Radio, and GLR-affiliated Caracol/W Radio. Beyond these companies are Spanish-language radio stations in such locales as Fort Myers-Naples, FL; Fayetteville, AR; Wichita; and Omaha.

In Wichita and Omaha, total-market broadcasters Journal Broadcast Group and Connoisseur Media, respectively, filled the void by placing Spanish-language programming on an FM signal in their respective markets. Rhoads believes this will only continue. "It used to be that Hispanic radio was a speciality—understood only by Hispanic broadcasters," Rhoads says. "More and more, general market radio companies are recognizing the value of Hispanic programming, because reaching Hispanic consumers is important. And like non-Hispanic radio, there is a need for Hispanic programming in all demographics."

At the same time, Rhoads has used the annual radio conference, staged last year in San Diego, as a call for unity among Hispanic radio operators. “This industry-within-an-industry needs unity to strengthen its opportunity with advertisers,” he says. “Though competition will always exist, everyone benefits if all radio ships rise with the tide of industry growth. By finding a unified way to build Hispanic radio and increase its tools, its opportunities, and its sophistication, we can grow as an industry.”

“Though competition will always exist, everyone benefits if all radio ships rise with the tide of industry growth. By finding a unified way to build Hispanic radio and increase its tools, its opportunities, and its sophistication, we can grow as an industry.”—Eric Rhoads

The 2013 Radio Ink Hispanic Radio Conference opens May 16 with a keynote address from Geraldo Rivera, host of “Geraldo,” which is distributed to radio by Cumulus Media Networks.

A panel discussion on the impact of pending immigration reform, moderated by Adam R Jacobson, will be juxtaposed by a convergence session featuring Grammy award winners Carlos Vives and Elvis Crespo.

May 17 sessions are set to include discussions on programming, measurement of Hispanic radio listening, and local direct strategies. An afternoon look into the minds of clients and agencies moderated by McGavren Guild Media Director of Sales/Hispanic Specialist Jason Gueits features Tapestry Media Supervisor Sylvia Serna-Refojo and Zubi Advertising VP/Media Integration Isabella Sanchez. The conference closes with a roundtable discussion featuring Zubi Advertising COO Joe Zubizarreta, Entravision COO Jeffrey Liberman, Univision Radio President José Valle, Adelante Media Group CEO Jay Meyers, and Davidson Media Group President Chris McMurray.

HMO

For full details on the Radio Ink Hispanic Radio Conference, visit www.hispanicradioconference.com.

ONLINE OPPORTUNITIES

According to The Media Audit, 32.7% of all Hispanics in the top 10 markets have logged on in the past month to an internet radio website such as **Pandora Radio**, **iHeartRadio**, **Radio.com** or **Slacker.com**. The figure represents 4.2 million Hispanic internet radio listeners. Additionally, 29.8% of Hispanics listened to internet radio in the past week, suggesting nearly the same amount are logging on weekly as they are in a typical 30-day period. Pandora Radio is the dominant choice among Latinos in top 10 markets, with 28.7% of respondents saying they logged on to the service in the past month. This compares to 8.4% for iHeartRadio and 1.9% for Radio.com, which features mainly CBS Radio broadcast stations' streams and programmed format-specific internet radio options. Meanwhile, Pandora Radio reaches 34% of the New York metropolitan area's 3.2 million Hispanics each week, and reaches 25.9% of Los Angeles' 3.9 million Hispanics each week.



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HISPANIC RESEARCH

THE HMO INTERVIEW: CARLOS VIRAMONTES

For nearly three decades, Carlos Viramontes devoted his efforts to Hispanic consumer marketing for Anheuser-Busch. In his role at the brewing giant, he gained much experience looking into the consumer research process, examining how to best conduct focus groups. "I was most focused on the qualitative side," he says.

In July 2008, Belgian brewer InBev announced that it was buying Anheuser-Busch for \$52 billion. As the maker of Stella Artois came together with the producer of Budweiser, Viramontes opted for a buyout, and venture out on his own as a marketing consultant.

However, focusing on the focus group kept gnawing at him. His passion, along with serving an important client need, has helped **Viramontes Marketing Communications** to become a leading database recruiter for marketers that specifically wish to target Hispanic consumers in Southern California.

"This part of my business has really blossomed," says Viramontes. The reason is perhaps due to his insights on how not to conduct a focus group.

"People conducting the focus groups were not finding the right people for participation in the focus groups," he says. "I got to go to visit focus groups three to four times a year, and I got to know a lot of the respondents! In a city with [a tremendous number of] Mexicans, why were we getting the same people in our focus groups?"

Viramontes spoke up, and started to ask why the facility was falling short. Among the most troubling reasons was his discovery that there was not one Spanish-speaking call center recruiter. He notes, "If we're trying to target 100% Mexicans we really wanted to check the message's impact with Mexican-Americans. Obviously, when we went to go back and evaluate our findings we automatically knew that the information was going to be faulty."

To establish faith and trust in Viramontes Marketing Communications, the business set up shop in Plaza Mexico, located in the heavily Mexican-American community of Lynwood, CA. Five minutes away in Downey, CA, Viramontes built a focus group facility he describes as having "a comfortable home-like ambiance conducive to an immediate comfort level for respondents and clients alike. As we all know, comfortable, trusting respondents make for uninhibited responses resulting in excellent consumer feedback."

Viramontes also takes care in inviting potential focus group participants into the office, where staff would ask a series of questions designed to give Viramontes' team a clear idea if the individual had determined who the client is.

“We place a lot of care into our database recruitment efforts,” says Viramontes. “We do not recruit from call-ins. We eschew the so-called professional respondent. We don’t recruit people who have participated in other focus groups. And, we purposely do not put sign-in sheets online.” Furthermore, Viramontes says all participants in his focus groups are asked to stay a minimum of six months and no more than two years.

Viramontes’ efforts aren’t easy, and they don’t come cheap, either. “Recruitment is an expensive process,” he says. “It requires an outlay of capital, and many of my peers have been unwilling to do this.”

Meanwhile, Viramontes still sees some head-scratching among clients who don’t understand who the consumer they seek really is. “When I hear a client make false assumptions, it is difficult for me to respond because that is not my job. I do not try to interpret what the end client has judged from our research.”

Although he has remained a neutral figure in providing companies research used for its Hispanic marketing strategies, he has seen improvements from companies who he says have hired the right people to determine how to proceed based on the data in hand. But, clients still have a long way to go.

“There are some clients—major clients, international clients—who seek intellect into the Mexican-American consumer,” Viramontes says. “These are non-Mexican marketing executives interpreting the data, and oftentimes major mistakes are made because they simply don’t have the right understanding of the language or culture. They simply misread the findings. Companies believe they have made progress, but they’ve only made mistakes.”

Viramontes believes that CMOs can avoid this by starting their efforts with a macro view. “Research your market carefully, using quantitative work,” he says. “Then, verify your information to give yourself an idea of where you want to start digging.”

Of course, this requires a budget, and Viramontes fears companies aren’t willing to put the right amount of dollars toward properly creating Hispanic focus groups. “Many companies are not willing to spend what it takes to know the market ... because they already think they know the customer,” he says. “It took four years of investing in our business to get to where we are today.”

Getting the right sample for a focus group comes down to three key things, according to Carlos Viramontes:

- * **Make sure the end client understands who the consumer is.**
- * **Whenever you can, recruit face-to-face.**
- * **Don’t recruit individuals on the spot.**

The fastest-growing segment for Viramontes is the health care industry, which has a plethora of consumer engagement opportunities in the Hispanic market. The food and beverage industry is also an active category. The automotive category? "They are very restrictive, and have very firm ideas. They think they have all of the answers, but they leave no room for flexibility, and that's hurting them."

Viramontes recalls one car company that required certain elements from its respondents, such as being the primary lienholder. "That's a little bit of a problem when it comes to Hispanics, because you often have multiple family members who regularly drive a car that is owned by a son or daughter or is leased. The auto company has no need to require this. We would look at income, and if they want to buy a car in the next three months. The automaker brings all of these pretentious requirements that are so heavy that they get a small sliver of the total potential consumer group."

On the whole, Viramontes believes there is still a lot of growth to go in the arena of Hispanic market research. For starters, he believes research firms should avoid going high-tech and increase the interpersonal, grass-roots communication that can be had with less-aculturated Hispanics.

Viramontes also stresses that fully comprehending the focus group respondent is essential for a brand to truly succeed in the Hispanic market. "Focus groups are more than verbal exercises," he says. "Without looking at a respondent's body language, you miss out on some very important insights. See their faces when they sample a product or see a spot. Of course, this requires the client to have the right team. Otherwise, it will never be able to recruit the right consumer."

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HISPANIC GLOSSY OVERVIEW: WHO'S SPENDING WHERE*Source: HispanicMagazineMonitor™, a service of Media Economics Group, (c) 2013*

Top 10 Advertisers in Hispanic Magazines			
(By estimated Advertising Spending)			
January - December, 2012			
Rank	Advertiser	Total Ad Pages	Total Dollars
1	Procter & Gamble Company (The)	987.99	\$48,212,238
2	L'Oreal USA, Inc.	370.42	\$21,931,360
3	Estee Lauder Companies Inc.	91.00	\$5,628,021
4	Target Corporation	58.32	\$4,399,865
5	Kimberly-Clark Corporation	68.33	\$4,288,350
6	Mars, Incorporated	84.00	\$4,216,147
7	Kellogg Company	63.30	\$4,065,473
8	Unilever PLC/Unilever NV	64.47	\$3,824,299
9	General Motors Corporation	87.00	\$3,501,007
10	Colgate-Palmolive Company	67.00	\$3,192,158
Totals: (top 10)		1,941.83	\$103,258,918
Totals: (all advertisers)		6,090.63	\$249,077,941
Source: HispanicMagazineMonitor™, a service of Media Economics Group, (c) 2013			

Procter & Gamble Co. is once again the top advertiser—by a wide margin—at the Hispanic magazines measured by HispanicMagazineMonitor. The No. 2 advertiser at Hispanic magazines in 2012, L'Oreal USA, invests less than 50% of P&G's total Hispanic magazine budget into Latino glossies.

From there, the dollars drop precipitously. The No. 3 advertiser in 2012—Esteé Lauder—invested just 11.7% of the dollars that P&G allocated to Hispanic magazines during the calendar year. The remaining advertisers in the top 10 invested less than \$5 million in Hispanic magazines during 2012.

Top 10 Hispanic Magazines

(By estimated Advertising Revenue)

January - December, 2012

Rank	Magazine	Total Ad Pages	Total Dollars
1	People en Espanol	1,098.58	\$83,441,344
2	Latina	669.61	\$32,581,545
3	Vanidades	562.17	\$22,954,140
4	Ser Padres	214.26	\$22,443,439
5	Siempre Mujer	285.10	\$19,175,270
6	TV y Novelas	509.18	\$19,038,780
7	Cosmopolitan for Latinas	119.32	\$7,444,040
8	Cosmopolitan en Espanol	334.52	\$6,311,700
9	TV Notas	676.22	\$5,973,418
10	Poder Hispanic	137.00	\$5,028,034
Totals (all magazines):		6,090.63	\$249,077,941
Source: HispanicMagazineMonitor™, a service of Media Economics Group, (c) 2013			

As discussed in this report, *People en Español* is the dominant Hispanic magazine, and has consistently been the leader by ad dollars and total ad pages. In 2012, *People en Español* was the lone Spanish-language glossy to surpass 1,000 ad pages. Its closest competitor by dollars, *Latina* magazine, was well behind with nearly \$32.6 million worth of advertising.

A considerable drop-off in ad dollars was seen among beyond the top six Spanish-language glossies, with *Cosmopolitan for Latinas* and *Cosmopolitan en Español*'s combined ad dollars in 2012 coming in under the total ad dollars seen by *TV y Novelas*.

HISPANIC ONLINE OVERVIEW: WHO'S SPENDING WHERE

Source: *HispanicWebMonitor™*, a service of Media Economics Group, (c) 2013

Top 10 Advertisers on Hispanic Websites (By share of ad occurrences) January - December, 2012		
<u>Rank</u>	<u>Advertiser</u>	<u>% Share</u>
1	Procter & Gamble Company (The)	7.8012%
2	L'Oreal USA, Inc.	3.4086%
3	Estee Lauder Companies Inc.	3.3275%
4	Target Corporation	3.0258%
5	Kimberly-Clark Corporation	2.4102%
6	Mars, Incorporated	2.3488%
7	Kellogg Company	2.1556%
8	Unilever PLC/Unilever NV	1.5042%
9	General Motors Corporation	1.4310%
10	Colgate-Palmolive Company	1.0735%
Totals: (top 10)		28.49%
Totals: (all advertisers)		100.0%
Source: HispanicWebMonitor™, a service of Media Economics Group, (c) 2013		

For the first time, *Hispanic Market Overview* is pleased to offer year-to-date data for *HispanicWebMonitor*, also a service of Media Economics Group. As shown in the chart above, P&G is also the big No. 1 advertiser by ad occurrences on the Hispanic websites it monitors. L'Oreal and Estée Lauder are No. 2 and No. 3, respectively, illustrating the continued focus on Hispanic women among marketers.

The top 10 includes CPGs, food, and automotive brands, while the top 10 advertisers on Hispanic websites account for 28.5% of all Hispanic online dollars.

HMO

ABOUT THE AUTHOR



ADAM R JACOBSON is a veteran journalist and multicultural media marketing strategist who in January 2010 launched an editorial services and research consultancy focused on helping companies best attract multicultural consumers. A 20-year veteran Hispanic market media professional, Jacobson is the author of the *Hispanic Market Overview* series of white papers produced and distributed in partnership with HispanicAd.com. Jacobson has also served as a senior editor at *Hispanic Market Weekly*, assisted in the launch of *Latina Style Magazine*, and began his career in 1993 at HISPANIC Magazine. Jacobson also served as principal analyst for Arbitron's *Hispanic Radio Today* 2010 and 2011 reports, and from 1995-2006 held several editorial positions at former industry trade publication *Radio & Records*. He is a frequent conference speaker and panel moderator on Hispanic media and multicultural

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ACKNOWLEDGMENTS

This report's creation could not be possible without the remarkable support and mentorship of Gene Bryan and the assistance of Manny Ballesteros.

I would also like to express my sincere gratitude to Alex López Negrete, Luis Miguel Messianu, Lino García, Tom Maney, Craig Geller, Melissa LaFrance, Natalia Borges, Marielena Santana, Hanna Bolte, Paula Carreiro, Lynette Fine, Aldo Quevedo, Carlos Viramontes, Roberto Orcí, Alfredo Rodriguez, and Monique Manso for their contributions and participation in this year's report. Special thanks is also given to Emily Marquez-Dulin and Karen Ciely for their flexibility in allowing for the production of this report, and to David Korvah and Marge Morris for their assistance on external promotion of this report.

I also wish to thank my mom, dad, Dale, my family, and my closest friends and family for providing me the strength and clarity over the last four months to produce this report.

Lastly, I am forever grateful to Second Cup Coffee Company for opening their first U.S. location just 15 minutes from my home, and to Scott Spooner, Michael Lewis, Anthony Acampora, Terri Gutierrez, Kevin Epstein, Jorge Hernandez, John Cascante, Team In Training, the San Antonio Spurs and the Los Angeles Kings for making sure I balanced work and play as much as possible while producing this report.

HISPANIC MARKET OVERVIEW | 2013

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