2014 HISPANIC MARKET OVERVIEW







adam r jacobson



TABLE OF CONTENTS

INTRODUCTION	5
THE U.S. HISPANIC MARKET: LANGUAGE AND CULTURE HISPANICS LARGELY PREFER ENGLISH-LANGUAGE MEDIA	6 7
THE U.S. HISPANIC MARKET: TRENDS AND ATTITUDES	
SPENDING HABITS	10
ATTITUDES TOWARD ADVERTISING	11
THE U.S. HISPANIC MARKET	
THE HMO INTERVIEW: HORACIO GAVILAN	15
HISPANIC ADVERTISING AGENCIES	
THE HMO INTERVIEW: ALEX LOPEZ NEGRETE	17
THE HMO INTERVIEW: INGRID OTERO-SMART	21
THE HMO INTERVIEW: LIZ CASTELLS-HEARD	23
THE HMO INTERVIEW: DAISY EXPÓSITO-ULLA	26
THE HMO INTERVIEW: MANUEL MACHADO THE HMO INTERVIEW: CARLOS MARTINEZ	29 33
HISPANIC MARKETING AND ADVERTISING THE HMO INTERVIEW: DR. FELIPE KORZENNY, Ph.D, The Florida State University	35
THE TIMO INTERVIEW. DR. FELIFE RORZEINNY, FILD, THE HORIGO STORE OF INVESTIG	
THE U.S. HISPANIC MARKET: TELEVISION CONSUMPTION	39
HISPANICS LARGELY PREFER ENGLISH-LANGUAGE MEDIA	40
TOP 10 HISPANIC RADIO STATIONS IN THE U.S., BY REVENUE	42
HISPANIC MEDIA	
THE HMO INTERVIEW: TOM MANEY	44
THE HMO INTERVIEW: JOHN FITZGERALD AND LINO GARCIA	48
THE HMO INTERVIEW: KEITH TURNER	52
THE HMO INTERVIEW: MIKE ROSEN	56
HISPANIC MEDIA MEASUREMENT	
THE HMO INTERVIEW: STACIE DE ARMAS	61
HISPANIC DIGITAL MEDIA	
THE HMO INTERVIEW: VANESSA LIZAMA AND SOIZIC SACREZ	64
THE U.S. HISPANIC MARKET: THE POWER OF SOCIAL MEDIA	
HISPANICS ARE PRIME TARGETS FOR SOCIAL MEDIA MARKETING	66
HISPANIC SOCIAL MEDIA	
THE HMO INTERVIEW: NATALIE BODEN	69
HISPANIC PRINT OVERVIEW: THE GLOSSY STORY	72
THE AND TRING OVERVIEW. THE GEOGREPH OF THE	, 2
HISPANIC GLOSSY OVERVIEW: WHO'S SPENDING WHERE	73
HISPANIC GLOSSY OVERVIEW: TOP TITLES BY AD REVENUE	76
HISPANIC ONLINE OVERVIEW: WHO'S SPENDING WHERE	77
ABOUT THE AUTHOR	78
ADVERTISER INDEX	79
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INTRODUCTION

Is all of the endless chatter about "total market" total BS?

Is the advertising and marketing industry's infatuation with millennials completely daft, since these consumers are more likely to have crappy jobs and far less money to spend on anything when compared to their parents and grandparents?

Is it time say "So long and -30-" because Hispanic marketing and advertising has peaked and is starting its slow, painful slide downward?

After spending four months preparing the fifth annual *Hispanic Market Overview* by engaging some of the industry's top thought leaders in debate and pouring through pages of Excel spreadsheets, the answer is an easy one.

Um, I think not.

There's a clear need to fully understand "total market" approaches.

What this report seeks to define is what a "total market" approach is.

How have agencies and Hispanic media companies tackled the buzzword of the year when meeting with clients about their Hispanic market strategies? We've gotten exclusive responses from six agency heads on the eve of the ahaa 2014 Annual Conference at the Eden Roc Hotel in Miami Beach.

We also discuss the coveted Latino millennial, and why they are important as influencers and are social media leaders. At the same time, we look at how the Hispanic consumer is at the forefront of swift changes in how we consume media, and why the debate of 'Hispanic' versus 'Spanish-language' needs to be put to rest once and for all.

Lastly, for the first time we present Hispanic consumer data from Experian Marketing Services that provides the reader with more unique content than ever before.

What does the future hold for the U.S. Hispanic market?

I'm no soothsayer, but I'm a bit more convinced that in 2024 we'll still have Spanish-language media. We'll also have a whole lot of English-language media specifically targeting the Latino consumer. And that's exciting.

Adam R Jacobson

THE U.S. HISPANIC MARKET: LANGUAGE AND CULTURE

Much has been said and written about the increased use of English among Hispanics of all ages. With growth in the U.S. Hispanic population driven by births, rather than immigration, in the last several years, it is only natural that English would serve as the primary language of tweens, teens and young adults.

However, the latest data from the 2013 Experian Marketing Services Simmons National Hispanic Consumer Study suggest that Hispanics are not shedding their use of Spanish. Rather, it is how Hispanics are incorporating Spanish into their lives that is the key questions markets need to ask—and come to grips with.

In the home, Hispanics are more likely to speak at least some Spanish than speak English exclusively. But, when away from the home, the language most likely to be spoken by Hispanics is English.

Looking at the big picture, some 36% of Hispanic adults say they are English dominant in the home. "Things change once they leave home," notes John Fetto, senior marketing manager of consumer insights at Experian Marketing Services. "Some 58% of Hispanic adults say they are English dominant outside the home. That said, 30% of Hispanic adults are still Spanish dominant outside the home."

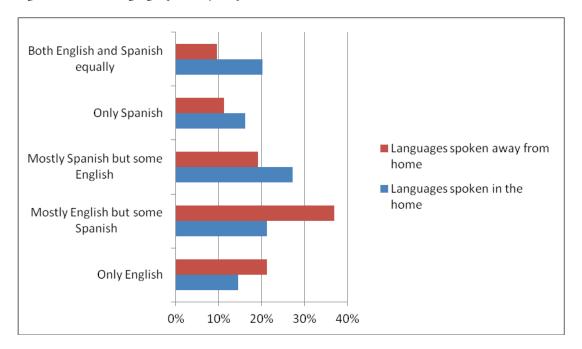


Figure: Preferred language spoken by Hispanic adults, in home/out of home

Source: Experian Marketing Services, Simmons National Hispanic Consumer Study, 2013. Base: Hispanic adults aged 18+.

The pessimist must also consider that the Experian Marketing Services numbers are among Hispanics on a national level, and when venturing from market to market, the level of Spanish dominance is likely to vary—oftentimes significantly. Therefore,

marketers must continue to engage Latino consumers in Spanish while also actively creating and launching culturally relevant strategies in English.



ON TOP WITH A 'BANG'

For the week ending April 6, 2014, the No. 1 English-language primetime program viewed in Hispanic households is CBS's The Big Bang Theory, according to Nielsen. The show earned a 4.7 rating, capturing 985,000 viewers 2+ in Nielsen's Top 10 English-language prime-time programs in Hispanic households. Of the Top 20 Spanish-language prime-time programs viewed by Hispanic households during this period, 18 attracted more viewers than *The Big Bang Theory*. This demonstrates the vital importance of Spanish-language television to marketers.

HISPANICS LARGELY PREFER ENGLISH-LANGUAGE MEDIA

According to Experian Marketing Services, roughly 1 in 4 (26%) Hispanic adults mostly speak Spanish, while close to 1 in 5 (19%) Hispanic adults only speak Spanish. But when it comes to their preferred language when reading or when consuming all kinds of media, it's all about English. One in five Hispanic adults exclusively consume Spanish-language radio. Additionally, one in five Hispanic adults only read in Spanish. At the same time, just 13% of Hispanic adults only watch Spanish-language television. Only 13% of Hispanic adults exclusively use the internet in Spanish.

However, marketers should take into consideration the percentage of Hispanics who mostly watch Spanish-language television (21%) and mostly listen to Spanish-language radio (20%). By doing so, the continued importance for marketers to include Hispanic television and radio in their media mix becomes crystal clear:

Of Hispanic adults who consider themselves to be Spanish dominant, 1 in 3 (34%) prefer to watch Spanish-language television. Some 40% of Hispanic adults prefer to listen to Spanish-language radio.

A positive spin is a bit more difficult for Spanish-language digital media. "The number of respondents who didn't provide a language preference for online was quite high, most likely because there is still a sizable portion of the adult population that doesn't go online," Experian Marketing Services' John Fetto notes. "As such, I rebased the language preference options to those who answered the question." The result: Hispanics are most comfortable in English when using the internet, despite the availability of Spanish-language content online. Some 73% of Hispanic adults said they prefer to visit English-language websites, compared to 26% of Hispanic adults who prefer to visit Spanish-language websites.

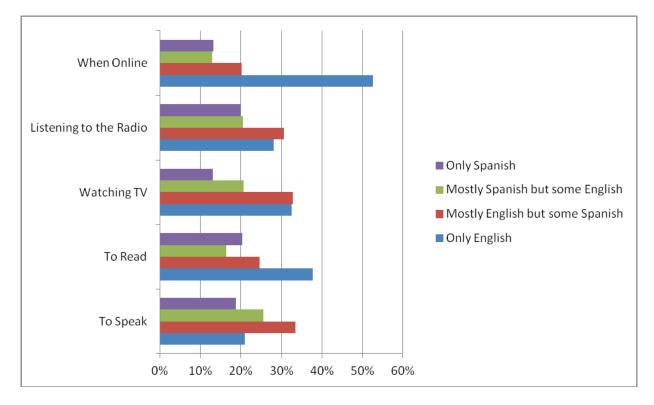


Figure: Preferred language of Hispanic adults when engaged in media and/or communication

Source: Experian Marketing Services, Simmons National Hispanic Consumer Study, 2013. Base: Hispanic adults aged 18+.

How Hispanics are most likely consuming television is perhaps of key concern to marketers and advertisers, given the large percentage of advertising dollars to Hispanic television networks. According to Experian, English-language television is preferred over Spanish-language television —even among Spanish dominants.

Among Spanish-dominant respondents, just 30% watch only Spanish-language television programming. Yet, of English-dominant Hispanic adults, some 28% consume some kind of Spanish-language television content.

This suggests that as Hispanics become more acculturated and increase their use of English, Spanish remains important in the home—and their viewership of at least some Spanish-language television is vital to retaining their use of Spanish en casa. For marketers seeking to gain traction with Hispanics, the incorporation of Spanish-language television into a client's media buying and planning strategies becomes an essential component to fully capturing this important consumer segment.



THE U.S. HISPANIC MARKET: TRENDS AND ATTITUDES

SPENDING HABITS

According to Experian Marketing Services' Simmons National Hispanic Consumer Study, Hispanic households on average have lower discretionary spending than non-Hispanic households. This is not surprising, as Hispanic household income in 2012 averaged \$39,000—a small jump from the \$38,624 seen in 2011. Still, while Hispanic household income is less than Whites (\$57,000) and Asians (\$68,000), Latino household income is greater than that of Blacks (\$33,300).

	All US	Hispanic	
	households	household	
Mean HH Discretionary Spend Estimate	\$		
	14,791	\$ 11,973	
Total Discretionary Spend Estimate	\$1.75		
Total Discretionary Spend Estimate	trillion	\$196.87 billion	
Percent of total Discretionary Spend Estimate	100.0%	11.3%	

Source: Experian Marketing Services, Simmons National Hispanic Consumer Study, 2013

Dining out comprises the largest share of the average American households' annual discretionary spending, and the Hispanic share of household discretionary spending on dining out is slightly higher (18.6%) than that of non-Hispanics (18.2%). Among Hispanic households, dining out accounts for 19 cents of every dollar spent on non-essentials, a rate comparable to all households.

Apparel, the second biggest spending category, accounts for 12.4% of Hispanic household discretionary spending, compared to 12.2% for all households. Hispanic households also devote a slightly higher percentage of their discretionary spending on charitable donations, home furnishings, and entertainment when compared to non-Hispanics. Although average Hispanic household annual spend is lower than that of non-Hispanics, marketers must look at the likelihood of spending by Hispanics and thus further expand their efforts to capture hard-earned dollars Latinos have set aside for their discretionary spending activities.



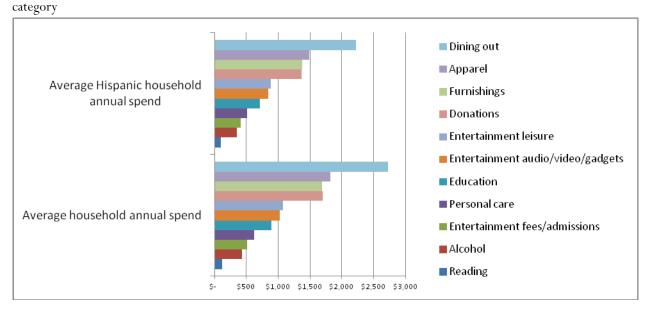
U.S. Hispanic population



The total number of Hispanics of Mexican origin in the U.S.

Source: Pew Hispanic Center tabulations of the 2011 American Community Survey

Figure: Discretionary ad spending by



Source: Experian Marketing Services, Simmons National Hispanic Consumer Study, 2013

ATTITUDES TOWARD ADVERTISING

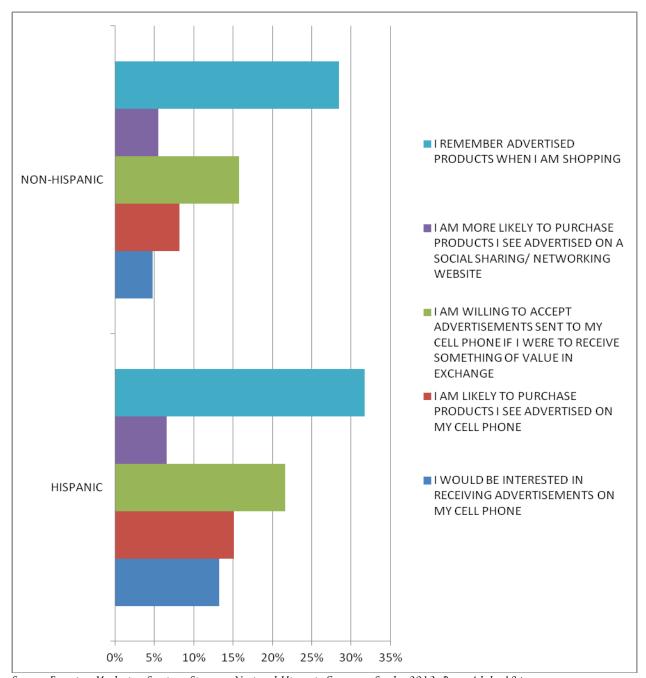
Hispanic consumers are far more tolerant than non-Hispanic consumers when it comes to advertising messages—especially on the all-important smartphone. According to Experian Marketing Services' Simmons National Hispanic Consumer Study, 13% of Hispanic adults are interested in receiving advertisements on their cell phone, compared to 5% of non-Hispanic adults. Additionally, some 15% of Hispanic adults are likely to purchase products they see advertised on their cell phone, compared to 8% of non-Hispanic adults.

Furthermore, nearly 1 in 4 Hispanics (22%) are willing to accept advertisements sent to their cell phone if they were to receive something of value in exchange. This compares to 16% of non-Hispanics.

For a detailed look at top trends of the U.S. Hispanic population, we invite you to view a <u>slide show</u> prepared by **Pew Hispanic Center** featuring the key findings of its statistical portrait of Hispanics in the U.S. by visiting <u>www.pewhispanic.org</u>.

The **Pew Hispanic Center** has created an <u>easy-to-navigate guide</u> 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.

Figure: Receptivity to advertising among Hispanics and non-Hispanics



Source: Experian Marketing Services, Simmons National Hispanic Consumer Study, 2013. Base: Adults 18+.

Even among Hispanics who are English dominant, the value of Spanish-language labeling, advertising and websites is high. This suggests that even if English-dominant consumers don't require Spanish-language marketing, there is a positive response that results from a company taking the steps to effectively capture all Hispanic consumers, including those that rely on Spanish-language communication.

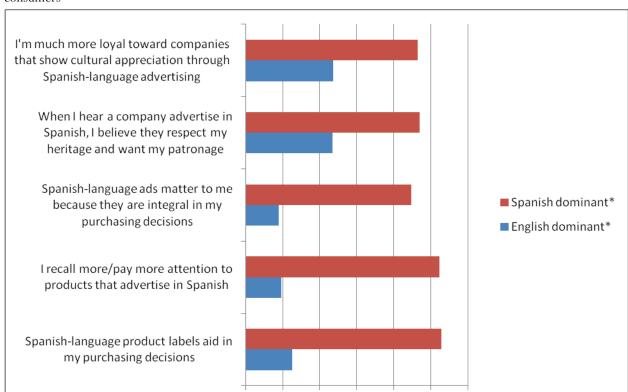


Figure: Attitudes to Spanish-language marketing efforts among Hispanic consumers

Source: Experian Marketing Services, Simmons National Hispanic Consumer Study, 2013

Additionally, nearly 1 in 3 Hispanics (31%) find television advertising interesting and give respondents "something to talk about," compared to roughly 1 in 4 (23%) non-Hispanics. Furthermore, Hispanics (37%) are far less likely than non-Hispanics (48%) to avoid watching television commercials.

10%

20% 30% 40% 50% 60%

Hispanics are also more receptive of advertising messages targeted to children, with 35% of Hispanics believing that advertising to children is wrong, compared to 40% of non-Hispanics.

"While there are always some who have a negative opinion of advertising and choose to avoid ads, Hispanics are less ad averse than non-Hispanics," says John Fetto, senior analyst, research and marketing at Experian Marketing Services. "Hispanics find advertising more entertaining, enjoyable and interesting, and advertisements are often the topic of conversations with others."

Should marketers fail to capitalize on this, they risk losing market share to more aggressive competitors that develop and executive Hispanic marketing initiatives that tap into this consumer group's receptiveness to advertising across all screens.

^{*}Based on language spoken in home. Base: Hispanic adults 18+.



We believed anything was possible then. And we still do.

As children, we didn't have our sights set on becoming ad people. And yet, as we reflect back on the limitless aspirations of our youth, we realize that our childlike passion is very much alive in what we do today—still believing in the dreams that brought us here, and chasing brand new dreams that lay just beyond the horizon.



THE U.S. HISPANIC MARKET

THE HMO INTERVIEW: HORACIO GAVILAN

As the executive director of ahaa, the "voice of Hispanic marketing" formerly known as the Association of Hispanic Advertising Agencies, Horacio Gavilan has heard the following question numerous times over his career:

Is this the end of Hispanic marketing?

"We see these waves come and go over the years, and we can say with certainty that things are changing and the 'total market' is taking center stage," he says.



But after 15 years at the helm of ahaa, Gavilan isn't ready to turn in the keys and shut off the lights for the last time.

Rather, he's intent on tackling the ways marketers can properly target Hispanic consumers by addressing the issue of what "total market" approaches truly comprise.

"If you talk to 10 people, they will each define 'total market' efforts differently," he says. "When done right, we support a client's total market efforts. But companies that don't quite get it, and implement it poorly, end up not using Hispanic marketing

the way they should ... and that's distressing."

Addressing the confusion over "total market" efforts is a big part of *Thinking Under The Influence*, the platform launched in 2014 by ahaa "to forecast the extraordinary evolution of the American landscape" that is again the key theme to its annual conference set for Miami Beach's classic Eden Roc Hotel for April 28-30.

At press time, this year's ahaa conference proved to be a blockbuster before the event's registration desk even opened. In an unprecedented arrangement, none other than 21st Century Fox chairman and CEO Rupert Murdoch was set to deliver the opening keynote. Murdoch is a firm believer in Fox Hispanic Media, and his talk was to provide insight into the significant business opportunity presented by the Hispanic market, and how television is changing as this market and society evolve.

The presence of a global leader is part of ahaa's desire to attract a diverse assortment of advertising and marketing professionals. "We can't just keep talking to each other," Gavilan says. "So many other conferences are out there, talking about the same things. We want people to come and learn, and this really propels us into the 'total market' universe."

The first day of ahaa also includes a "total market" discussion moderated by Acento Advertising CEO Roberto Orcí featuring as panelists Alex López Negrete, Draft FCB

global chief strategy officer Vita Harris, and IW Group president and COO Nita Song. The goal of the roundtable: To provide a clear definition to the industry on what "total market" efforts are, or should be.

The three-day conference also includes discussions from Wells Fargo CMO Jamie Moldafsky sharing her keen understanding of the U.S. Hispanic market, and how the financial institution has demonstrated that anticipating consumer needs and consumer appeal is critical to marketing success. "That's a company that gets it," Gavilan says of Wells Fargo.

Moldafsky was set to discuss best practices and expose how Wells Fargo is increasingly tailoring its products and marketing strategies to accommodate the economic needs and cultural traditions of the Hispanic segment.

Also on the bill: Jonah Berger, author of *Contagious: Why Things Catch On.* "This should be a great session on how social influence helps things get viral, and why Hispanic marketers have much to gain from understanding this," Gavilan says.

With entertainment figures including Prince Royce—arguably the biggest Latin music star in the U.S. today—and acclaimed director and El Rey Network founder Robert Rodriguez on the bill alongside Chrysler head of multicultural advertising and marketing Juan Torres and Havaianas CMO Rui Porto, among many others, the 2014 ahaa conference accomplishes two key objectives for Gavilan.

"We're trying to offer value for marketers that have limited travel and expense budgets and need to be selective in the events they attend," he says. "We're also covering as many bases as possible in a single event. We have entertainment. We're addressing the upscale Latino consumer. We are talking about Social TV."

If all goes according to plan, we'll all be talking about the 2014 ahaa conference for years to come.

HMO

The National Grocers Association (NGA) and the Center for Multicultural Science (CMS) recently conducted the first study to estimate how much the Hispanic shopper spends in the independent retail grocery channel.

The study found that Hispanics spend an estimated \$22.8 billion in retail grocery stores (or 17% of the total estimated annual sales of the independent retail grocery channel).

For full details, please visit <u>HispanicAd.com</u>



HISPANIC ADVERTISING AGENCIES

THE HMO INTERVIEW: ALEX LOPEZ NEGRETE

In mid-March 2014, at a Miami event featuring one of the Latin world's biggest recording artists, no one had many positive things to say about the U.S. Hispanic market. One familiar face shared the news that she had shifted agencies and had "happily" left the U.S. Hispanic market to focus on media buying and planning in Latin America. A longtime Hispanic market executive lamented that the market was still slow, and things were moving glacially. A third bemoaned layoffs at her company. A fourth person noted that he was actively looking for work in the "general market."

Has the U.S. Hispanic market hit its peak? Are years of gloom and doom ready to set in?



If you've spoken with veteran Hispanic advertising industry executive Alex López Negrete lately, the answer is clearly, and emphatically, no.

"It's been a crazy, wonderful year full of growth!" says Negrete, who oversees Houston-based Lopez Negrete Communications (LNC), a full-service Hispanic-focused multicultural agency that in 2015 will celebrate its 30th anniversary.

Among the highlights from the last 12 months: In June 2013, Verizon Communications announced that it had decided to consolidate its Hispanic market advertising efforts by awarding all strategic planning, creative, and digital responsibilities for Verizon Wireless from GlobalHue to LNC. Verizon's relationship with LNC dates to October 2010, when it shifted its estimated \$50 million U.S. Hispanic non-wireless business from GlobalHue.

In October 2013, LNC, which already has a Los Angeles outpost, opened the doors to its New York City office. Why? "I was drunk," López Negrete says with a laugh.

"Connectedness to our clients and our community has always been the hallmark of our agency, but it is also a game of scale and access," he says. "Having a New York presence was the next level of evolution for the agency, and having a large client in Verizon Wireless allowed us to achieve swift growth as a full-service agency. We're very happy with how we are growing."

With Bank of America a client now in its 21st year with LNC and Walmart set to celebrate 20 years with LNC next year, the agency has thrived with a diverse assortment of companies that have committed to reaching U.S. Hispanic consumers by directly communicating with them. Among LNC's other clients are Shell, AARP, Pernod Ricard, Dr Pepper Snapple Group and hulu.

López Negrete is pleased that the CPG category remains strong, but hopes that pharmaceutical companies will "get serious about the Hispanic market" and increase their targeted marketing initiatives.

At the same time, López Negrete has worked hard across his agency's departments to

ensure that their client's "total market" objectives are met. Asked how LNC ensures that their client has met its "total market" desires, López Negrete says, "It is the question we ask ourselves. "Everyone is confused about the 'total market.' Is it about the condition of the market? Is it about the approach to reaching the total market? Is it the 'how' to reach the total market, which is something like high school sex in that everyone talks about it but no one really does it?"

López Negrete begins to tackle the difficult question of how his agency defines what the "total market" is by first addressing the condition of the U.S. Hispanic market and the overall advertising landscape of today, compared to two decades ago.

"Everyone is confused about the 'total market.' Is it about the condition of the market? Is it about the approach to reaching the total market? Is it the 'how' to reach the total market, which is something like high school sex in that everyone talks about it but no one really does it?"—Alex López Negrete

"In 1995, we had the 'general market' and within that niche markets with some crossover messaging," he says. "Today, these 'little planets' that represented the niche markets are now really big and has reshaped our reality of what the 'general market' is."

Specifically, López Negrete sees several key things that brought today's focus on "total market" strategies to what he believes are "hysterical levels." First on his list is the redefinition of what is mainstream in the America of 2014.

He says, "The demographic reality of today's 'general market' hit everyone square in the eyes. From a cultural, social, and economic perspective, these ethnic groups of 20 years ago now define what is now mainstream." As a result, there has been a blurring of the lines in mainstream media, with growth in multicultural audiences and marketing efforts that target these consumers, López Negrete adds.

Second, he notes, "Corporate America has an insatiable thirst for growth, and the only growth area out there is the multicultural consumer—specifically Hispanic. But marketers are confused, because there are more options than ever before, and Corporate America has always wanted nice and easy solutions."

That's where the concept of "total market" initiatives get muddied. "We have the general-market agency out there exclaiming, 'We can do it all!', with one strategy, one overarching human truth, and a plan to solve the complex equation of how to best target the Hispanic consumer. It seems like part of the market is going to embrace

adaptation and this 'all for one' approach, but to me it sounds like the 1980s and early 1990s all over again. Effectiveness and efficiency are not the same thing!"

López Negrete wants marketers to understand that today's Latino consumer makes purchasing decisions based on their freedom of choice, and with more linguistic choices than ever they are continuously communicating in both Spanish and in English. Thus, he is confounded by the idea that "big blanket" broadcasting-focused initiatives can ultimately prove successful in a world where one-on-one marketing is bigger than ever.

That's not to say using mainstream media to superserve a target audience while also appealing to all consumers can't prove successful. López Negrete singles out Miamibased Alma, led by president and chief creative officer Luis Miguel Messianu, for its groundbreaking McDonald's spot—<u>Los Primeros Clientes</u>—that aired on ABC during its March 4, 2014 telecast of The Oscars.

The 30-second commercial features a Hispanic teen who is shown on his first day at McDonald's, working the drive-thru window and taking orders in English. His first customers? Mom and Dad, who are shown ordering in Spanish. Narration at the end of the commercial is done in Spanish.

"This succeeds because McDonald's is being relevant to Hispanic audiences without alienating other audiences," López Negrete says. "It's a flat-out wave to Latino audiences on a night when Mexico got its first Best Director award [for Alfonso Cuarón]."

López Negrete laments that economic factors will lead to the continued use by some marketers of adaptations and translations of English-language creative designed for the general market. But, he's certain more marketers will see big gains that figure out how to best carve out a "total market" strategy—or whatever the proper name may be.

"I don't know if the term 'total market' is appropriate," López Negrete says. "It's more of an omnicultural market, where different cultures interact and absorb from one another without losing their identity. And, more and more, we'll need to have the Hispanic agency as 'the tour guide' to the Hispanic market, being at the table from the very beginning. We are now in the decision-making process, and that's what has changed from 20 years ago. Having influence, early in the process, has spread like never before."

But, López Negrete warns, it takes clients that are truly committed to Hispanic marketing to not botch what transpires next.

"When the 'sausage is made,' the follow-through isn't quite there despite the client's good intentions," he says. "For the agency, the task is to understand the brand essence, and show original work that does not betray that. You do not want to create brand chaos, yet the work has to unequivocally be Latino."

While López Negrete is confident of the Hispanic market's immediate future, he has no easy answers for where the market may be in 10 years, when the fuel behind the growth in the Hispanic population—U.S.-born Latino children—become consumers who may not need Spanish-language media.

"I've had some sleepless nights," he admits. "We may not know where the market will eventually go, but we should help ourselves in getting to go where are consumers are going. The last thing we should do is help them go somewhere else."

HMO

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Students and professionals are encouraged to enroll in individual courses or the Multicultural Marketing Certificate offered online by the <u>Florida State University Center for Hispanic Marketing Communication</u>.

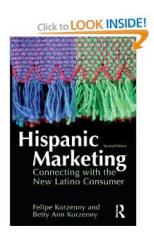
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Hispanic Marketing: Connecting with the New Latino Consumer, now available in paperback, is about using cultural insights to connect with Latino consumers. It's about marketing strategies that tap into the passion of Hispanic consumers so that marketers and service providers can establish the deep connections they need for a successful campaign. This book provides an understanding of the Latino consumer that goes beyond simplistic recipes.

This highly revised and expanded edition can be obtained by visiting www.korzenny.com/HMbookFlyer.pdf

HISPANIC ADVERTISING AGENCIES

THE HMO INTERVIEW: INGRID OTERO-SMART

The phrase 'total market,' in the eyes of Ingrid Otero-Smart, president and CEO of Costa Mesa, CA-based shop Casanova Pendrill, has emerged as a "flavor of the month" topic that has captured the attention of anyone interested in attracting Hispanic consumers.

Otero-Smart prefers to talk about "cross-cultural marketing."

"There are so many models and definitions that it can be confusing," she says. "Our job is to help our clients navigate the murky waters of change and come up with the most effective model."

By looking at cross-cultural marketing, Casanova Pendrill goes from the siloed model of GM, Hispanic, Asian, and African-American agencies to an integrated approach. By doing so, the agency can best identify universal cues and bring them to life in culturally specific stories.

"Cross-cultural marketing starts with the ethnic segments to develop effective communications that will cross over to the general market, instead of the other way around," she says. "This model is reflective of the new U.S.—it is inclusive and embraces cultural nuances."

But is that "total market"?



"It is interesting for us to see all the talk about TM now, when Casanova has been doing this for years for clients such as the U.S. Army, Hot Pockets, Denny's, and General Mills," she says. "A great example of this is the work we have been doing for Nature Valley for the past five-plus years, where what started as the Hispanic strategy eventually became the 'total' strategy since it was based on a universal insight."

How does the agency then ensure that a client's pitch, and subsequently a client's work, meets their "total market" objectives?

"It is imperative that we start with an in-depth review of the brand's general market strategy," she says. "Understanding how they got to that point and what the essence of the brand is allows us to develop a compelling messaging strategy that lives within it.

"Our philosophy has always been that our consumer does not live in a bubble. They may prefer to speak Spanish and consume Hispanic media, but they are also exposed

to the general-market messaging. The brand has to stand for the same values no matter what language we are communicating in."

Does the client understand truly that "total market" efforts are inclusive of Spanishlanguage advertising and marketing initiatives?

"Clients in general understand this ... at least the smart ones do," she says, "A total market strategy does not preclude the use of Spanish-language ads. On the contrary, you cannot deliver the total market without Spanish-language advertising."

Interestingly enough, one of Casanova Pendrill's clients just asked the shop to develop the total market plans for one of their brands. "A Hispanic agency lives fluidly on both worlds," Otero-Smart notes. "Therefore we are the total market. The GM agencies as a whole live in one dimension, so it is more of a struggle for them to think this way. For us it is a way of life. For them it is a huge cultural shift."

Does this explain why the Hispanic market agency continues to remain important?

Otero-Smart notes, "Having worked in this market for over 20 years, I have seen the general market agencies come and go as it relates to their interest and involvement in our space and have heard the naysayers predict the demise of the Hispanic agencies for a while. We are still here and stronger than ever.

"The Hispanic agencies have the talent, experience and expertise to continue to deliver

the most effective programs for our clients. We live fluidly in both worlds, while this requires a significant adjustment on the part of the general market agencies. As we have seen through the years, they do not have the patience, passion or commitment to stick with it. They may have more resources than Hispanic agencies do, but they are not well-suited for this task."

Meanwhile, Otero-Smart envisions a future where Spanish-language media will continue to have a strong role in the lives of U.S. Latinos. "Connecting with our consumers goes beyond language and the Hispanic media channels understand this," she says. "While immigration may continue to slow down, this does not mean that the use of Spanish will disappear. In 2024, there will still be a strong Univision, there will still be many Spanish-language radio stations, and we will still be attending Calle Ocho.

"Our philosophy has always been that our consumer does not live in a bubble. They may prefer to speak Spanish and consume Hispanic media, but they are also exposed to the GM messaging. The Brand has to stand for the same values no matter what language we are communicating in."—Ingrid Otero-Smart

HISPANIC ADVERTISING AGENCIES

THE HMO INTERVIEW: LIZ CASTELLS-HEARD

Whoopie. A new buzzword.

Liz Castells-Heard, president and CEO of Los Angeles-based Castells & Asociados, has a few things to say about the "total market" approach.

Actually, she has a lot to say about it.

"How do we know that 'total market' is a buzzword? Because more time and space is dedicated to defining it than implementing it or understanding how to do effective marketing that maximizes the brand potential and money across diverse consumers!"

For Castells, it isn't a sudden revelation or necessarily the natural evolution of ethnic



marketing that has given us all of this chatter about the "total market." Rather, she believes its driven by two key factors—Hispanics are now officially the key population, volume and business driver as determined by the "industry" (i.e., Madison Avenue) and Hispanics happen to dominate one of the few growth areas left: Millennials.

Thus, Castells must take the "total market" in the proper perspective and assure the agency's place at the table.

"We've spent our careers educating executives on the Hispanic opportunity, the value of Spanish media, and the ROI of Hispanic marketing, and then we started talking about why to consider the English-Hispanic, why multicultural targeting works, why one should lead with ethnic insights, and why transcultural marketing or 'transculturation' (a term I trademarked) is important," she says. "We then started talking about effective ethnic 'Integration', or cross-cultural marketing, and now we are talking about the total market. It feels like we're caught in a film called Mad Men meets Groundhog Day."

Castells has a special request for her industry peers.

"We need to align on the meaning of a total market approach, so that its good intentions of bringing ethnic-business impact to the forefront and into the proverbial Corporate America executive table are not outweighed by misinterpretation, misuse or abuse—like its predecessor 'integration'—to become a one-market efficiency strategy, where Hispanics can be reached through overall advertising just fine."

Castells says she's even had to explain this to clients who are successful multicultural marketers. "I've witnessed others denigrate 'little Hispanic agencies,' cut their multicultural agency dollars, or eliminate the multicultural agency or COE altogether.

This sends us back to 1985—to assimilating, translating, and/or doing everything in English under the guise of efficiency and Hispanics now being the mainstream. "

COLLECTIVE CONFUSION

Everyone contributes to the confusion of how to properly develop and execute "total market" initiatives, Castells believes. "On the client side, many companies are still virgin to the Hispanic market, or they are penny-wise and pound-foolish. General market agencies now want a piece of the only growth area, so they claim they can handle it all with their 'ethnic specialists.' Ethnic marketers overcomplicate the Hispanic market or divide everything into neat boxes by generation or immigration level, region they live in, or their heritage to justify their own existence."

The first priority, Castells believes, is to establish the common base that maximizes the brand voice and investment. "I applaud finding the commonalities among Hispanics, as well as the universal truths of human nature. But one cannot overlook basic marketing—the need to address target specificity to drive deep relevance, especially in this era where you must create two-way intimate brand/consumer connections with multiple targets."

So country of origin doesn't matter for a marketer??

"In some cases, country of origin does matter," she clarifies. "For example, think about marketing espresso. Caribbean or Latin American Latinos were weaned on it. Mexicans drink brewed coffee. And yes, we may eat different beans, or dance to salsa vs. ranchero or have specific idioms, but the Hispanic cultural commonalities far outweigh

the differences. That common spirit and 'we' culture prevails across generations.

"The key here is that all of this can now be factored in at the top of the funnel, rather than at the backend. The funnel is wider at the top. If you put all the elements in at the top, the elements will be well mixed (a.k.a. 'integrated'), and by the time they are ready to leave the bottom of the funnel the mix has become much more powerful. I say we focus on the top of the funnel and how to do that effectively, which best answers what is the right approach."

What is the best approach for Castells and her team?

"We need to align on the meaning of a total market approach, so that its good intentions of bringing ethnic-business impact to the forefront and into the proverbial Corporate America executive table are not outweighed by misinterpretation, misuse or abuse—like its predecessor 'integration'—to become a one-market efficiency strategy."—Liz Castells-Heard

"The need to understand the diverse consumer points of view has to happen at the upfront high-level marketing meetings," she says. "This means you need to have a combination of experts of the key segments to have the right discussion and assessment, find the commonalities and efficiencies, and where they diverge or separate opportunities arise."

Specifically, Castells' team seeks to "leverage the universal commonalities, mutual resources and unique differences that represent opportunities or fill in needs."

Here is Castells & Asociados' three-pronged approach of what the firm believes is effective 'transculturation':

- **Universal Alignment**—A strategically sound product, program, message and/or execution that works equally well among all consumer filters, and thus is the same (although it may have multi-language versions).
- **Parallel-tailored** —A program or strategy that makes sense for all the consumer segments but may vary slightly in product focus, or message/support point, content, casting or nuances.
- **Unique targeting**—A new initiative, product extension, style, specific channel or promotion deemed necessary or opportunistic to develop for only a certain consumer segment, which may or may not cross-over to others.

"By definition, we as Hispanic cultural experts inherently have to be well versed in the 'general/white/other ethnic' populations to lead the client and identify what the commonalities and differences are, whether in cultural cues, behavior, preferences, or needs," Castells concludes. "We are the cultural experts that fought to get ethnic at the table in the first place. We're in the best position to feed the core multicultural insights that will help fuel better ideas and opportunities and continued change within the marketplace as part of a collaborative brain trust. It is an exciting time to be in our industry, where Hispanics will be a key part of what will define brands and which ones win."

HMO

nTrigue

Media. LatinWorks on April 15 officially launched nTrigue, a new strategic business unit designed to expand upon the firm's media planning and buying operations. The independent unit allows the agency to broaden its client base by expanding beyond that of LatinWorks' creative development. With an emphasis solely on media buying/planning, nTrigue seeks to provide a wider range of services to meet client demand. nTrigue is spearheaded by Keisha Andrews-Rangel, who takes the role of managing director. Rangel joined LatinWorks in 2004 and has served as VP of media strategy. Prior to joining LatinWorks, she gained media experience at Starcom Worldwide in Chicago.

HISPANIC ADVERTISING AGENCIES

THE HMO INTERVIEW: DAISY EXPÓSITO-ULLA

"Total market" has become a much debated buzzword in the last year. But it's hardly new terminology for Daisy Expósito-Ulla, chairman and CEO of d expósito & Partners, located just steps from New York's Herald Square.

Described as "a trailblazer with 30-plus years of experience creating innovative methods to address the needs of the growing Hispanic market" by New York Women in Communications, Expósito-Ulla built her agency on the premise of servicing a diverse America.

"As the 'New American Agency," we pride ourselves in understanding each and every consumer in today's changing marketing landscape," she says. "To me, the term 'Total Market' is too general a term that aggregates all of the different consumers to force a homogeneous cohort. We believe in the marketing basics of segmenting and understanding that different consumers have different needs. To effectively reach them requires a customized approach and an understanding of human needs and psychographics, as well as culture and environment.



"We understand that America is increasingly diverse, and that the general market is far from homogeneous, so we strive to provide total marketing solutions to meet the individual needs of our clients and their customer base. In addition to our marketing expertise, we apply our cultural lens and segment and target our consumers accordingly on a case-by-case basis."

For d expósito & Partners, ensuring that the client's "total market" objectives are met comes down to the right segmentation. Daisy notes, "The first step is to understand the consumer and where their needs lie. We believe in turning consumer needs into a brand promise. It is our deep understanding of the consumer that allows us to demonstrate where the biggest opportunity lies for our clients and then develop the most appropriate plan to effectively reach those consumers, emotionally connect with them and drive the intended results.

"If we properly segment the market according to the business objectives of our prospective clients, we can then peel the layers of the 'total market' as outlined by the client and recommend the best course of action. This may include both English and Spanish messaging to reach the appropriate target audience in the most effective

manner. To that end, all English messaging should portray the reality of today's diversity and utilize situations and cultural context that represent said reality."

Yet, Daisy admits the client's understanding of "total market" as being inclusive of Spanish-language advertising and marketing has at times been a challenge.

"For us it is about analytics and demonstrating where the biggest opportunity lies," she says. "We are very transparent with our clients and have the tools to educate them not only about culture differences but, equally important, about extending those tools to our clients to reach the appropriate consumer in the most effective way.

"There are clients, brands, and products for whom the Spanish-speaking audience is the only source of growth and we must tailor our efforts to reach that audience. Others have a more diverse customer base and we are equipped to develop the best plan of action, from strategy to media to PR. We have a language agnostic approach to meeting our client needs—we think as marketers first and cultural experts second and will develop the right plan to meet consumer needs with the appropriate product offering. "

Given all the "total market" buzz and what seems to be a greater understanding of Latinos in the big shops, do Hispanic shops still matter?

"Unfortunately, many liberties are taken under the 'total market' umbrella, often resulting in a blanket approach to 'reach all," Daisy says. "Not only is this approach not effective, it can also be a missed opportunity to reach the audience that will drive the biggest return. We can demystify and distill the marketplace and offer total marketing solutions to any consumer segment—and apply our cultural expertise when appropriate.

"We need not mistake 'total market' for a one-size-fits-all license to treat every marketing opportunity in the same fashion. Total market definitions should recognize that our market is diverse and that the lowest common denominator strategy will most likely yield the lowest results. Without an agency that specializes in recognizing those key opportunities and cultural differences, you may be at the mercy of generalizations and blanket approaches."

THE NEW GENERAL MARKET?

Is the independently owned Hispanic market agency destined for boutique status, working with local and regional clients? What does the future hold for these types of shops, in Daisy's opinion?

"Everything seems to indicate, in general, Hispanic agencies will become the new general market agencies. We built an agency that could operate on this premise and on how multicultural consumers are the new America. There may be some independent agencies that will continue filling this role, but many of us will continue

working on national assignments and expand into global ones; particularly given the growing focus on multicultural as the growth opportunity."

Daisy also believes that we are living in a time that many industry peers have devoted to working to see come to fruition—and that's cause for celebration.

"Not only do clients realize the Hispanic market's size and rapid growth, they now recognize that winning with Hispanics is critical to their brands' continued growth," she says. "Hispanic agencies, like the Hispanic consumer segment, are at the leading edge in helping clients realize this growth. They will continue playing a critical role in helping clients craft and implement total market strategies."

What does the future hold for Spanishlanguage media and the future of Hispanic advertising, at least as Daisy sees things transpiring?

"Spanish-speaking, first generation Latinos will spur the demographic growth not only of traditional gateway markets such as Miami, but also new Latino destinations such as Raleigh; Sioux Falls, South Dakota; and Provo, Utah," she says. "Nationwide, the number of Spanish speakers is projected to grow by at least 18 million since 2000 and Latino immigrants will comprise a growing percentage of the total foreign-born population (43% of "Everything seems to indicate, in general, that Hispanic agencies will become the new general market agencies. We built an agency that could operate on this premise and on how multicultural consumers are the new America. There may be some independent agencies that will continue filling this role, but many of us will continue working on national assignments and expand into global ones—particularly given the growth opportunity."—Daisy Expósito-Ulla

total). Thus, in many top-level media markets as well as secondary media markets, the opportunity is and will continue to be in Spanish."

In closing, Daisy is convinced that Hispanic media consumption is not just an issue of language, but primarily about engagement and relevance. "As long as Hispanic media provides the right and relevant content, there will always be a need for them. We must keep in mind that the percentage of people speaking Spanish in the U.S. will continue to grow. Twenty-nine years ago, a long-standing industry player once shared that, when she first started in this industry, one of her colleagues believed this market will not exist in the next 10 years. This was in 1985."

HMO

HISPANIC ADVERTISING AGENCIES

THE HMO INTERVIEW: MANUEL MACHADO

"We are marketing to a more multicultural nation."

Therefore, clients that decided to take a "total market" approach to their advertising and marketing strategies make it more inclusive for all of the parties involved.



That's how Manuel E. Machado, CEO and co-chairman of independently owned agency MGSCOMM, and his team have embraced the concept of "total market" strategies. In short, a "total market" approach puts the Hispanic agency of record smack dab in the middle of the process right from the start.

"The effective implementation of a total market strategy makes the multicultural consumer an integral part of the overall marketing plan, to be considered in the planning process from Day One—not as an after-thought or catch-up tactic," Machado says.

"Racial and ethnic minorities make up more than half of the children born in the U.S.," he adds. "With Hispanics in particular accounting for the growth of this country's population moving forward, the clients who are forward thinking will have their Hispanic program take on new meaning and emphasis, especially in light of the astounding mom, kid, teen and young adult demographics."

To Machado, the successful implementation of a "total market" strategy means recognizing that the Hispanic market is the responsibility and concern of all members of the marketing team, not just a few charged specifically with this duty. "A benefit of the total market approach is it becomes easier to take advantage of synergies between the general market and Hispanic market, thus allowing a client to maximize efficiencies," he notes.

Additionally, a client's "total market" strategy should ensure that the general market and multicultural plans

"Total market planning should create a forum to even further dial-up those critical cultural nuances and in-language communications that make a brand meaningful and compelling to this consumer segment."—Manuel E.

Machado

are fully integrated and help inform on the best use of a budget. What should not happen as a part of this process, he warns, is to lose the authenticity of outreach to multicultural consumers or have efforts get lost in the larger general-market plans.

"Total market planning should create a forum to even further dial-up those critical cultural nuances and in-language communications that make a brand meaningful and compelling to this consumer segment," Machado believes.

But does the client understand that "total market" activities are inclusive of Spanishlanguage advertising and marketing initiatives? Or, has MGSCOMM found increased reluctance to do anything targeting Spanish-preferred consumers?

"Our clients are savvy marketers that understand that one standardized approach does not connect with all segments," Machado says. "We are the Hispanic consumer advocate in the equation. Our clients hired us for that specific reason. We are the experts and can help them build their business in this still-burgeoning market. So that's what we do—if a strategy or tactic works well across the spectrum, great, let's use it. When it doesn't or there is a better way for Hispanics, we have to stand up and say so. We have our clients' best interest at heart. That's our job."

Yet given all of the "total market" industry chatter and increased knowledge of Latino consumer behavior in the big shops, can't a client simply consolidate all of the work, making it "easier" for the parties involved?

"Well, they could, that's true," Machado laments. "A brand manager's life might be easier. But I believe the business will suffer. The proper implementation of total market strategy requires strong advocates and experts to ensure that the Hispanic consumer is properly heard and addressed. Sales don't just happen because you put a product on the shelf. We're in the business of building relationships between a brand and the consumer. To be successful at this venture, experience, knowledge, dedication and respect for both brand and consumer is required. I think more than ever this skill set will be in demand. There's nothing wrong with easy, but easy does not necessarily mean effective, and effective does not have to be complicated."

SIMPLY SOCIAL

Latinos are some of the biggest "influencers" out there. How does MGSCOMM incorporate social media initiatives into a client's overall Hispanic market efforts successfully, and how does the agency gauge "results"?

"Incorporating social media into our communication strategies has not been difficult at all," Machado says. "Intuitively, this very social and digitally savvy segment would embrace social media, and as the numbers bear out they have. For us, it's just one more touch point, but a very rich one given the opportunity for dialogue and relationship building.

"For MilkPEP, for instance, we've partnered with the Latina Mom Bloggers and held Twitter parties with the MilkPEP Lead Nutritionist representing the brand so that Hispanic consumers can have a better understanding of the benefits of drinking milk, have their questions answered in real-time by an expert, and connect with the brand. More

importantly, it allows Hispanic consumers to connect with other brand advocates on a much more personalized level than what standard social media chatter allows."

Machado firmly believes that it's not just about retweets and 'Likes.' He says, "It is about really connecting with our Hispanic consumers in an open forum—having a 'digital open-door policy.' Aside from increases in followers and engagement in Latino markets, we gauge the success of our campaigns by seeing tangible changes in sentiment about brands and a growth in key consumer and brand-partnership opportunities in those markets, both of which have long-term impacts on a brand's global character."

FUTURE THOUGHT

Let's take a spin in the DeLorean and land on the Sawgrass Skyway, circa May 1, 2024. Miami, as it has been since LeBron James' final season with the Miami Heat, is the last major metropolitan area in the U.S. where Spanish-language media and advertising still matters, thanks to acculturation trends fueled by immigration, rather than U.S.-born Hispanics.

Even so, will we be counting the days until Spanish-language media properties wind down their operations, due to shrinking revenue and total audience?

"Walking down the streets of New York, Los Angeles, Miami and other major cities, I hear young people speaking Spanish. Ten years from now when they have their own children and are focused on parenting, they will continue to pass on our Latino traditions."—

Manuel E. Machado

"I'm not ready to write-off Spanish-language media yet," Machado says. "The future is, of course, completely unpredictable, but what I will bet on is the power of culture. Language can be a manifestation of culture—a badge if you will. That badge can be proudly worn by young people.

"I was just reading a Nielsen report titled Millennials—Breaking the Myths. The publication covers all millennials, including Latinos, but does not focus on Latinos in particular, although they make up such a large segment of them. They have a chart about the younger portion of the

group, 18-27 year olds, which discusses what TV shows they view most often. A Spanish-language program shows up in the top-shows-watched. Wow ... I think that's meaningful. Our friends at Univision and Telemundo can best make these types of media predictions, but I don't see it going away any time soon. Language might be a part of this gift that they give to the next generation."

What does the future hold for the independently owned Hispanic market agency?

"I can't say the business environment is going to get easier in the future," Machado admits. "Actually, I think it will become more complicated. As one of the surviving and thriving independently owned agencies, I'm always monitoring developments with the

big holding companies. But I honestly believe there is a strong and secure place for agencies like ours, and not just as a local or regional player. We bring a real market authenticity to the table—an expertise that our clients respect. Are there other agencies that are owned by the holding companies that can do this? Sure, they're out there. But we are not at a one-size-fits-all model yet, and I hope for the health of our consumers that we never get there.

"We've learned to play with the big guys and they, in turn, value us as partners on the client business we share. I'm not afraid of becoming a boutique ... we hold our own and bring value to the equation."



HMO

PEPSI TEAMS UP WITH A PRINCE

Pepsi has linked up with Prince Royce, arguably the biggest Latin pop act in the U.S. today, for a year-long multifaceted partnership that includes support of a summertime concert tour across the country, in addition to a national advertising campaign.

The partnership builds on Prince Royce's link with Pepsi for a free surprise performance tied to pre-Super Bowl XLVIII events in New York; and a Pepsi-sponsored intermission spot that aired during the 56th Annual Grammy Awards telecast.

The new partnership kicked off with the 25th annual Billboard Latin Music Awards, which aired live April 24 from Miami on Telemundo. Pepsi's presence during the show included four 30-second ad spots, including dedicated ads that illustrate how

Prince Royce fits in with the brand's "Live For Now" spirit.

HISPANIC ADVERTISING AGENCIES

THE HMO INTERVIEW: CARLOS MARTINEZ

"Total market" means different things to different clients, based on their individual needs and offerings.

More importantly than pushing his agency's own version of the definition, Carlos Martinez, president of Conill, and his team have several beliefs about deploying a total market strategy:

- The practice of total marketing should be dictated by the business issues and consumer realities. They will dictate the extent of its execution or outcome.
- It is critically important to reach audiences in ways that are meaningful to them, thus total market work should not exist to the necessary exclusion of Targeted market work.
- The mainstream market and ethnic markets aren't mutually exclusive, as Hispanic consumers are in fact bicultural and don't live in a silo.



- Defining segments by language spoken or media consumption is too limiting and can be misleading. Furthermore, is not reflective of culture and identity.
- Total marketing cannot be accomplished just with casting, music or other tactical shortcuts.
- Total marketing could leverage a "universal truth" or lead with the edges, but it should not resort to the lowest common denominators or generalized insight.
- The possible outputs of a total market approach are not necessarily one, but many are feasible.

In a Q&A conducted with Martinez via e-mail, *Hispanic Market Overview* also asked how Conill, with offices near LAX and in Miami's trendy Brickell district, meets the "total market" objectives set forth by its client.

"It is accomplished in the same way we ensure that all of our work meets expectations: By clearly defining and understanding the target segment and crafting an effective communication based on real human insight, or more powerfully, cultural revelations."

Does the client understand that "total market" efforts should be inclusive of Spanishlanguage advertising and marketing? "Every client is different and each may have their own idea of what Total Market means for them," Martinez says. "Sure, you can reach a portion of Latinos through mainstream channels, but are you making a real connection? Does your communication resonate with your target consumer's cultural identity?"

Meanwhile, Martinez remains confident that the Hispanic market agency will remain of high value to marketers. "Agencies with a longstanding specialization in the nation's largest emerging consumer group should have a very high value," he says. "I'm not sure I agree that 'the big shops have a greater understanding of Latinos.' Nevertheless, putting everything under 'one roof' may sound appealing ... but you certainly won't be improving effectiveness. If you sacrifice consumer understanding and in-culture experience from your arsenal, you haven't made it stronger or more efficient. You've only cheapened it."

SOLIDLY SOCIAL

From the outset of the creative process, Conill has professionals representing all areas of modern communications at the table—including media context planners and channel experts, social media content developers, digital producers and consumer insights leaders. "This is a real departure from teams of just five years ago, but it's absolutely essential to be competitive in a post-digital world," Martinez says. "We have a dedicated social media group at the agency, but we don't approach it as an add-on service. It's holistic to how we plan and execute communications."

As for results, Martinez prides Conill for having a strong analytics team that tracks things such as "likes," Tweets, re-Tweets and other KPIs. "More importantly, we assess the overall level of engagement for each initiative. How? Well, that's proprietary."

"If you sacrifice consumer understanding and in-culture experience from your arsenal, you haven't made it stronger or more efficient. You've only cheapened it."—Carlos Martinez

But perhaps the most vexing challenge for Conill isn't how to reach Hispanics across an array of digital and online platforms. Rather, it is how to best attract Hispanic millennials.

"They are a critical consumer segment, and truly understanding Hispanics and other culturally diverse audiences plays a disproportionate role in determining success," Martinez says.

What ad categories are still ripe for growth?

"As our economy continues to strengthen, Financial Services should have a lot of growth potential regardless of the market lens you're viewing it from. Travel and tourism is another."

While Martinez is discussing growth, there is still plenty of industry mutterings about how we may be at the tail end of a great run for Hispanic marketing and advertising. Is the Hispanic advertising and marketing industry going to die a slow, somewhat painless death as talent shifts to Latin America, or general market agencies, or simply leaves the industry if retirement isn't an option?

"There's no such thing as a 'painless' death," Martinez says. "You either survive or you don't. To survive, you need to evolve. This holds true regardless of the marketing segment or business that you're in. It's the marketers and agencies that embrace transformation that will be the players of tomorrow."

HMO

HISPANIC MARKETING AND ADVERTISING

THE HMO INTERVIEW: DR. FELIPE KORZENNY, Ph.D, The Florida State University

It's been nearly 11 years since Dr. Felipe Korzenny, co-founder of multicultural market research firm H&AMCR, launched the Center For Hispanic Marketing Communication at The Florida State University in Tallahassee.



A 30-year veteran of Hispanic market research and ever on the frontlines of trends and where the Hispanic consumer is headed, Korzenny is well aware of the rapid trends that have shaken up the U.S. Hispanic marketing and advertising world.

"When you stop having new waves of immigration refreshing the ranks, you have more U.S.-born Hispanics," he says. "This means less Spanish-dominant Hispanics."

If there's one takeaway CMOs should clip and save from Korzenny's discussion, it's perhaps this: 90% of Hispanics aged 18 and younger were born in the U.S.

Hispanic youth in the U.S. are all American, but at the same time have carved their own unique identity. Marketers are trying to figure it all out, Korzenny says.

"That's why there's so much talk about millennials," he says. "And, it explains why you see some Hispanic-themed advertising with a little bit of spoken Spanish. Take, for instance, Procter & Gamble Co.'s work with Tide in 2012."

In September 2012, Tide caused a stir by debuting its first bilingual commercials in support of its Tide VIVID White + Bright and Boost laundry detergent. The spots aired on both Spanish-language and English-language television. At the time, P&G Fabric Care Marketing Director Sundar Raman said the creative came as a result of P&G's understanding that "Hispanic identity is much deeper than language: it involves a more ingrained set of values that has an impact in all aspects of their lives."

Korzenny notes, "That campaign is one of many trying to reflect a new way of being for Latinos. They are not Latin American, but they are not 'American,' if you will—at least not the stereotypical American."

Brand managers and manufacturers have already reacted to this changing mainstream by adjusting product distribution and packaging to best meet the needs and preferences of Hispanic consumers.

TOTALLY IN ALIGNMENT

Do Korzenny or his current batch of students have a clear definition of the *term du jour*—"total market"?

"I don't think anyone today knows what it is supposed to mean," Korzenny says, "But, I can tell you that the idea of 'total market' activity started in the area of health care and prevention in developing countries."

Say what?

"There was always a total market for a particular health product, and somehow this concept permeated into the marketing world," he explains.

The result? Some brands are addressing their total market needs by approaching the entire market, but are giving particular importance to components in a given campaign based on the specific audience they wish to target. "It is a brand approaching everyone with different insights while trying to find common insights that are relevant to specific audiences," Korzenny notes.

But some products and services simply can't adopt a total market strategy and expect to succeed without segmented activities. "Look at a product like Gatorade," Korzenny says. "You can't market it in the same way to older adults that are exercising just to keep their health as you would the athlete. The segments are different. The manufacturing angle is different. The same thing happens with cultures. There are common sets of attributes and points of view, but you have to speak to consumers in ways that are relevant and respectful of them."

In fact, Korzenny believes no brand should, or has, truly taken a "total market" blanket approach to its efforts. "Look at Coca-Cola," he says, mentioning the company's 2009 Open Happiness global marketing strategy. "There was an overall theme that Coca-Cola developed, but the global campaign was highly localized to best meet the consumer in each of its many markets."

"There may be marketers that say, 'Let's go for the biggest group we can.' But, that may not provide the brand with the substantive growth they need to see from their investment."—Dr. Felipe Korzenny

This point is perhaps the foundation for why there's a big danger, in Korzenny's opinion, for not having a well-articulated total market strategy. "There may be marketers that say, 'Let's go for the biggest group we can.' But, that may not provide the brand with the substantive growth they need to see from their investment."

YOUTH VIEW

What has Korzenny gleaned from his current group of CHMC students?

"One of the things they write about is that they truly realize the complexity of marketing to Hispanics," he says. "They get that there is the new immigrant, and the established immigrant. It makes them wonder if 'Hispanic marketing' or 'Asian marketing' is really feasible. They are asking if what we do is more about 'segment marketing,' and not by ethnic group, per se. Rather, they ask if we should be looking at overall consumer behavior and, within that, the ethnic group trends that marketers should be concerned most about.

With fragmented media exposure only set to further increase from the myriad of digital pay and broadcast TV choices and the growth of OTT options for Latinos, the biggest need for marketers, Korzenny says, is to ask themselves how the Hispanic consumer arranges its media consumption.

Then, the marketer should re-envision their idea of the "typical" Hispanic family.

"The bulk of young families in the U.S. live in a home where the mother speaks mostly Spanish, the father uses a bit more English than Spanish, the *abuela* is using more Spanish than English and the kids are using more English than Spanish," Korzenny says. "Then there is the live-in cousin who just arrived in the U.S. and is learning English. This family will mostly use English, collectively, but there is certainly a need to address them in Spanish."

Thus, while Hispanic millennials may live in English, Spanish is woven into the fabric of their lives, and will remain important for them for years to come.

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THE U.S. HISPANIC MARKET: TELEVISION CONSUMPTION

Week in and week out, Univision dominates in the Nielsen television ratings thanks to its wide distribution and the enduring popularity of its prime-time Televisa-produced telenovelas.

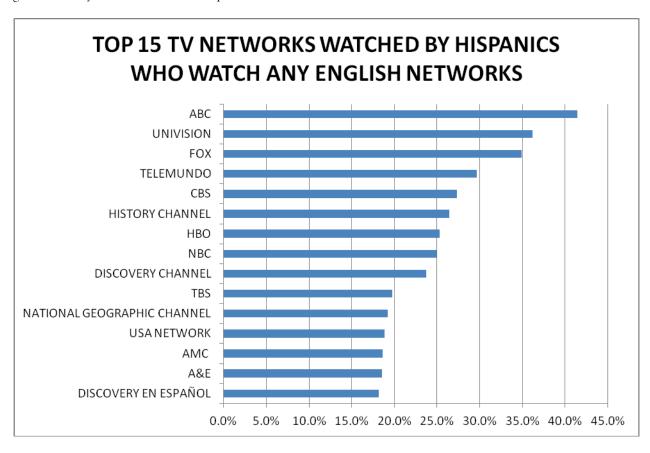
According to Nielsen's weekly television ratings for the week ending April 6, 2014, Lo Que La Vida Me Robó—Univision's 9pm ET offering—earned a 15.4 rating and was viewed by 3.78 million persons 2+. The network's 10pm ET entry, Qué Pobres Tan Ricos, earned a 15.4 rating and was viewed by 3.06 million persons 2+.

Meanwhile, rival Telemundo has found considerable success with *La Voz Kids*, its Sunday-evening take on NBC's *The Voice*. For the week ending April 6, *La Voz Kids* earned an 8.3 rating, bringing in nearly 2.4 million viewers. The prime-time edition of *Caso Cerrado*, its real-life courtroom show, is close behind with a 7.8 rating and 1.63 million viewers 2+.

Thanks to their widespread availability in markets across the U.S., it comes as no surprise that Univision and Telemundo are the two giants of Spanish-language television. According to Experian Marketing Services' 2013 Simmons National Hispanic Consumer Study, some 70% of Hispanics who watch any Spanish-language television watched Univision in a typical week. Some 54% of these consumers tuned to Telemundo, while 31% watched programs on Univision Communications' UniMás broadcast network. Univision pay TV network Galavisión was watched by some 27% of respondents, while Telemundo pay TV offering mun2 was viewed by 20% of respondents. News and information network CNN en Español, which targets both U.S. Hispanic and Latin American viewers, was viewed by 18% of respondents.

What is perhaps more interesting to marketers is the list of top 10 television networks watched by Hispanics who said they watch any English-language television, shown below. Univision is the second most-watched network among Hispanics who watch English-language television during a typical week. This shows that many Hispanics watch both Spanish-language and English-language networks. Ignoring Spanish-language television in a media buying plan would fail to meet a total market strategy for clients seeking to build their brand with Hispanic consumers.

Figure: Television networks viewed by Hispanic adults who watch any English-language television programming in a given week, by likelihood of viewership



Source: Experian Marketing Services, Simmons National Hispanic Consumer Study, 2013. Base: Hispanic adults aged 18+.

HISPANICS LARGELY PREFER ENGLISH-LANGUAGE MEDIA

Time shifting and over-the-top (OTT) content streaming is on the rise in Hispanic households. According to Nielsen data from the November 2013 *Local Custom Toolbox* (reflecting sweep measurement, Hispanic, Time Spent average Daily HH:MM of persons aged 25-54 with Live PUT, XPLT and OTT), OTT is most significant in the San Francisco and Sacramento DMAs.

Truth be told, OTT accounts for exactly seven minutes of daily activity in these two commuter-heavy markets. But, marketers and media specialists agree that it is a significant start to what could be a long-term shift in content consumption. Hispanic household income and affluence in these markets may also be a factor, as the current cost structure of OTT services may put them out of reach for some Hispanic households.

The DMA with the greatest amount of live time spent viewing among the Hispanic adults aged 25-54 Nielsen examined is New York, with 4 hours 13 minutes of live viewing. That's followed by Sacramento (4:08), Denver and Houston (4:00), and Chicago and Dallas (3:50). The Miami DMA has the lowest time devoted to daily live TV viewing by Hispanic adults aged 25-54, at 3 hours 22 minutes.

DVR playback among the Hispanic adults examined by Nielsen is highest in San Francisco, with 46 minutes per day devoted to time-shifted programming. That's followed by Phoenix (38 minutes), Sacramento (34 minutes), Dallas (31 minutes) and Chicago (29 minutes). The Miami market has the lowest time devoted to DVR playback of the markets Nielsen selected, at just 15 minutes.

It is common knowledge among Hispanic market professionals that Latinos are fast adopters of new technologies, and OTT viewership has the potential to rise dramatically with this group of consumers. "Hispanics are a great market for streaming video," says Experian Marketing Services' John Fetto.

This puts services such as Amazon Prime, known for instant video streaming and eBooks for Kindle devices, and Netflix in direct competition with not only Comcast, Cox, and other cable service provides but also DirecTV and Dish Network. With Netflix on a hot streak thanks to such acclaimed original dramas as House of Cards and Orange Is The New Black, increased outreach to bilingual and English-dominant Latinos could provide a windfall of Netflix, placing it in a highly enviable position with an extremely important consumer segment. By targeting Hispanic millennials, OTT services could further attract consumers who are "cutting the chord" with cable while continuing to enjoy scripted dramas and television series of specific appeal to them.

Meanwhile, bilinguals and Spanish-dominant Latinos have gained such Hispanic OTT platforms as Univision's Flama, a joint venture with digital media producer Bedrocket Media found on YouTube. Telemundo in 2012 made "TV Everywhere" pacts a priority and in December 2013 announced a digital licensing deal with online video service DramaFever, which curates television shows and movies from 70 major broadcasters and studios throughout Asia, Europe and the Americas. Thus, the OTT revolución for Hispanics may already be in progress.

RadioLatino

What songs are Spanish-language 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 22, 2014:

REGIONAL MEXICAN: Gerardo Ortiz

SPANISH CONTEMPORARY:

Enrique Islacias f/Marco Ant

Enrique Iglesias f/Marco Antonio Solis TROPICAL: Marc Anthony

Mujer De Piedra

Sony Music Latin

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TOP 10 HISPANIC RADIO STATIONS IN THE U.S., BY REVENUE

According to local advertising research firm BIA/Kelsey, the No. 1 Hispanic radio station by estimated revenue in 2013 is Univision Radio's gold-based Spanish Adult Contemporary KLVE-FM "Radio Amor" in Los Angeles. The station accounted for \$31.2 million in estimated revenue during the year.

Close behind at No. 2 is another L.A. radio station—Liberman's regional Mexican KBUE-FM "Qué Buena," with estimated billing of \$27.3 million. Three L.A.-based radio stations can be found in the top five, with SBS's KLAX-FM "La Raza" ranked seventh nationally with an estimated \$20.3 million in revenue.

Univision stations dominate the top 10, while SBS takes three of the spots. But SBS dominates in New York, as Univision's WXNY-FM and WADO-AM are not among the nation's top 10 Hispanic stations by billing.

Figure: Top 10 radio stations by estimated annual billing estimates

Call			Market		Revenue
Letters	Format	Market	Rank	Owner	(in 000s)
KLVE	Spanish AC	Los Angeles, CA	2	Univision	\$31,200
KBUE	Reg. Mexican	Los Angeles, CA	2	Liberman	\$27,300
WSKQ	Tropical	New York, NY	1	SBS	\$25,000
KLTN	Reg. Mexican	Houston, TX	6	Univision	\$24,200
KSCA	Reg. Mexican AC	Los Angeles, CA	2	Univision	\$22,200
MOIO	Reg. Mexican	Chicago, IL	3	Univision	\$21,200
KLAX	Reg. Mexican	Los Angeles, CA	2	SBS	\$20,300
WAMR	Spanish Cont.	Miami, FL	11	Univision	\$18,200
WPAT	Spanish Cont.	New York, NY	1	SBS	\$17,200
WEPN	Spanish Sports	New York, NY	1	ESPN Deportes Radio	\$16,500

Source: Media Access ProTM, BIA/Kelsey, 2013



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HISPANIC MEDIA

THE HMO INTERVIEW: TOM MANEY

Change.

Tom Maney, executive vice president of advertising sales for Fox Hispanic Media, has seen plenty of it since joining Fox Sports en Español (now Fox Deportes) in 1999 as VP of ad sales.

"I have never, ever seen so much real, meaningful change happen so hard, and so fast," says Maney. "Get this—the iPad is four years old! Think about what's going to happen in two years."

For some Hispanic market executives, that may result in nail biting and sleepless nights. Not Maney, who has had the unenviable task of building ad support for a new Spanish-



language broadcast network and attract clients to a Spanish-language pay TV laggard that has seen sizable growth since its relaunch—with an English-language name.

That's just in the last 12 months.

Under Maney, MundoFox and Fox Life, along with educationally minded Nat Geo Mundo (named after National Geographic magazine) and the aforementioned Fox Deportes, have collectively defied the skeptics who doubted any of these networks could successfully attract

audience and advertisers from established competitors in a marketplace that was growing more crowded by the week.

"In 2010 we conducted our groundbreaking *Latino Mindset Study* with [consumer market research firm] SmithGeiger in which 1,800 interviews with Hispanics were made," Maney says. "The biggest takeaway from that study was that the Hispanic TV watcher is looking for change. They wanted in-language, in-culture programming, but programming that looked like the general-market fare."

This key insight serves as the blueprint for not only MundoFox, but for each of Fox Hispanic Media's networks. "We realized that the U.S. is different than Mexico. We are competing with the general market for the audience's attention. Therefore we made an effort to steer clear of the cheesy game shows or telenovelas ... and it's working."

TRIBUNE, MUNDOFOX TEAM FOR CO-BRANDED CHICAGO NEWSCAST

When MundoFox launched across the U.S. in August 2012, the network had a swift and grand growth plan that included local and national newscasts. For KM Communications-owned WOCK-CD in Chicago, launching a local newscast proved to be vexing, given the investment needed to build a news team that could effectively compete with the English-language and Spanish-language media already offering newscasts in the nation's third-largest market.

In early April, KM Communications found the solution to launching a Spanishlanguage newscast at 9 p.m.: A partnership with the giant of Windy City journalism, Tribune Co. On April 18, Hoy Noticias MundoFox 13 hit the airwaves as a 30-minute co-branded newscast produced by Hoy, Chicago's leading Spanish-language print and digital news source.

Nicole Suarez, a 2011 contestant on Univision's *Nuestra Belleza Latina* beauty pageant reality show, will serve as a coanchor alongside Pablo Cesar Soto, who served as a backup sports anchor for Telemundo Chicago from 2007 to 2009.

For more on this story, please visit Multichannel News.

Maney eagerly shared that Univision and Telemundo have each seen a slight reach dip while FHM's quartet of nets

have expanded their reach. But didn't MundoFox not so long ago have so little audience that it failed to show up in the Nielsen ratings?

"After a first year that included underdelivering, we took a deep breath by fixing the problem, and people are now cheering with confidence."—Tom Maney

"We don't have those

0.0 numbers anymore," Maney says. "In prime-time all four networks are up. Remember, MundoFox is 18 months in from its launch. If I would have told you 24 months ago that we'd be No. 4 I prime-time, you might have drug-tested me."

With reports of make-goods for under-delivering audience behind it, MundoFox now boasts 60 affiliates. An originally produced game show based on *Family Feud* has fueled the network's prime-time ratings. National newscasts have given MundoFox a boost.

In short, the 1980s launch of the FOX network can't even compare to what MundoFox has already done. "We're blowing what FOX did in its first 18 months out of the water," Maney says. "It isn't easy. You've got to make people aware of you. After a first year that included underdelivering, we took a deep breath by fixing the problem, and people are now cheering with confidence."

The latest boost for MundoFox came April 1 with the placement of MundoFox's Phoenix affiliate-KMOH-DT 6-on cable channel 77. "If the station's current momentum is any indication, I'm sure that Cox viewers will enthusiastically choose MundoFox's vital entertainment environment and attract advertisers who are looking for engaging ways to reach these consumers," said Bob Behar, CEO of MundoFox Phoenix owner Hero Broadcasting.

"We have seen new advertisers across new categories," Maney proclaims. "We are bringing back Hispanics to Hispanic TV. The Mexico-produced telenovelas, in the long-term, have the most to lose. The downside to this programming is that they're not bringing in new viewers."

CABLE COMMAND

If building MundoFox wasn't enough, Maney also had to educate advertisers on Fox Life—a global brand familiar to viewers across Latin America that in November 2013 replaced Utilisima in the U.S.

"As Fox Life, we're offering more entertainment in prime-time," Maney says, adding that it is an additive programming choice for Hispanics who may not have previously tuned to Spanish-language television. "The network focuses on more *Bravo*-like shows than DIY programs or cooking shows," he says.

Meanwhile, Nat Geo Mundo has, in Maney's opinion, solidified its position as the No. 1 destination for Hispanics interested in nature, adventure, and themes tied to *National Geographic*—a top read among Hispanics who consume magazines.

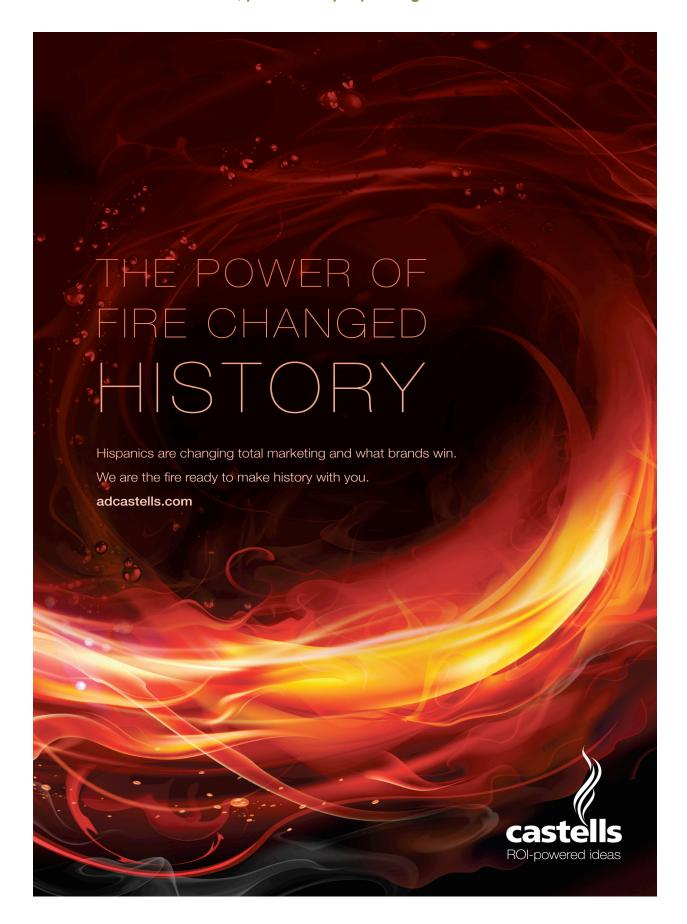
Maney considers Nat Geo Mundo his "rock star network," and didn't come to fruition until three years after a pending 2008 launch was aborted just 90 days away from its first broadcast.

Meanwhile, Maney believes Fox Deportes "owns the dialogue" when it comes to Hispanic sports fans in the U.S. He cites the network's 5 million total social media followers as proof that Fox Deportes has solidified its position as a home for analysis and discussion of the teams, leagues and athletes of key importance to the Hispanic consumer. With the NFL and Major League Baseball's divisional playoffs set for Fox Deportes' 2014 live programming slate, Maney is certain advertisers will understand that the rapid evolution of the Hispanic market means Hispanic sports fans don't simply follow soccer and boxing anymore.

He's also eager to note that the rise in interest—and ratings—for American sports at Fox Deportes is the perfect counter-argument to the notion that a rising English-preferred population won't consume Spanish-language media.

"As the Hispanic population continues to grow, Hispanics have demonstrated that you can still live in your preferred culture and your preferred language, based on your choice at any given moment," Maney says. "The U.S. is becoming more Latino, moreso than the Latino becoming more American."

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HISPANIC MEDIA

THE HMO INTERVIEW: JOHN FITZGERALD AND LINO GARCIA

In case you haven't heard, 2014 is set to be a pretty big year for Hispanic sports media.

There's this little event in Brazil called the FIFA World Cup, and from June 12 through July 13, Hispanics across the U.S. may be noticeably absent from the workplace, decked out in colorful costumes and costumes featuring the colors of their home nation's flag.

John Fitzgerald, Vice President of Multimedia Sales at ESPN Deportes and ESPN Audio, is just a little excited about the event. Even with Univision owning the Spanish-language television rights to all games and Andres Cantor's Fútbol de Primera Network offering exclusive Spanish-language radio



Lino Garcia

play-by-play of World Cup matches, ESPN Deportes is poised to reap the riches that its shoulder programming will provide.

"This is obviously a seminal year for Hispanic sports fans," Fitzgerald says. "Not only is it a World Cup year, which is always tremendous, but there is more 'service' than ever before—and within that audience an appetite for more."



John Fitzgerald

Simply put, Hispanic sports fans are craving more programming than ever before, and that goes across the board for live sports. "We are seeing our highest-rated NFL, MLB, and NBA seasons ever on ESPN Deportes," Fitzgerald says. "Our live events are doing really well. Yes, we're heavily invested in soccer and we do a lot with the Mexican League. We're excited to have Euro matches after the World Cup. But the ways in which the Hispanic sports fan is consuming and discussing sports is creating new opportunities across the board."

This isn't just for ESPN Deportes Radio or for its TV network.

ESPN Deportes' forward-thinking mobile and social platforms are driving digital consumption and social conversation, Fitzgerald notes. Indeed, ESPN Deportes Radio has been a pioneer in the digital realm and continues to expand its social integration opportunities.

"We've been, for years now, talking about ESPN Deportes as a cross-platform entity, and that is especially show in the digital space," adds Lino Garcia, GM of ESPN Deportes. "The notion of the 'best available screen' is coming into play in new and measurable ways, and this plays into what we're about."

A few years ago, the term "multimedia" was used over and over by media to instill upon marketers the notion that an advertiser could benefit from delivery systems that went beyond a television channel or a radio station. Today, the buzz words that have Garcia and Fitzgerald busy are 'total market.' Garcia says ESPN Deportes has been talking about the total market for years.

"For us, total market is about being able to deliver the total Hispanic market through all of our platforms," he says, adding that a client's total market efforts must position Hispanic efforts as a component of their total market strategy.

"It really comes down to how they execute their total market efforts," Garcia says. "For us, it's about reaching a *total* total market by offering advertisers the opportunity to appear on both *Nación ESPN* and on ESPN's *SportsNation*, or on the Friday night fights

sponsored by Corona that appear on both ESPN Deportes and ESPN. Toyota expanded their Hispanic outreach by including *Nación ESPN* in their buy."

Fitzgerald says ESPN Deportes' biggest ad categories will always be beer, telecommunications services and automotive.
But, new categories such as pharmaceutical and

"The notion of the 'best available screen' is coming into play in new and measurable ways, and this plays into what we're about."—Lino Garcia

financial institutions, as well as feature films and consumer electronics, have turned to ESPN Deportes. Fitzgerald is also excited about activity from distilled spirits brands as they seek new ways to connect with younger Hispanic men.

With many Hispanic marketers asking the question of "How do we utilize the engagement in these sports to amplify our brand?", Fitzgerald believes the client fully understands that their brands will grow on the backs of the U.S. Hispanic population. "They will ask about births outpacing immigration and ask whether or not they will need to continue using Hispanic media versus total market media, but we know that as there will be more Hispanics speaking only English in five years then there are today, there will also be more Hispanics speaking only Spanish in five years because of the sheer growth of the total population."

Garcia adds that with a focus on Hispanics aged 15-31, his team is out to quash the notion that English-dominant Hispanics and Hispanic millennials are one and the same for the client.

'OVER THE TOP' MOVEMENT

As discussed in this report, over-the-top (OTT) viewership is poised to rise dramatically among Hispanic adults. Garcia is trying to stay one step ahead of his competitors by keeping an ever-watchful eye over the rapid development of non-cable viewership of premium content via an Xbox or Apple TV device. "Non-cable market subscribers are being looked at, and how to reach these people is very important for us," Garcia says. "A lot of people are enjoying great entertainment through Netflix."

Meanwhile, ESPN Deportes Radio is more than just radio—and Garcia is keenly aware of its total delivery scheme. "We could have easily changed the name to ESPN Deportes Audio," he notes, adding that when the term ESPN Audio was first used in a meeting a few years ago, he thought the term was a perfect description for what the network offered. "I liken it to when people stopped using the term 'rail business' and it became the 'transportation business.'"

That being said, Nielsen ratings to ESPN Deportes Radio's mainly AM signals remain vitally important to its overall success. In New York, WEPN-AM 1050 has finally hit its stride after nearly two years on the air. "We thought it was going to catch on quicker than it did," Garcia says. "Now, we are seeing that it is feeding the network in the way we had hoped to see earlier on."

There's also something happening in Chicago, where ESPN Deportes Radio teamed up with Clear Channel for the use of a low-powered FM signal on 97.5 MHz that just happens to cover most of Chicago's Spanish-preferred hot ZIPs.

With forward momentum fueled by studio shows, social networking and a variety of live sports programming, ESPN Deportes has still taken steps to cover that sorta-big event in Brazil.

"We will have 700 people on the ground in Brazil that are ESPN-affiliated," Garcia says. "It's not the end all, be all for sports fans but it is, to a certain extent, the Super Bowl of Hispanic sports and the sun that all of the planets revolve around. Even though soccer is a big driver for us, I really like that we're growing our audiences with other sports. I look forward to using that to forward advertiser understanding of how to properly executive a true total-market plan."

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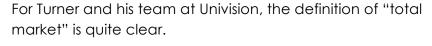
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HISPANIC MEDIA

THE HMO INTERVIEW: KEITH TURNER

We've read and heard much about "total market" advertising and marketing initiatives over the last several months. But what does this concept mean to Univision, the top Hispanic media destination in the U.S.?

To gauge how the company is working with its clients to best get them to understand a term that may be overused and misunderstood, *Hispanic Market Overview* engaged in a Q&A with Keith Turner, president of advertising sales & marketing at Univision Communications.



"A total market strategy means integrating Hispanic into every step of the business planning process—from strategy development to research, product development, design, media planning and in-store execution," he noted in an e-mail exchange. "Gone are the days where 'Hispanic' was seen as a separate market, with a separate budget, managed by a separate team.

"Many leading U.S. companies have recognized that [a large percentage] of the U.S. population growth in the next 10 years will come from Hispanics and have organized themselves from the top down to match their marketing strategies with this new demographic reality."

With a strong understand of what "total market" initiatives and approaches should be, Univision has rapidly advanced its digital and online platforms in an effort to fully offer marketers and consumers a 360-degree entertainment hub with content of interest to all Latinos—regardless of their language preference. The YouTube-powered OTT vehicle Flama has taken an English-language tween-to-Millennial take on short-form video entertainment. Uforia, Univision Radio's smartphone App, is sleek and perhaps easier to use than Clear Channel's iHeartRadio—thanks in part to former Clear Channel exec Evan Harrison, who joined Univision Radio in March 2012 as EVP of content and entertainment.

Where is the company headed digitally in 2015 and in the next five years?

"I am glad you like the Uforia App," Turner says. "We have had very positive consumer feedback. We also recently launched a new version of our Deportes app to rave reviews. These recent launches speak to our strategy—to be everywhere our audience is. That is why over the last several years we have evolved into a top-tier multimedia company with 16 broadcast, cable and digital networks; 62 television stations; 68 radio

stations; an array of online and mobile apps, products and content creation facilities in Miami, New York and Los Angeles. We are committed to continuing to evolve and innovate to meet our audiences and partners needs."

What does Turner have to say about "social TV"? Is it a fad or a trend that Univision is also at the forefront of?

"Technology has changed the television viewing experience," he says. "That is why our 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 personalities, 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. Univision is innovating and aggressively expanding Social TV efforts across news, entertainment and sports, engaging viewers by integrating them into its programming and platforms."

BRIGHT FUTURE FOR HISPANIC MEDIA

With excitement over digital platforms widespread among both clients and media companies that seek Hispanic consumers, is Univision concerned—or already adapting—platforms that address the ongoing debate of whether to target Latinos in English or Spanish? Where will the Hispanic video and audio media (formerly TV and radio) industry be in 2019?

"We are focused on presenting our audience with the culturally relevant content they are looking for and can't get anywhere else, regardless of platform or language," Turner says. "We remain committed to serving our audience in Spanish and are expanding those offerings. Spanish-language media is here to stay, which is why on a daily basis we see others investing in this space. More than Spanish fluency, more than English fluency, cultural fluency is what is relevant and appeals to Hispanics and non-Hispanics."

Turner's assessment proves a strong counter-punch to those that believe Hispanic

media is to contract in the not-to-distant future. But what about Univision's agency relationships? Why need an agency when Univision can create its own in-house shop and work directly with a client? Or, why use a Hispanic agency when the total market shop can "handle it"?

"Spanish-language media is here to stay, which is why on a daily basis we see others investing in this space."— Keith Turner

"We have worked very closely with our clients and agency partners in this space for decades and are committed to continue to work together to help brands maximize on the Hispanic opportunity," he comments. "Our mission is to help our partners realize growth from their marketing efforts and are happy

to work with them in whatever structure works best for their brands or respective businesses."

ADIOS, TELENOVELA?

One need only glance at the weekly Nielsen television ratings to see that Univision is doing quite well with its prime-time block of telenovelas imported from Mexico. Yet some industry executives have taken aim at the Spanish-language soap opera, proclaiming that the clock is ticking on the genre. With new and younger viewers being drawn more infrequently to the imported telenovela, is Turner concerned?

"Our exclusive content partnership with Televisa, the best Spanish-language content producer in the world, gives Univision a competitive advantage," he says. "Televisa-produced novelas in prime-time on Univision continue to beat the English-language networks [in the Adults 18-34 demo]. In fact, during the most recent February 2014 sweeps, Univision set a new record as the No. 3 network ahead of ABC and CBS among Adults 18-34 in primetime.

"Audiences are drawn to high-quality, culturally relevant programming regardless where it is produced. It's also important to keep in mind that Univision Communications Inc. has evolved into a top-tier multimedia company with a vast portfolio. While we have novelas in prime-time on the Univision Network, we are able to counterprogram our second broadcast network with alternatives."

For example, UniMás is presently airing the popular dramatic series *La Viuda Negra*, based on the true-to-life story of Miami's "Cocaine Godmother." The show catapulted UniMás past Telemundo as the No. 2 Spanish-language network in the time slot for six consecutive weeks.

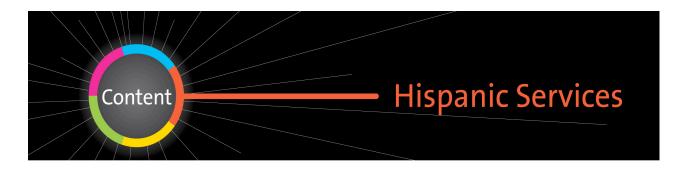
LIFE AFTER BRAZIL

The 2014 FIFA World Cup means ratings and dollars. Then, it all goes away for seven to eight years. What's the "beyond the World Cup" plan for Univision Communications?

"We have made significant investments to expand Univision Deportes' portfolio of rights," Turner says. "This includes Liga MX, the U.S. National team, and Mexican national team, among others. We know that our strategy is paying off across all of our platforms and specifically on the Univision Deportes network."

Meanwhile, how is the Robert Rodriguez-helmed El Rey Network doing? "We are very pleased with the momentum El Rey is garnering on all fronts," Turner notes. "From El Rey's distribution, which today includes Cox, Time Warner Cable, DirecTV and Comcast to the impressive lineup of launch partners in GMs and Dos Equis, the network has started out strong and we expect it to continue to expand throughout 2014 and beyond."

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- Hispanic Read Reports: Provides two comprehensive domain list reports of media who've read your press release.

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MultiVu Latino offers a full professional services solution set to take your broadcast message to the next level, in both English and Spanish. From consultation and concept through execution, creation and distribution, MultiVu Latino offers media solutions across television, radio and the Internet, including:

- > Interactivo Multimedia News Releases and Audio News Releases
- > Satellite Media Tours (SMTs)
- > Public Service Announcements (PSAs)
- > Media training
- > B-roll video footage
- > Hispanic Blogger Media Tour



HISPANIC MEDIA

THE HMO INTERVIEW: MIKE ROSEN

Telemundo Media EVP of Ad Sales Mike Rosen wants to talk about the "total market."

After all, "total market" is the integral theme of Telemundo's 2014-15 Upfront presentation set for May 13 at the Time Warner Center's Frederick P. Rose Hall.



Rosen just hopes people will digest what he and others at Telemundo have to say about "total market" strategies, since he believes there is much confusion about what it might mean.

Even if there are a dozen different answers to what is "total market," Rosen acknowledges that each and every one of them may be correct.

Still, he's concerned about what "total market" should not mean—and advertisers acting on false interpretation. For instance, if a client reads something

in a Nielsen study and then develops message through a general-market campaign that accentuates its Hispanic appeal but stops at that, then "total market" isn't what it started out to mean and the client has failed in its efforts.

"There is a difference between exposing your message and actually connecting with your audience," he says. "When you reach Hispanic consumers in a culturally relevant way, all of the ad norms do much better."

The challenge—and what Telemundo wanted to embrace as a challenge—was to interpret how marketers were reaching Hispanics outside of Spanish-language media and analyze how it could be done most effectively.

The result is the development of a media/marketing planning construct that delivers "total market" as a transactional media solution. "It is turning total market planning into total market buying," Rosen says.

The "aha!" moment for the Telemundo team came after an examination of the overall reach of the NBCU portfolio of media properties. When combined, NBCU's portfolio is consumed by 90% of all U.S. Hispanics.

THE SECOND HOLY GRAIL

Telemundo is also in aggressive pursuit of the ever-important Hispanic millennial. The reason is simple.

"Millennials are the second-biggest 'holy grail' we hear from advertisers," Stern says. "They pull above their own weight in terms of cultural trends and consumer influence. The good news for us is that the Hispanic population tends to be younger, as a whole. Therefore we will tend to over-deliver more of the 18-34 adults than the general market."

In fact, Stern is willing to equate millennials with multiculturals. "The two are so closely intertwined that they almost become part of the same conversation," he notes.

The Telemundo programming team tapped into the success of the decidedly nontraditional telenovela *Pablo Escobar, El Patrón del Mal,* which enjoyed a successful run in the 10pm Eastern slot from summer 2012 through late January 2013, by developing what it considers "superseries" to air in the late evening hour. "These are telenovelas intended to innovate the concept of the telenovela," Stern says. "The pacing is much faster, with plotlines and key turning points happening much sooner, because the millennial may not have the patience to sit through lengthy storylines."

The storylines of these "superseries" are also much edgier, and veer away from the "typical Cinderella story," Stern says. In mid-May, Telemundo will do something practically unheard of in the world of novelas as part of its "superseries" push—debut its second season. With "cutting-edge special effects, explosions and thrilling action sequences," the series—El Señor de los Cielos—is produced by Telemundo Studios and filmed by Argos Television. El Señor de los Cielos is inspired by actual facts and was shot on location in Mexico.

"Our goal is to continue delivering the highest quality content and go beyond traditional on-air programming, taking the viewer's experience further," adds Borja Perez, SVP of digital and social media at Telemundo. "The vision is to continue this initiative with other series in the future by combining programming strategy with digital and social innovations."

SINGLE STRATEGY, DUAL MARKET

If marketers truly wish to understand how Hispanics use media, consider the first-year success of Barclays Premier League Football telecasts airing simultaneously on NBC Sports Network and on NBCU pay TV network mun2.

"The ratings for these games on both NBCSN and mun2 just blew our expectations," Stern says. "And, there is almost zero duplication."

In the same vein, Telemundo launched *Top Chef Estrellas* after seeing its success on Bravo, while *La Voz Kids* instantly became Telemundo's top draw in prime-time without eroding its Hispanic audience for NBC's *The Voice*—the show *La Voz* is based on.

"The integrated sponsorship strategy is working, and this sort of partnership development is something [Telemundo chairman of Hispanic enterprises and content] Joe Uva is looking at.

Meanwhile, Telemundo—like other networks—will likely benefit from shoulder programming tied to the 2014 FIFA World Cup. But July 15, 2014 marks a very special day for NBCU's Hispanic properties: That's when it officially begins an eight-year relationship with FIFA, bringing live play-by-play to Telemundo and mun2 in May 2015.

"It's a dream come true for us," Stern says. "But it actually starts for us with the Under-20 tournament, and then with the Women's World Cup and the Under-18 tournament. In 2016 there are the pre-Olympics matches, and in 2017 there is the Federations Cup. By 2018, we'll be all set for Russia."

Just don't expect NBCU to launch the Deportes Telemundo network in the near future.

"We are serving our audience's sports needs just fine with Telemundo and mun2," Stern says.

It's a safe bet that will be more than true four years from today.



HISPANIC MEDIA MEASUREMENT

THE HMO INTERVIEW: STACIE DE ARMAS

It's hard to believe that Arbitron doesn't exist anymore.

The venerable radio industry ratings company in 2013 entered into a merger acquisition agreement with Nielsen, and on September 20 the Federal Trade Commission approved its \$1.26 billion acquisition of the Columbia, MD-based operation.

For Hispanic radio executives, the end of Arbitron means an end to complaints about sample size, language preference, country of origin requests, and ways to ensure that the PPM accurately measures Latinos' exposure to AM and FM radio stations and their respective audio streams.

Or does it?



Stacie de Armas, an Arbitron veteran who now holds the title of VP of community alliances, events and engagement, at Nielsen, agreed to a Q&A session conducted from her Los Angeles office. Here are some of the highlights of our discussion:

HMO: What is the biggest concern among your clients with respect to Hispanic media measurement? Are they vocal in seeking a single metric for their media buying and planning? Or, is it about radio ratings, TV ratings, digital impressions, etc. independently and their ability to capture Hispanic consumers?

STACIE: Our clients and the market are enthusiastic about the changes that have come to Nielsen Audio recently and the changes that are forthcoming. For example, in the second half of 2013, there were improvements to adults 25-34 representation from a special action plan implemented in summer 2013, and we have seen an average proportionality index increase.

Equally important, Nielsen in the process of implementing an overall boost in PPM sample size of approximately 7%; better sample representation of Hispanics and African-Americans; and improved in-station monitoring of the PPM encoding system. These improvements were requests that came directly from our clients and we are pleased to be rolling them out.

HMO: Language preference and weighting, as a result of population changes, sent some radio operators into a tizzy in some markets because it seemed a particular metro

overnight went from Spanish-dominant to English-dominant. What is Nielsen Audio doing to educate the market on these adjustments?

STACIE: Annually, there is an update to language usage estimates for English-dominant and Spanish-dominant Hispanics. The most recent one was in January 2014. There was some movement in the Spanish dominant figures over the continental U.S. in the past year, based on the most recent population estimates. Nielsen's Measurement Science organization has a dedicated group for creating and analyzing universe estimates, and they are continually reviewing these figures to ensure they are reflective of the population. Nielsen makes this data available to our subscribing clients for review in applicable markets.

HMO: Is Hispanic radio still, in the minds of advertisers and/or operators, "Spanish-language radio"? At a recent industry conference there seemed to be no delineation between the two, which I find worrisome.

STACIE: We can't speak for advertisers or operators, but we can say that we have begun to hear discussions about advertisers wanting to touch Latinos with 'cultural relevance'. That is to say, that advertising that appeals to Latinos comes in many forms, including Spanish, English, and in a bilingual fashion. But cultural relevance is playing an increasingly important role.

Advertisers say that one of the most important elements of great creative targeted toward Latinos is that it resonates, has significant cultural relevancy, and can be delivered in any language. Having said that, Hispanics still listen to more radio than any other demographic group.

Nationwide, more than 93% of all Hispanics age 12 or older (or 40 million listeners) use radio every week. Regional Mexican has the largest share of listening among Hispanics.

HMO: What can you say with respect to Hispanics tuning to radio, and Hispanics listening to AM and FM stations via a digital or online platform? What are the exciting things we are seeing with respect to trends and growth?

STACIE: There is no doubt that Hispanics consume audio through a variety of platforms both over-the-air, and online via smartphones, tablets, notebook/desktop computers and digital car dashboards. It should be noted that Hispanics are adopting smartphones at a higher rate than any other demographics group: Nearly 3 in 4 Latinos own a smart phone.

Mobile phones, among other options, are heavily used to stream audio and video content. We know that 37 percent of Latinas stream audio on their phones. This is an exciting time for radio as they fine tune their various platforms to resonate with this key group.

HMO: With Arbitron's absorption into Nielsen, the ability to look at Hispanic media consumption is stronger than ever. But have we reached a point where we must break out Hispanics who speak Spanish versus Hispanics who speak English on all reports?

STACIE: For many marketers, radio groups, television and cable networks and others, language usage and preference among Latinos is an important metric that we supply in most of our reports. Country of Origin information was added for Hispanic Radio markets in 2008 and can be found by subscribers in both the eBook and in software applications.

HMO

Can Hispanic broadcasters bring more listeners in online?

That was one of the big questions put to several Hispanic radio CEOs at the recent Radio Ink Hispanic Radio Conference in San Diego.

Jeff Liberman, COO of Entravision, made several suggestions during the Group Heads session—including expanding Hispanic radio's use of HD Radio. "You can add additional channels that can target and serve different parts of the population," he said.

Meanwhile, Liberman said Entravision is now providing clients a variety of ways to advertise to the Latino consumer, including search engine optimization, audio content streaming, texting campaigns, and display advertising using big data.



For more from the Hispanic Radio Conference, visit www.radioink.com



HISPANIC DIGITAL MEDIA

THE HMO INTERVIEW: VANESSA LIZAMA AND SOIZIC SACREZ

Day after day marketers are bombarded with reports and studies, and research and commentary, about "total market" efforts. But how has the Hispanic online and digital realm come to define the "total market"?

Does it involve coherent internal communication that ensures that the client has properly met its "total market" objectives by including Spanish-language digital and online efforts with English-language efforts in order to reach all Hispanics? Or is there increased resistance to Hispanic-targeted online and digital market since "total market media"—a.k.a. English-language websites, apps and portals—"get the job done"?

At Terra, the goal is to help clients reach their "total market" objectives by providing both content and targeting opportunities to reach Hispanics regardless of language preference, says Vanessa Lizama, client development director at Iberoamerican web portal and online content provider Terra.

"Terra has always offered culturally relevant content in both Spanish and English, and now with the new Terra platform, which catalogs the user's behavior, we can provide a more personalized experience," Lizama says. "This innovation allows the interface to adapt and customize the content and creative to what would be most relevant to the user, enabling advertisers to reach Hispanics more effectively and efficiently via enhanced targeting technologies."



Social media. Latinos. We know that Latinos overindex on digital and online platforms. Latinos represent some of the biggest "influencers" out there. How does Terra incorporate social media initiatives into a client's overall Hispanic market efforts successfully, and how does one gauge "results"?

"The new Terra is fully integrated with social media platforms," notes Soizic Sacrez, Terra's director of marketing. "As a user, you can log in using Facebook or Google+ to personalize Terra according to what you and your friends like. You can browse infinitely on the new Terra and discover what interests you the most, and then share it immediately and easily with your social media circles.

"When developing custom client campaigns, we integrate the social media tools and relevant hash tags to ensure that social media is part of the overall content and branding strategy. We measure user engagement and the social 'echo' generated from sharing, commenting, likes and user interactions with the branded content, custom campaign or sweepstakes."

THE FULL SPECTRUM OF LATIN ENTERTAINMENT

OK, let's again take a spin in our silver DeLorean and travel to Calle Ocho 2024. Miami, as it has been for the last decade, is the last major metro in the U.S. where Spanishlanguage media and advertising still matters thanks to acculturation trends fueled by immigration, rather than U.S. born Hispanics. A tiny fraction of Hispanics in markets like New York are Spanish-dominant. The L.A. landscape has quickly evolved, with Spanish-dominant mainly 35+.

But what does this mean for the consumption of Spanishlanguage media and the future of Hispanic online and digital platforms such as Terra?

"Bilingual, English-preferred or Spanish-preferred: Wherever they are on the language preference spectrum, new generations of Hispanics embrace their cultural identity with pride," says Sacrez. "At Terra, we focus on providing culturally relevant content in the language of preference.

"With the new Terra, the users have a personalized experience with the content of their choice in the language of their choice. We are focused on providing the best coverage in the language that is most relevant to the subject matter and to the audience."

In fact, personalization is one of the key traits of the "new Terra," which morphs based on the unique preferences of each user. "This allows us to offer interesting content that each user can relate to," Sacrez says. "We can then build a platform that is customized around their passion points, such as music with the live streaming of Terra Live Music concerts. It also extends to covering important sporting events, such as the 2014 FIFA World Cup in both Spanish and English.

"Clients may also choose to have their campaigns in Spanish only or English only. Some share banners in both languages, so long as it is within the right environment. At Terra, our objective is to bring greater ease to advertisers and our users' lives by living up to our motto: 'Your world simplified.'

нмо

MUSICAL MILESTONE

On March 12, UMLE/UMLatino Latin pop superstar **Juanes** treated lucky guests to a live performance featuring new tracks from his latest release, *Loco de Amor*, and some of his biggest hits.

Those in North Miami weren't the only ones able to see the show live—the roughly 75-minute concert served as the crowning achievement for *Terra Music Live In Concert*, sponsored by Dunkin Donuts, Kraft Macaroni & Cheese, Sprint and Pepsi.



As of April 23, the digitally streamed event reached 1 million views globally. To view a short clip of Juanes' performance, please visit

https://www.youtube.com/watch?v=Jbsc
Ot-gM9E&feature=em-upload_owner

THE U.S. HISPANIC MARKET: THE POWER OF SOCIAL MEDIA

It should come as little surprise to multicultural marketing professionals that Hispanic consumers are among the most active users of social media. From Facebook to Twitter to photo-focused social sharing platforms such as Instagram and Pinterest, Hispanics have demonstrated a high level of interest and interaction with these interactive communications tools.

How Hispanics access social sharing and social networking websites should also come as little surprise to savvy marketers. In 2011, global market research firm Mintel noted that one in four online Hispanics who access the internet through a cell phone use it as their No. 1 device for connecting to the internet.

Today, a significant number of Latinos continue to rely on their smartphone's internet connection in order to venture online. According to data from the 2013 Experian Marketing Services Simmons Connect study, more than half (51%) of Hispanic adults who use social media during a typical week do so via a smartphone, compared to 43% of non-Hispanic adults. By comparison, 56% of non-Hispanics use a home-based personal computer when engaging in social media, compared to 48% of non-Hispanics.

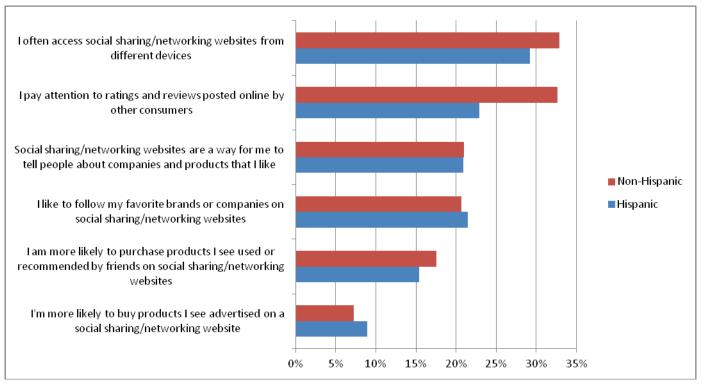
Home internet penetration among all Hispanics has traditionally lagged, and this likely remains a factor in the disparity between Hispanics and non-Hispanics with respect to PC usage when active on social media. At the same time, PC usage is slowly being usurped by tablets and the latest generation of smartphones—eliminating the need for traditional laptops and rendering antiquated the bulky PC of 2001. As noted by Experian Marketing Services, some 16% of Hispanic adults who use social media during a typical week do so via a tablet device, compared to 14% of non-Hispanic adults.

HISPANICS ARE PRIME TARGETS FOR SOCIAL MEDIA MARKETING

Hispanic consumers have shown a greater affinity for marketing messages when engaged with various forms of traditional media than non-Hispanics. This is also the case with social media, as Experian Marketing Services' data show.

As shown in the table below, Hispanic adults (9%) are more likely than non-Hispanic adults (7%) to buy products that have advertised in any way on a social sharing or networking site. At the same time, Hispanic adults (15%) are slightly less likely than non-Hispanic adults (18%) to purchase products that have been used or recommended by friends on social sharing or networking sites. This demonstrates that brands have a strong opportunity to connect with online Hispanics via platforms such as Facebook, Twitter, Instagram, and other social networking Apps.

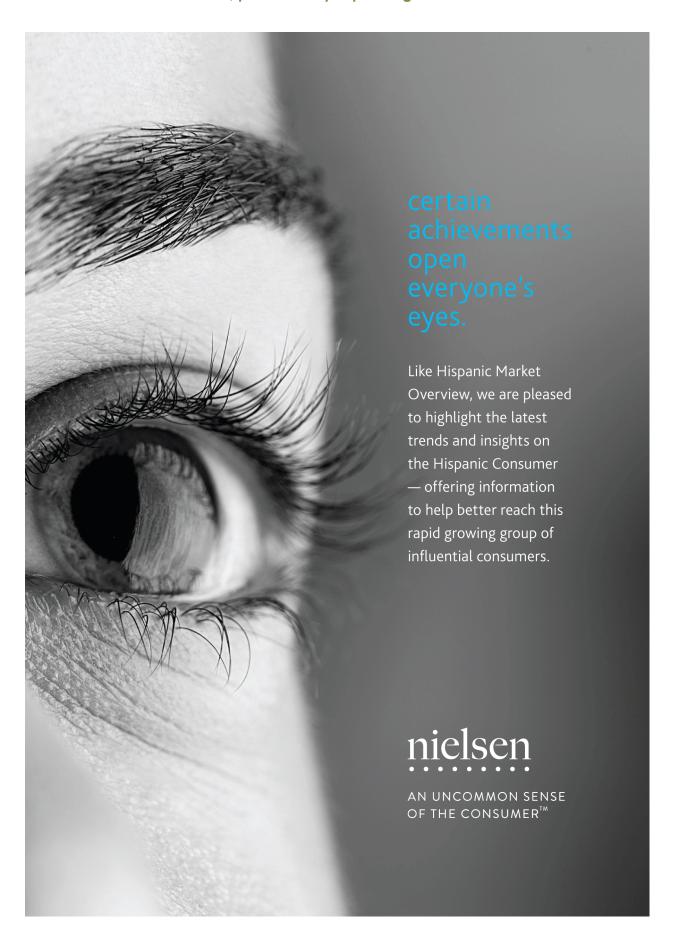
Figure: Online Hispanic consumer attitudes toward social sharing/networking websites



Source: Experian Marketing Services, Simmons National Hispanic Consumer Study, 2013. Base: Adults 18+.

As Hispanics are equally as likely as non-Hispanics to use social media to follow their favorite brands or companies and communicate with peers about the brands or companies they like, it is clear that the Hispanic online consumer is not only open to receiving brand communication via social media but is eager to share their own experiences—rather than take the advice or suggestion of a social friend.

This positions the Latino as a key influencer, and in the realm of social media makes the online Hispanic integral to a successful marketing campaign. Thus, marketers that seek to develop and engage with online consumers via social media platforms must take into consideration the power of the Latino consumer, and incorporate culturally relevant outreach to this consumer group into their total market strategies.



HISPANIC SOCIAL MEDIA

THE HMO INTERVIEW: NATALIE BODEN

Who is best-equipped to handle the explosion in social media marketing?

That's a question that can't be easily answered. But **Natalie Boden**, president of Miamibased Hispanic public relations and social media firm BodenPR, is convinced public

relations and social media go hand-in-hand.



Some of the nation's biggest companies may agree with this assessment, given the rapid growth BodenPR has seen since 2012, when it had a couple of active clients. Today, BodenPR has 13 active clients and on April 11 revealed that McDonald's USA selected the shop to serve as its national Hispanic agency of record, replacing longtime incumbent VPE of South Pasadena, CA.

The addition of the Golden Arches comes after BodenPR hit the bullseye in August 2013 by grabbing multicultural PR duties for Target, following a review.

How has Boden been able to grow her boutique firm as swiftly as she has?

"I attribute it to the different way we're looking at earned media in the U.S Hispanic market," she says. "Social media revolutionized the levels of trust for us. Traditional communication channels just don't work anymore."

That's not to say a brand should abandon traditional media and put all of its effort into a magical \$200 million Tweet. BodenPR's model is designed to mesh "legacy press" with earned media. Even so, Boden notes, "With Hispanic millennials legacy press is not as important as earned media. But legacy media, and the journalism behind it, are never going to go away. It is how they are going to get their news out that has evolved. There is reddit, Facebook, and a plethora of online RSS feeds, all with no need for satellite trucks."

When working with clients, BodenPR takes three key steps to best determine a course of action with social media initiatives:

- The identification of key Latino influencers
- Uncovering the best conversations a brand can engage in
- Allowing brands to manage their own content in the most efficient way

For Boden, one of the biggest opportunities for brands active in social media is to be able to manage their own content. "By owning their social media messaging, they open the door for the Hispanic consumer to engage with them, but only if the consumer sees such activity as 'cool,'" Boden says.

Tweeting, and the concept of social media engagement while consuming legacy media, has brought forth a whole new avenue for marketers: Social TV. Described by Boden as "engagement through social media during broadcast events," social TV in the Hispanic space could reach its apex this summer, with the 2014 FIFA World Cup.

"This is one of the biggest opportunities to win over consumers," Boden says. "The World Cup will be a giant in the realm of social TV. You better believe Hispanic millennials are engaging in social media while watching games, or selection shows, or studio programs. Brands will be competing for attention on social TV."

Twitter has invested heavily on product updates and acquired social TV analytics firms Mesagraph and SecondSync as part of a major effort designed to make the social sharing and messaging platform the top "second screen" for TV viewers. While some research studies show that roughly 15% of television viewers engage in social media while watching a program or show, it should be noted that Hispanics overindex in their use of social media—in particular from mobile devices. Thus, of those actively engaged in social TV, Latinos are likely a sizable percentage of the total number of social TV users.

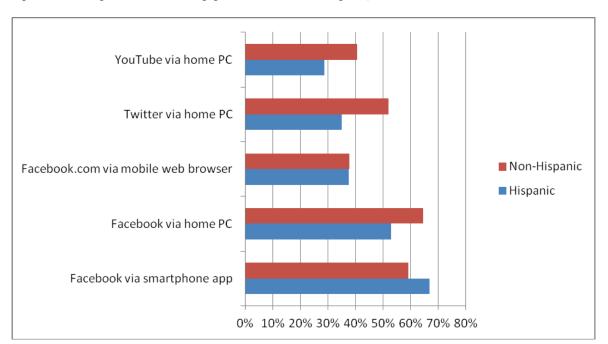


Figure: Percentage of adults who engage in social media during a typical week, by method of access

Source: Experian Marketing Services, Simmons Connect study, 2013. Base: Adults 18+.

According to Experian Marketing Services' Simmons Connect study, **Hispanics (9%) are** more likely than non-Hispanics (6%) to access Instagram via a smartphone in a given

week. Additionally, Hispanics (9%) are more likely than non-Hispanics (7%) to use YouTube via a smartphone. Although the percentage of total users is small, Hispanics were also more likely than non-Hispanics to use smartphone apps for social media platforms Tumblr, Google+ and Foursquare.

For Boden, advancements in social media measurement tools have provided her with ample ammunition for bringing clients further into a realm that only seems to be growing, an ever-exponentially. She notes that Radian6 and Curalate, which on April 17 launched visual analytics for Tumblr in an effort to help clients identify trends, track visual conversations and engage consumers on the social media network, have already radically changed the ways marketers can gauge results from their social media efforts.

As digital media and social media continue to grow, that won't have a detrimental effect on legacy media, Boden believes. "Legacy media is always going to be good in delivering content," she says, adding that traditional media delivery vehicles are amplifying their revenue by developing and supporting their social media platforms.

For brands eager to attract online Hispanics through social media, the biggest question is simple: Who are the influencers?

Boden believes this is the "new Hispanic press," which puts the blogger and the journalist at the same table. "We determine what bloggers to work with by their reach, frequency, relevance and position," she says.

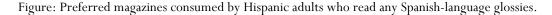
Then there's the Battle of the Tweets, which uses a mix of English and Spanish to attract Hispanic millennials in real time. Among the Twitter activities that best demonstrate this are at #lvk (for Telemundo's La Voz Kids), and #porqueElAmorManda (for Univision telenovela Por Qué El Amor Manda).

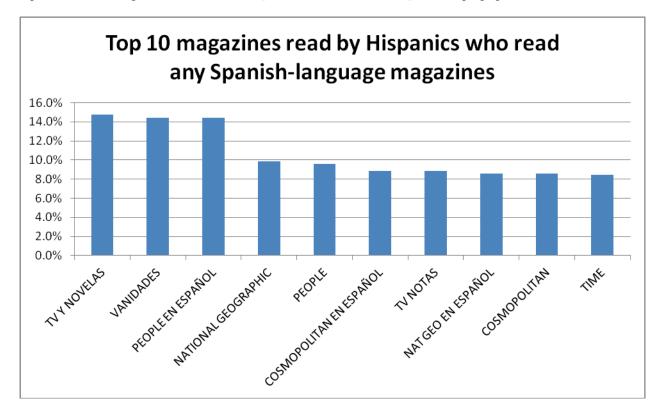
"This means that there is an enormous bilingual Hispanic millennial audience engaging in real time – sometimes by the millions – and no one is engaging back," Boden notes. "Who's going to develop real-time content that speaks to this bilingual audience?"

While we may not have an immediate answer today, it's looking clear that we will soon.

HISPANIC PRINT OVERVIEW: THE GLOSSY STORY

According to Experian Marketing Services' 2013 Simmons National Hispanic Consumer Survey, Latina-targeted glossies are among the most widely read Spanish-language magazines in the U.S. Of respondents who noted they read any Spanish-language magazines, five of the six Spanish-language titles focus on entertainment, fashion or women's health and beauty. *National Geographic en Español* is the only Spanish-language general-interest title in the top 10, while *Time* flexes its muscles as the lone English-language news and information-focused magazine in the top 10.





Source: Experian Marketing Services, Simmons National Hispanic Consumer Study, 2013. Base: Hispanic adults aged 18+.

Of respondents who said they read any English-language magazines, 8.4% noted they read People en Español. This puts the publication behind only National Geographic, People, Better Homes and Gardens, and Time, and demonstrates that People en Español is a popular title among all Hispanics, regardless of the language they prefer to read in.

Additionally, some 8% of Hispanics who read any English-language glossies read *Vanidades*, while 7.7% of this group of respondents read *TV y Novelas*. Thus, marketers should not look exclusively at Spanish-dominant readers when finalizing their Hispanic print media strategies.

HISPANIC GLOSSY OVERVIEW: WHO'S SPENDING WHERE

Source: HispanicMagazineMonitor™, a service of Media Economics Group, (c) 2014

Procter & Gamble Co. is once again the leading advertiser—by a wide margin—in the Spanish-language magazines measured by Media Economics Group. P&G in 2013 invested nearly \$55.5 million in the magazines measured by MEG, with roughly 1,000 total ad pages. By comparison, P&G was the top advertiser in Spanish-language magazines tracked by MEG for the 2011 calendar year based on a \$44 million budget yielding 1,106.3 total ad pages.

A similar pattern was seen by the second-biggest advertiser in Hispanic magazines, L'Oreal USA. In 2011, it was the big No. 2, with close to \$20.5 million in total dollars on roughly 398 ad pages.

Top 10 Advertisers in Hispanic Magazines (By estimated Advertising Spending) January-December, 2013			
Rank	Advertiser	Total Ad Pages	Total Dollars
1	Procter & Gamble Company (The)	1,000.35	\$55,492,764
2	L'Oreal USA, Inc.	586.20	\$34,815,299
3	Estee Lauder Companies Inc.	124.66	\$8,123,040
4	Mars, Incorporated	119.75	\$7,247,229
5	Unilever PLC/Unilever NV	147.65	\$7,103,360
6	Colgate-Palmolive Company	117.33	\$6,506,122
7	Kimberly-Clark Corporation	92.50	\$5,711,178
8	Kraft Foods, Inc.	43.96	\$3,311,874
9	Kellogg Company	46.29	\$3,293,115
10	Nissan Motor Company Ltd.	55.00	\$2,946,593
Totals: (top 10) 2,333.69 \$134,550,574			
Totals: (all advertisers) 5,935.70 \$283,945,745			\$283,945,745
Source: HispanicMagazineMonitor™, a service of Media Economics Group, (c) 2014			

The no. 5 advertiser at Hispanic magazines in 2013—Unilever—did not appear on the list of top 20 advertisers in Hispanic magazines published in *Hispanic Market Overview 2012*. The same can be said of Colgate-Palmolive and Nissan; the latter activity is a welcome sign of an improved climate for the automotive industry, as General Motors and Ford were among the top 10 advertisers in Hispanic magazines in 2011 but are absent from the top 10 this year. Pharmaceutical giant Pfizer and health and beauty brand Johnson & Johnson were also top 10 advertisers in Hispanic magazines in 2011 and not among the top 10 advertisers in Hispanic magazines in 2013.

Top 10 Brands in Hispanic Magazines
(By estimated Advertising Spending)

January - December, 2013

Rank	Brand Procter & Gamble "Orgullosa de mi Belleza" (Orgullosa.com)	Advertiser Procter & Gamble Company (The)	Total Ad Pages 46.00	<u>Total Dollars</u> \$3,174,482
2	Tampax "Radiant"	Procter & Gamble Company (The)	60.62	\$2,761,385
3	Procter & Gamble "Orgullosa - Pruebalo & te Encanta" SAS	Procter & Gamble Company (The)	42.00	\$2,694,904
4	Got Milk?	National Milk Processor Board (MilkPEP)	39.98	\$2,549,114
5	Fisher-Price "A Jugar" SAS	Mattel, Inc.	60.00	\$2,521,200
6	CoverGirl "Outlast Stay Brilliant Nail Gloss"	Procter & Gamble Company (The)	44.00	\$2,248,469
7	People en Español "Festival 2013"	Various	27.00	\$2,135,700
8	CoverGirl "Outlast Stay Fabulous"	Procter & Gamble Company (The)	31.00	\$2,127,775
9	Gardasil	Merck & Co., Inc.	30.00	\$2,081,695
10	Crest "Complete Multi-Benefit Plus Scope Outlast"	Procter & Gamble Company (The)	38.00	\$2,062,214
Totals: (top 25)			418.60	\$24,356,938
Totals: (all brands) 5,935.70 \$283,945,745				

By ad category, cosmetics and haircare were the two biggest for Hispanic magazines. This should come as little surprise to marketers, given the prevalence of titles targeting Latinas. Food products, facial care products and household supplies round out the top 5 ad categories, with all categories seeing significant budget increases from 2012.

Source: HispanicMagazineMonitor™, a service of Media Economics Group, (c) 2014

However, as previously noted, automotive continues to lag in its advertising efforts with the Spanish-language magazines measured by MEG. Also showing weakness is the personal care category.

Top 10 Ad Categories in Hispanic Magazines

(By estimated Advertising Spending)

January - December, 2013

Rank	Advertising Category	Total Ad Dollars	% change (from prev yr.)
1	Cosmetics	\$32,942,753	23.2%
2	Haircare	\$29,365,886	55.6%
3	Food products	\$20,963,677	33.3%
4	Skincare (face)	\$16,235,051	48.1%
5	Household supplies	\$11,700,294	49.3%
6	Direct response (nec)	\$11,301,733	95.1%
7	Personal Care (combined & nec)	\$10,690,772	-10.1%
8	Auto manufacturers	\$10,626,159	-9.6%
9	Oral Care	\$10,374,904	10.9%
10	Personal Hygiene (for women)	\$8,686,850	26.7%
Totals	(top 10):	\$162,888,079	Na
Totals	(all categories):	\$283,945,745	13.99%

EPMG360 'Hispanic Print Overview' Shows Healthy Trends For Spanish-language Dailies, Weeklies

Source: HispanicMagazineMonitor™, a service of Media Economics Group, (c) 2014

The state of the U.S. newspaper industry is rather bleak. Total market print revenue has slid from a peak of \$49.4 million in 2005 to \$22.3 million in 2012; online dollars now comprise 15% of total revenue. Growth in online ad revenue has occurred slowly, and has failed to effectively replace the severe decline in overall print advertising revenue, which is now just 45% of what it was in 2006. For 2012 the ratio was roughly 15 print dollars lost for every digital dollar gained—worse than the 10:1 ratio seen in 2011. More than 75% of overall print classified revenue has been lost since 2000 and is now below \$5 billion, from nearly \$20 billion in 2000.

While these figures are rather bleak, Hispanic print media is downright thriving. The 47 Hispanic newspapers measured by Kantar Media enjoyed a 1.4% increase in year-over-year measured ad spending during the period. The recently released "State of the Industry Report: Hispanic Print Overview" shares insights on the Hispanic print media consumer, Spanish-language newspaper consumption, and reports exclusive data from the EPMG/Nielsen Hispanic Intercept Study. The white paper was produced by Adam R Jacobson for EPMG and is available for download online at: http://www.epma360.com/2014/02/inside-state-of-the-industry-report-hispanic-print-

HISPANIC GLOSSY OVERVIEW: TOP TITLES BY AD REVENUE

Source: HispanicMagazineMonitor™, a service of Media Economics Group, (c) 2014

People en Español continues to command the lion's share of dollars invested in Hispanic magazines by marketers. In 2013, the entertainment and lifestyle publication attracted a whopping \$84.73 million. By comparison, the title attracted \$69.4 million in 2011.

Although a distant No. 2, *Vanidades* has shown strong growth in its total ad dollars since 2011, when it ranked sixth with \$16.32 million in total ad dollars. Conversely, *TV y Notas* has seen its revenue decrease from \$7.1 million in 2011 to \$4.33 million in 2013.

Top 10 Hispanic Magazines (By estimated Advertising Revenue) January - December, 2013			
<u>Rank</u>	<u>Magazine</u>	Total Ad Pages	Total Dollars
1	People en Espanol	1,051.61	\$84,734,263
2	Vanidades	662.53	\$40,587,000
3	Latina	715.26	\$35,515,323
4	Ser Padres	233.91	\$25,348,300
5	TV y Novelas	536.12	\$23,387,700
6	Siempre Mujer	261.10	\$18,273,850
7	Cosmopolitan for Latinas	224.63	\$14,483,215
8	Cosmopolitan en Espanol	414.71	\$10,296,600
9	Ser Padres Espera (was Espera)	139.81	\$5,954,060
10	TV Notas	488.95	\$4,331,160
Totals (all magazines):		5,935.70	\$283,945,745

HISPANIC ONLINE OVERVIEW: WHO'S SPENDING WHERE

Source: HispanicWebMonitor™, a service of Media Economics Group, (c) 2014

Top 10 Advertisers on Hispanic Websites (By share of ad occurrences) January - December, 2013			
<u>Rank</u>	Advertiser	% Share	
1	Procter & Gamble Company (The)	7.5145%	
2	Toyota Motor Corporation	2.2095%	
3	Pernod Ricard	1.8304%	
4	General Mills, Inc.	1.7665%	
5	State Farm Mutual Automobile Insurance Company	1.7509%	
6	Ford Motor Company	1.6651%	
7	Wells Fargo & Company	1.6336%	
8	AT&T, Inc.	1.6055%	
9	Tri Honda Dealers Association	1.5498%	
10	PepsiCo, Inc.	1.5277%	
Totals: (top 10) 23.05%			
Totals: (all advertisers) 100.0%			
Source: HispanicWebMonitor™, a service of Media Economics Group, (c) 2014			

As shown in the chart above, P&G is again the big No. 1 advertiser by ad occurrences on the Hispanic websites it monitors. While L'Oreal and Esteé Lauder were No. 2 and No. 3, respectively, in 2012, they do not appear in the top 10 for 2013, with Toyota and distilled spirits brand Pernod Ricard now second and third, respectively.

The top 10 advertisers on Hispanic websites account for 23% of all Hispanic online dollars. This compares to 28.5% in 2012—a sign that more brands are actively engaged in seeking online Hispanic consumers.

ABOUT THE AUTHOR



ADAM R JACOBSON is a veteran journalist and multicultural media marketing strategist who has published the annual Hispanic Market Overview in partnership with HispanicAd.com since 2010. A 20-year veteran Hispanic market media professional, Jacobson has served as a multicultural analyst for global market research firm Mintel, as a corporate strategic consultant for Davidson Media Group and Adelante Media Group, and as principal analyst for Arbitron's Hispanic Radio Today 2010 and 2011. Jacobson served as an editor at Hispanic Market Weekly from 2006 through 2009, assisted in the launch of Latina Style Magazine, and began his career in 1993 at HISPANIC Magazine. From 1995-2006 he held several editorial positions at former industry trade publication Radio & Records. Jacobson is a frequent conference speaker and panel moderator on Hispanic media and multicultural marketing trends. Jacobson's work as a journalist has appeared in *The Miami* Herald and Latin Trade. Jacobson also assists The Leukemia & Lymphoma Society as a recruitment specialist for its Light the Night and Team in Training fundraising programs.

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ADVERTISER INDEX

D'exposito and Partners	3, 50
López Negrete Communications	8
MGSCOMM	13
The Florida State University	19
Experian Marketing Services	38
Media Economics Group	41
Casanova Pendrill	42
Castells & Asociados	46
PR Newswire	54
ESPN Deportes	58
Fox Hispanic Media/Nat Geo Mundo	62
Nielsen	67

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