Hispanic Market Overview.

Vol. 14

2023 **EDITION**

Presented by



The advertising and marketing industry's annual State of the Industry report



A CALL FOR FULL INCLUSION

As the second half of 2023 arrives, there's a welcomed, fiery undertone in the conversations of U.S. Hispanic marketing and advertising leaders.

From "right-sizing" budgets to going beyond "in culture," is now the time for the big Hispanic growth story that remains elusive ... and overdue?



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2023 EDITION



"Hear ye, hear ye, my name is Adam R Jacobson And I present "Hispanic Market Overview 2023." Heed not the rabble who scream revolution They have not your interests at heart Oh my God, tear this dude apart Chaos and bloodshed are not a solution Don't let them lead you astray Total Market does not speak for me."



With apologies to Lin-Manuel Miranda and Thayne Jasperson, we proudly and boldly present our 14th annual state-of-the-industry report designed to offer newly crowned Hispanic and multicultural marketing experts and long-time veterans alike a fresh and unfiltered look at the U.S. Hispanic advertising industry.

There's a lot we love. There's much we question. There are a few things we don't like. We are not alone. After 14 years of sharing valuable insights, observations and advice, there remain brand managers that have yet to do any Hispanic marketing of any substance. Some have pulled back. Many believe reaching all Hispanics through general market advertising is suffice.

When will it end? **Ana Ceppi**, the veteran senior global marketer and public relations executive wonders if 2023 will be the year "the Hispanic market will finally be right-sized in non-English." It's a question that has ignited many in the industry to argue that yes, it's time. Others scoff that there will *never* be a time when it occurs, as it remains a question after so many years. We explore the topic, along with other key discussion points that could transform how brands respond to U.S. Hispanics once and for all ... or not.







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Advertising Sales and Distribution: Gene Bryan E-mail: gbryan@hispanicad.com Phone: 917-854-1706 Turn on the TV today, and Diversity, Equity and Inclusion initiatives, or "DEI," has done much in terms of casting. On a Saturday evening ahead of Easter Sunday, a viewing of the premiere episode of Paramount+'s "Grease: Rise of the Pink Ladies" yielded a surprising amount of insights ... even if the plot of the show was absolute rubbish, unless you're a Grease fanatic like my wife or a 15-year-old girl with a love for nostalgia.

Playing the lead role of Jane is Nashville-raised **Marisa Davila**, an up-and-coming Latina actress. Her character is half Puerto Rican and half Italian. Other characters freely speak Spanish across the premiere episode, with English subtitles.

One could argue that this is DEI run amok — with a multicultural cast and a LGBTQ+ character on full display at a Los Angeles-area high school in the 1954-55 school year. That's just four months after the landmark Brown v. Board of Education school desegregation ruling from the U.S. Supreme Court, but is it realistic of Southern California of that era?

That's besides the point. Our question is how the U.S. Hispanic advertising and marketing industry defines this program. Why? It represents the very conundrum of how Latinos have become integrated, but perhaps not fully appreciated, into the fabric of the multicultural America of 2023. Is this a "nod" to Latinos or a program that is more for Hispanics? Is Paramount+ now a competitor to ViX? Are these viewers more desirable than others when it comes to Hispanic market growth? Are these questions utter nonsense and need to ceased immediately?

Sadly, we fear these are exactly the types of questions being asked everyday by media planners, brand managers and creative leaders when U.S. Hispanic market experts fail to have a seat at the table from the

"People don't know what they don't know." – Isabella Sanchez, VP of Media Integration at Zubi Advertising and Chair of the Hispanic Marketing Council

The longtime mantra "Saber es Poder" matters more than ever. Isabella Sanchez makes that point in a poignant pre-2023 HMC Annual Summit conversation in which she laments the phrase "we are reaching them already" is something uttered now more than ever.

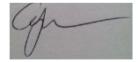
Tony Ruiz, the veteran U.S. Hispanic marketing and advertising leader, takes the conversation deeper by questioning if "Spanish-language media" has been unfairly equated with lesser affluent and, thus, "lesser priority customers."

Such faulty market interpretations could make life incredibly difficult for René Alegría and his team at MundoNOW. The online news source with uniquely produced English-language and Spanish-language content depends on all Hispanics, and seeks growth. What's the best path with all of the misinformation out there?

That's not an easy question to answer. And, just when you thought you knew it all, your insights may simply be outdated. In preparation for Hispanic Market Overview 2023, we glanced at our first-ever social media marketing and advertising report from 2010. The insights in this report are, for the most part, no longer valid.

That's why longtime U.S. Hispanic advertising executive Alex López Negrete is now being joined by his Millennial-aged son in a quest of continuing education – and squashing all of the myths and misconceptions that have arisen in the last decade. Luis Miguel Messianu also has much to offer on the subject of how evolución is necessary – sin revolución. We do not need, or want, a "George Floyd moment" to accomplish what the African American community has in three short years. But it is time to get aggressive, united and decisive when it comes to an action plan. This includes selecting ROI over engagement, going beyond culture to include language and insights, and even getting bold with bilingual advertising like that seen from Hyundai.

Together, we can ensure that people know what they need to know. That alone is an achievement yet to be fully realized.





A COMPLEX LANDSCAPE, LOADED WITH ALTERNATIVES

Alternative media choices abound. And, given the long-standing belief that Latinos overindex when it comes to new technology use, one would think the U.S. Hispanic market is in a paradox — the digital content shift is here, but where is the content?

The easy answer is that the biggest players in the U.S. Hispanic market, Telemundo and Univision, have ensured that digital access to their content is front-and-center with Latinos. But, for the marketer, disruption and a wholesale landscape change appears to be transforming how media buying and even marketing and advertising budgets are being decided.

What does all of this mean for the advertiser that wishes to reach Hispanic consumers but has been watchful of the shift to digital media from linear media among a group of Americans who have been tech trendsetters for more than a decade?

"We are in a much more complex media environment, not just with media fragmentation and new outlets," says Isabella Sanchez, the Chair of the Hispanic Marketing Council and Vice President of Media Integration at Zubi Advertising. "When I say it is more complex, we known that the Hispanic target is on the client's radar and want to capitalize on the opportunity."





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In some cases, the marketer lacks the knowledge of how best to do so. As a result, a problem has arisen.

"There's a lot of noise as to what works for Hispanics and what doesn't work for Hispanics," Sanchez says. "What I love to say is, 'People don't know what they don't know,' so it is very easy for any client to be convinced that tactics out there already for 'the total market' will reach Hispanics, and they'll be fine."

Sanchez believes there are more conversations on that topic than ever before. "That's why it is up to us — the Hispanic marketing and advertising industry — to verify and debunk all of these myths that are out there," she says. "We still hear, 'Oh, we are reaching them already. And, it is something said today more than ever."

How did we get here? It's not an easy question to answer, but the topic of efficiencies comes into focus and should be strongly considered as a key disruptor and myth builder.

Is there a clear and decisive remedy the Hispanic market expert can turn to? "We need to educate our clients," Sanchez says. "Who wouldn't want to believe that a plan out there already in the market is 'delivering' a Hispanic audience that is 'good enough.' That is where we have to ask our clients, 'Who wants to be good enough? You need to be great!"

It reinforces Sanchez's belief that just because one is being reached, it may be doing nothing for the target audience. "Who's to say they are really being reached anyway?" she asks. "Those numbers are very ambiguous, so the 'remedy" is not staying complacent. It is up to us to explain to the client what is right."

COMBATING THE COUNTER-SELL

In Sanchez's view, several years ago no one paid too much attention to Hispanic budgets. "They were small, but now we are being counter-sold," she laments. "If you are a linear broadcast media company, years ago you didn't try to go up against those dollars. Now, in the same way we are going to corporate America and saying look at this Hispanic opportunity, they are saying to their agencies and clients, 'Hey, don't worry about something separate. We will reach them for you."

Add in digital video and programmatic to the linear solutions, and the fight for Hispanic advertising budget has taken on a new dimension.

" 'People don't know what they don't know,' so it is very easy for any client to be convinced that tactics out there already for 'the total market' will reach Hispanics, and they'll be fine."

THE PERSISENT CONFUSION OVER 'DEI'

Diversity, Equity and Inclusion is not marketing. But, is there still fuzziness among marketing executives about how this is an initiative that goes beyond casting, and is independent of a CMO's conversations on creative and advertising? For Sanchez's clients at Zubi, the answer is no. For others, it's another story. "There is still some confusion in the marketplace, but I think a lot of work has been done in the last couple of years to clarify it."



As a VP of Media Integration, Sanchez is in perhaps a key position devoted to ensuring a brand's Hispanic marketing message is omnipresent - and on target. But, what priorities within that media mix are being discussed on the part of the advertiser? Is there more chatter as to the use of digital media, in lieu of linear media choices that continue to attract a wide swath of Latinos?

For one, Sanchez confirms, "It no longer leads with linear, by any means." And. it all depends on the objectives of the campaign and there are so many factors that go into it. "The difference today is that we, as planners and buyers, have to be so much more well-versed about media consumption and trends more than ever. You can't reach everyone or even accomplish a marketing objective with just one thing anymore. Consumers do too many things on any given day."

Are there any trends
Sanchez sees with respect
to media usage, and does it
differ by socioeconomic
group? Myths abound, in
particular digital savviness
and socioeconomic level. "I
don't think that even
applies anymore," Sanchez
says.

"As we know, if people are tight on cash, the one thing they definitely have is a phone plan," Sanchez says. "They might not have other things, but they have a phone with a data plan."

That said, Sanchez believes media consumption does vary by socioeconomic level by some degree. But, she argues that life-stage is a key differentiation factor, with the age of a particular Hispanic — along with years in the U.S. — key determination factors when it comes to behavior.

"There is not one answer to 'How do we reach Hispanics," Sanchez says. "How we reach Hispanics depends on your target audience and what your brand's objectives are."

As Sanchez notes there is no one way to reach all Hispanic consumers, Hispanic Market Overview noted that this is something shared in advertising industry publications and at industry conferences for 10 years, or perhaps 15 years, to when the Association of Hispanic Advertising Agencies enjoyed both spring and autumn multiday conferences.

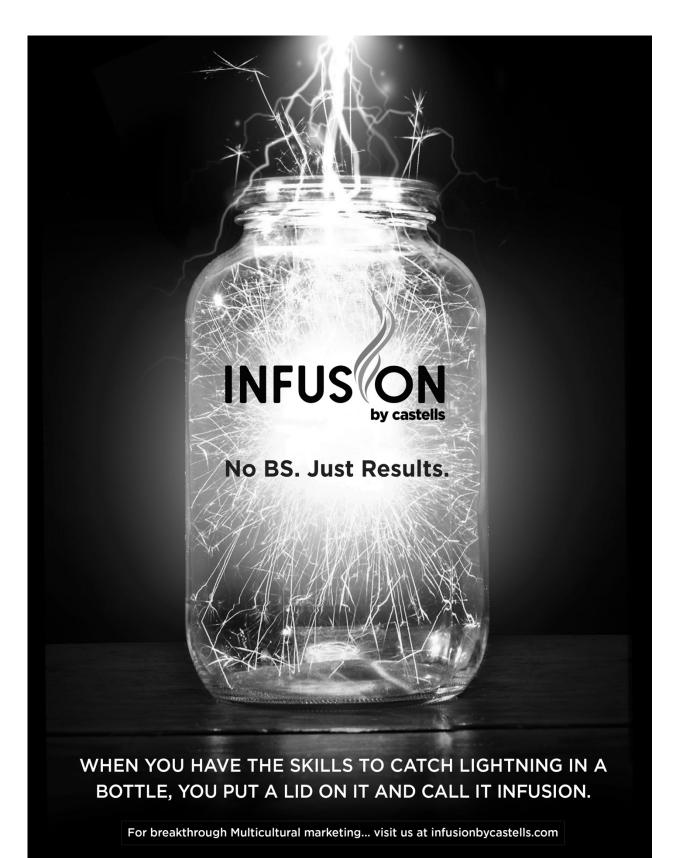
This could lead to fear, as some multicultural markets may begin to



view Hispanic marketing as they do Asian American marketing — an extremely complex arena with 14 different cultures and languages. As Spanish isn't Spanish, seasoned marketers and ad execs can share, this presents the dreaded question of, 'Is this media network going to deliver the consumers my brand really seeks?' when looking at one that is high on the Spanishdominant consumer's watch list.

Sanchez comments, "The scenario you describe could be correct, and that is what everybody needs to accept — not every media channel makes sense for every campaign. It will make sense for another campaign."

That said, the U.S. Hispanic community has much more unity than the Asian segment, thanks to a common language — even when accents and vernacular can be different. That's why the placement of reggaetón superstar Bad Bunny in an advertising campaign has universal appeal. "He wins, and we all win, from a pride perspective," Sanchez says.



END TO TRENDS?

As marketers, Sanchez notes that people tend to look at trends and overanalyze what they see. "Things come back," she says. "To me, Sports is one of those things where live sports did better this year than in the recent past."

The Super Bowl ratings were 10% higher in 2022 than in 2021, she points out. The World Baseball Classic generated significantly large ratings, with in-game attendance in Miami was equally impressive.

Thus, Sanchez believes there is a learning lesson in leaning too much on trends. "Just when you think you understand where behavior is going, it could surprise us. That speaks to the importance of our knowledge of this market."

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The Hispanic Marketing Council Annual Summit for 2023 was scheduled for a full day of panel sessions and discussions on April 27 in New York as Hispanic Market Overview went to press.

Key sessions on the agenda include a keynote from Hyundai CMO Angela Zepeda and a discussion on "influencer marketing," also a key topic of interest for attendees at the Borrell Miami local advertising sales conference in Miami held earlier this year.

What can Sanchez say is the real takeaway on Hispanic influencer marketing and power?

"Hispanic Consumers respond extremely well to someone they trust and love and admire to give them a recommendation for a brand or service or product," she says. "That is no different than what radio hosts or other influential talent have done for generations."

Another topic for discussion is "The Evolution of Video Consumption." Where is the Hispanic market with respect to streaming video compared to the total market? It is higher among U.S. Latinos. "There is just so much content," Sanchez says. "It is not in replace of linear media. It is additive, and what it is giving is a portal to the world. You are no longer limited by what is in the U.S.

Then, there is the presence of TelevisaUnivision CEO Wade Davis, offering an eagerly anticipated "view from the top" — making the Summit an impactful event.

There's no brief 100-page Hispanic marketing handbook tenaciously worked on for over thirty years to help you write and create insightful in-culture advertising in-language, not translated by some hard-coded bot but lovingly created by humans, so the work delivers king-sized results for Latinos through a fully authentic approach that resonates with the culture of these customers, not just as consumers, but as people who have time-honored traditions and who live unique experiences deserving of branded content which expertly navigates the relationship between language and culture through a masterful display of advertising as a craft.

...But there is an agency.



CLOSING THE BUDGET GAP

TACKLING THE HISPANIC 'RIGHT-SIZING' DILEMMA

Ana Ceppi has always been "deliberately diverse and multidisciplinary." She has been a professional journalist, worked at an agency, served as a client VP, handled media, and pushed out PR — both in English and in Spanish. Ceppi's goal was to become a senior global marketer with expertise in creating "diverse, magnetically forward leaning, unexpected go-to-market efforts for brands that drive sales growth ---from any seat at the table."



With positions at Edelman, NBCUniversal and Univision marking her experience over the last 11 ½ years, Ceppi perhaps has the guts to ask perhaps one of the most poignant questions to those tasked with monetizing the annual show-and-tell shows that have become the hallmark of Upfront Week:

Will 2023 be the year the Hispanic market will finally be right-sized in non-English?

It's a question Ceppi, who today serves as a consultant, first asked in February, on social media in response to a HispanicAd opinion piece. In her commentary, she noted that for six months, the advertising industry has been "bread crumbing" for Latino representation. Is this something new, or an unwanted return to yesteryear and yet another sign of regression in the U.S. advertising industry?

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Source: Nielsen National Regional Database; Fall 2022; US Total; M-Su 6a-12m; P 18-49 Station Rankings Based on: Top 100 All Stations; Nielsen Digital Streaming

HISPANIC MARKET OVERVIEW 2023

"The Hispanic marketplace has always been undervalued, and it comes back to the creation of 'Total Market," Ceppi believes.

Once upon a time, there were two prominent broadcasters in the U.S. Hispanic space — Univision and Telemundo. In 2011, these networks yielded 15% to 20% of live viewing every night, which was significant. But, even as the two Hispanic media giants generated those live eyeballs, "they were not by any stretch of the imagination capturing 15%-20% of the ad budget," Ceppi recalls.

In an effort to make sure that marketers and media agencies were capturing the Hispanic consumer, they started asking questions of the media providers of what the penetration was of Hispanic viewers. Therein lies the inception of "Total Market" as a solution, Ceppi reasons.

"In the case of Hispanic, the only time you are really capturing scale is when there is a major sports event that is happening live," she says of today's landscape, a decade later. "In 2011 it was clear that if you wanted to touch the Hispanic consumer you needed to buy Spanishlanguage [media]. After that, when media agencies started asking what the penetration of Hispanic consumers was inside the regular buy, Hispanic media efforts and succinct budgets started to depreciate," Ceppi notes.

The "total market" solution also came to rise when "Big Data" was on everyone's lips, and digital platforms were just started to draw advertiser and consumer attention — and advertising budgets. But, is the No. 1 reason "total market" rose simply about budgeting efficiencies — and saving money?

"I think there is a lot of truth to that," Ceppi says.
"Digital became a much more scalable opportunity
for marketers to put funding behind. It was a shiny
new object, and people felt more comfortable
putting dollar allocation with specific KPIs than
moving into the Hispanic marketplace. Having said
that, the Hispanic marketplace has continued to
grow by double-digits over the last 10 years from
both a viewership and consumer standpoint."

Thus, chatter in the early 2010s that the Hispanic market would be swallowed by the general market has been debunked. Hispanic retroacculturation is still being seen.

That's why Ceppi is optimistic. "My hope is that after 2020, when everyone had to do fear-based planning on the fly, with a reverse Upfront, 2023 will now be the year where clients will start asking questions about what whether or not they are doing what is needed to capture growth in the Hispanic marketplace."

Will media partners and media agencies take this as a leadership opportunity? There are early indications that's happening, with new "centers of excellence" being created in nearly every media conglomerate. "We would hope that instead of rushing into creating plans that the stabilization that has happened in 2022 and 2023 is giving marketers the opportunity to ask if they are doing the right thing for growth."

"The Hispanic marketplace has always been undervalued, and it comes back to the creation of 'Total Market.'"

Will 2023 be the year that the U.S. Hispanic market will finally be right-sized in non-English, therefore, requires one to understand that "to the consumer," "in the right context," "in the right cultural moment," and "in the right language" are the most appropriate predicates to that question — given all of the facts and all of the data that are very visible and readily accessible.

A CALL FOR FULL INCLUSION

Ceppi was particularly pleased with the Hispanic representation seen across FOX's telecast of Super Bowl LVII. Following the game, Ceppi openly wondered if the Emmys, Oscars and Upfronts would see the same level of Hispanic representation.

"I have to say that I was thrilled at the Oscars ... thrilled, in so many ways, from what the outlook of the country is, domestically and globally, and how we are incorporating different points of view."

With viewership of the Oscars up 20%, one could argue that there was more interest in feature films due to big releases and a better post-pandemic environment from cinema. That may be true, but multicultural casts and content of appeal to audiences including Hispanics could also be playing a role, Ceppi reasons.

This leads Ceppi to a discussion on the 2023 Upfronts. With widespread knowledge that many Hispanics watch English-language TV, how can Hispanic-focused TV — even offerings in English — combat the trend of putting Latino-sensitive campaigns solely on total market TV for efficiencies' sake? Ceppi puts it into context.

"On any given night, there are three broadcast networks that are prominent with Latino consumers, and invariably one of them is going to be a Spanish-language network," she says. "They are definitely watching English-language networks, and they have places like the NFL where they are magnificently watching both English-language and Spanish-language coverage. This year, the Super Bowl aired in both English and Spanish. To me, that gives a clear view that there is an either/or but that there is growth of having both of them at the same time."

The pessimist may still argue that, in 2023, U.S. Hispanics are watching content across a plethora of media choices. So, how does Hispanic-targeted media compete? "The utilization and engagement that exists in Spanish-language media is Bar None," she says.

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REPRESENTATION MATTERS

One big plus for Spanish-language content producers and distributors is, Ceppi says, simply that the content is culturally relevant.

"In English-language media, it is not," she says.
"The representation of Hispanic narratives and stories is close to 3%. If I want to see someone like me or a representation of actions and reactions from a cultural perspective, you are not going to find it in English-language media. It is getting better, but on a given Thursday night the highest concentration of Hispanics you will find either watching Univision, Estrella TV or Telemundo. And, they are watching three different types of content, with one perhaps sports related and another news related. And, this news and sports is just nonexistent in English-language media."

Meanwhile, it is no secret that there is continuing debate over culture versus language. Is selling the U.S. Hispanic "culture" alone perhaps the wrong way to attract more ad dollars, and should español be at the forefront of marketers' conversations? "This is a very good question and most marketers make this decision devoid of fact," Ceppi laments. "It would be great if one says plainly, 'I want to reach the greatest number of Latino viewers that are of a specific age group at this point in time.' It is very implausible that you are going to reach Latinos at scale in Englishlanguage the same way you can reach Latinos at scale in Spanish-language media. Period."

Ceppi also stresses that culture is critically important, but that language is the piece that is bringing people together.

UNCERTAIN TIMES, UNKNOWN COMMITMENTS?

With the current economic forecasts full of "headwinds" and uncertainty, is the U.S. Hispanic market at risk of losing out on marketing budgets no matter how hard language and insights are shown to those in charge of finalizing the media buy?

"It is no secret that the first line in budgets that goes is the Hispanic marketing budget," Ceppi says. "Having said that, there is so much in the marketplace that speaks of the value of the Latino consumer. Employers are realizing they need to make sure they are addressing their stakeholders."

Ceppi also sees corporate responsibility playing a key role. Why? In most Fortune 500 companies, at least 30% of their Gen Z and Millennial companies are multicultural. "Are they not going to be in the right context and in the places where those people are seeking their own brand play out? I find that hard. I don't think anyone can just say 'Get rid of the marketing budget.' The power can't be denied anymore, and it stretches from Ricky Martin to Bad Bunny. The power of that cannot be denied anymore."

Ceppi was then asked by Hispanic Market Overview to share her thoughts on the notion that there exist only 15 Hispanic markets of consequence in the United States. "That really assumes that the Top 4 markets in the U.S., which are already Hispanic-majority, are not being seen as general markets. Let's start right there: The top 3 are already majority Latino, and those are labeled as 'general market.' The reality is that the Hispanic consumer is really growing most consequently in the middle of the country. If you're looking at the top 15 markets in terms of penetration, then yes, those are the only markets you should really include. But, if you're looking at the markets where is more growth and more household income, then you go to Utah and to Mid-America. It's no longer one or the other – you need the whole country for growth. And if you buy across three markets, you might as well by National TV."

AN OMNIPRESENT INFLUENCER

"There is no question that the H market is setting culture in every possible way and in every possible place," says Ceppi. "If you are not familiar with it just hand your smartphone who is younger."

That's her response when asked if the U.S. Hispanic digital story is miniscule, given the noise surrounding "Big Tech" and the ad dollars that go to Google and YouTube, to Meta's Facebook and Instagram, and to Amazon.

"The growth in digital in the U.S. Hispanic market is explosive and it is intensifying," she says. "And, I'm one of those people really enjoying how it is really complementing the linear offering."

Lastly, Ceppi was asked about Reach.
Everyone loves Reach, but does it bring
"ROI"? She argues that this requires a
"back-to-basics" evaluation. Is a brand
reaching the Hispanic consumer
everywhere they are? Are the duplication
percentages too high?

"You need reach and you need a recalibrated 'ROI,' and you can't expect a strong ROI in Year One and understand that you are nascent and unknown. You need to grow, and as your budget grows, the marketplace potential will grow."

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The Hispanic Digital Opportunity

A Panel Discussion

Wednesday, May 3 11:55 am to 12:15 pm ET

Steve Mandala, Chief Revenue and Local Media Officer, Estrella Media.

René Santaella, Chief Digital and Streaming Officer, Estrella Media.

Jacqueline Hernández, CEO & Co-Founder, New Majority Ready.

Emilio Aliaga, Chief Digital Officer, TV Azteca.

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FINDING THE FUEL FOR MORE FUNDING



Tony Ruiz is an accomplished multicultural marketing and advertising leader. Three decades ago, he was in his second stint at Conill Advertising, servicing Procter & Gamble Co., Coca-Cola Foods, Scott Paper and Helene Curtis personal care products. He'd just come off a two-year stint as a Regional Marketing Manager for McDonald's Corporation, and was just two years away from serving as Partner for The Vidal Partnership.

Today, Ruiz remains a key Hispanic market thought leader built on 40 years of experience. And, he remains as disappointed as ever as to the amount of ad dollars going toward the U.S. Hispanic market.

"The investment against Hispanic consumption has always been underfunded, and it is still is today."

While Ruiz is important to note that he has not looked at the investment of each and every marketer in the U.S., and that his belief that the investment against Hispanic consumption has always been underfunded, the fact that he is speaking in general terms in no way discounts his thoughts.

But, while Ruiz laments the percentage of ad dollars versus the market power U.S. Hispanics represent today, does he have a roadmap toward change? Is there a first step to getting the vehicle in the right direction? Ruiz takes a step back before answering that question.

"There are conditions that suppress the investment level, and they have to do with the dynamics of what goes on in the U.S. marketing world and they dynamics of how the Hispanic consumer is misperceived and what the industry is doing about it," he says. "It is beyond my understanding how some major marketers have been committed to this for long amounts of time, yet the strategy, the reason why, the approach isn't institutionalized in some of those organizations and there needs to be a constant retraining of marketing or brand teams, as to why the Hispanic consumer is important or not."

Ruiz recognizes that the industry has come a long way in terms of the level of investment made in targeting consumers. Yet, he simply can't figure out why the investment levels remain so low given the total U.S. Hispanic population and the consumption base seen in the nation's major geographic centers. Why underfunding is still the experience of the industry is something he cannot answer.

"The industry still seems to be hoping that 'this is the year," he says. "I've always thought this is nothing new. I've voiced this in our industry for a long time, and it doesn't have to do with the size or growth rate of the population. There is no corporate organization that disputes the size of the population and that it is a significant population. But in terms of how marketers are investing, two things are happening."

The first problem is that marketers are not investing enough. The second is that marketers are not optimizing the investment that is being made. "I think it has to do with the perception that if we talk specifically about media that targets Hispanic consumers, they are perceived as Spanishlanguage media – not media, but "Spanish-language media." Words matter."

Thus, an industry "all about the careful crafting of messages." For better or worse, Ruiz fears that, in general terms, corporate America equates Spanish-language media with Spanish-language dependency. "That is equated with a lot of things — lower affluence and a lesser-priority consumer," he says. The size is acknowledged, but believes that the percentage of that population that controls the buying power is U.S. born, more affluent, 'Latinx' and is therefore already being impacted by the overall media investment.



Ruiz comments, "The viewer I reach through Univision properties or Telemundo or Spanish-language radio or digital or whatever is not seen as a priority consumer."

That's a big problem that persists. "There are roughly 65 million people, but the industry is positioned as — and I think the industry allows itself to be positioned as — that targeted Hispanic media is only there for that percentage that is Spanish-dependent ... or a more recent immigrant. Therefore, really, it is not 62 million people that we're talking about. It's the 20% of 30% that are Spanish-language dependent. That math is what contributes to the suppression of greater investment in these kinds of channels."

REPRESENTATION: A 'DEI' TACTIC?

Representation certainly matters. But is there more than just "representation" when it comes to connecting with the Hispanic consumer, gaining their trust, and turning them into a consumer of your good or service?

"When you say representation, I equate that into casting, which there is more of today ... There is a tremendous amount of that," Ruiz says. "Maybe I'm too old-school but I did grow up in this industry and I spent a lot of time with two clients who were formative in how I came to think."

One was McDonald's Corp., where Ruiz spent many years, both on the client side and agency side. "It was about moving people through the doors on a day-in and day-out," Ruiz says. "The other is Procter & Gamble, which held my agency accountable for persuasion. They tested every piece of messaging to see what the persuasion levels and what the buying intent levels were going to be. They didn't hold us accountable for reach, or just exposing ourselves."

Industry pioneer Eduardo Caballero also instilled that fundamental philosophy about marketing in Ruiz. Quoting Caballero, Ruiz said, "Clients pay for transactions, for business. They don't pay for just reaching consumers. If you are just reaching consumers and business isn't sustained or grown, there will be an agency review."

Ruiz continues, "Truly persuading consumers and truly telling compelling stories; truly engaging the mindset or a heart of an individual you are trying to strengthen a bond with; or other consumers you are trying to convert to your brand or business — and you are doing that in the context of a competitive atmosphere — requires more than just exposing my brand or just casting people and requires more than just language. It requires insight and knowledge that can be leveraged into compelling messages and stories. I don't think enough of that goes on."

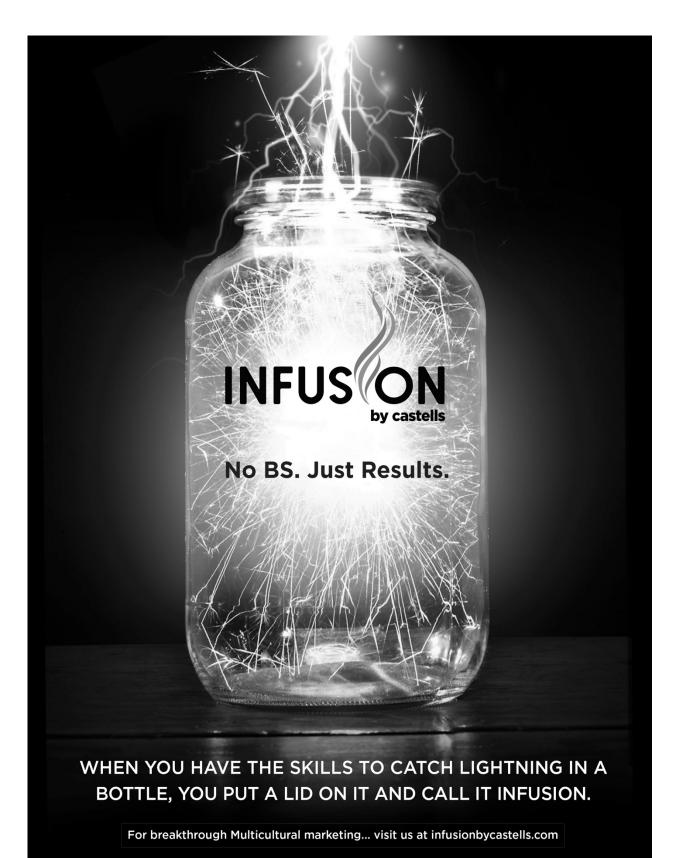
"Procter & Gamble, which held my agency accountable for persuasion, tested every piece of messaging to see what the persuasion levels and what the buying intent levels were going to be. They didn't hold us accountable for reach, or just exposing ourselves."

The more Ruiz consumes Hispanic radio or TV, the more he sees repurposed scripts or visuals from "the general market." Thus, he says, "I'm betting that reduces the impact of that media investment."

That's why Ruiz believes it should be about engaging and persuading consumers, and that requires much more than casting and representation.

Diving into the lives of Latinos is a start, he argues. "When was the last time they had been north of 96th Street or had been on Roosevelt Blvd. in Queens," he asks of media planners and agency leaders.

Perhaps 20 years ago, what was very Puebla on Roosevelt Blvd. is now a mix of different Hispanic communities, along with South Asians. Thus, continuous learning – and understanding – matters.



"It takes work, and truly caring, to understand how the population has grown and shifted and how they are effecting a brand or good in a particular zone. It takes a lot of work."



NEW YORK (AdAge.com) — The Vidal Partnership management team from left to right: vice president and creative director Mauricio Galvan, CEO Manny Vidal, chief strategic officer Tony Ruiz and chief financial officer Carlos Hernandez.

January 2005

"Hudson County, N.J., today is anything but Cuban, and it used to be all Cuban," Ruiz adds. "Look at Washington Heights, which was predominantly Dominican and no longer is."

Still, these areas continue to have a unique "aroma" and distinct qualities that still greatly matter to the marketer and advertiser. "How your heart is touched, and how you are moved, has a lot to do with how you are touched in that Hispanic context. I don't think that the industry is taking that into account in order to affect commerce and sales and people like California and Texas and Cook County, Ill. There are significant volumes of products across categories that are being moved every day. For an industry that relies on data, I don't think it spends the amount of time it should to understand those consumers."

That speaks volumes of why Ruiz believes the advertising industry "owes that" to their client. "I don't perceive that is being brought to their client, despite what the ANA has done with AIMM and what the Univision strategic group has done. Prove me wrong. As an industry, we are still hoping that this is 'the year.' It takes work, and truly caring, to understand how the population has grown and shifted and how they are effecting a brand or good in a particular zone. It takes a lot of work. And, the most important currency in this world is Time. You pick and choose your battles. It is short-sighted and contributes to the suppression of investment that we have been talking about. It doesn't help your client understand what is already here and what is coming. And, this hasn't changed a lot since 1986."

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THE HMO INTERVIEW

REACH, PULL AND RETAIN

We've seen a lot of evolution — both good and bad — in the U.S. Hispanic marketing and advertising space. While many have elected to focus on the negatives, Luis Miguel Messianu believes there are positive stories on how Hispanic-targeted creative has lured consumers ... and has kept them brand loyal.



"I love the concept that the more things change the more they stay the same, and emotional connection continues to rule," says Messianu, the founder and Chairman of **Alma**. "This industry started with just language and it has evolved into cultural relevance and it goes beyond just the Hispanic media landscape. It goes into the mainstream and that "wink factor." Even if you are exposed to mainstream media, there are nuances and subtleties and intangibles that tells the audiences that we get them. Over time, they become more subtle and at the same time perhaps more obvious."

A decade ago, the "Total Market" topic was dominating the industry. For Messianu, it represents a "very dark period" because it made advertisers believe that "one size fits all" makes sense. "It goes beyond casting," he laments. Yet, in 2023, "We're having the same conversation. It almost went full circle. It is about the content and messaging, and it is not adding percussion to the soundtrack. It has to connect with the fibers and comes down to insights and the spine of messaging – not just the looks and the hairdo and the makeup."





Spotlight Dorado



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NO BULL

"It's crazy that the pendulum goes from one side to another," Messianu continues. "But it is about being authentic and we believe specificity brings authenticity. You have to know what the brand stands for."

"It is about the content and messaging, and it is not adding percussion to the soundtrack."

Discerning the differences of what a brand might stand for among total market consumers versus those who are U.S. Hispanics is vitally important, Messianu stresses. Thus, being sensitive to Latino consumers, through cultural connection and context, is essential.

But, are things getting out of context? "Yes, to a certain degree," Messianu shares. "We see so much variation from one advertiser to another. Some have been consistent and have stayed the course. Others come and go, and oddly enough come back and expect the same principles they applied 10-20 years ago are still in vogue. This is a dynamic marketplace and fast-evolving consumer segment and you cannot expect to leave and come back. Things change, things evolve. Of course some elements of humanity stay the same but we need to understand that Hispanic marketing is not the same that it was 30 years ago."

If we were having this conversation 20 years ago, Messianu reasons that one of the questions posed by Hispanic Market Overview would be, "Do you think there is a future for Hispanic advertising?"

Yet, here we are today — "still with a presence and still facing some of the same challenges and issues. Yet, for some advertisers, Hispanics represent 20 percent to 30 percent of their business and perhaps an even bigger growth opportunity," Messianu says. "That's why marketers should recognize the Hispanic market changes and have an open mind when it comes to reaching out to this consumer group."

Importantly, those seeking Hispanic consumers should keep an open mind both on the agency level and, he notes, "especially on the advertiser side."

EL MALENTENDIDO DEL TIEMPO

While some notable Alma clients have proven they are committed to reaching U.S. Hispanic consumers, others have not and are still pulling back after experiencing low ROI after a short period.

Are too many brands expecting quicker-than-ever results, something that needs to be addressed by Hispanic advertising agency experts?

Messianu says yes. "Their growth is coming from ethnic segments and from Hispanics in particular, but it appears we are at a beta test stage and in many instances the client expects results overnight. To be candid, this is a double standard. In the General Market, they develop programs and they give it time to show results. In our case they expect results right away."

That double standard is emphasized by Alma because, all too often, they hear responses such as, "I don't have money to fund Hispanic efforts." How does Messianu respond when told this? "We look at their financial portfolios," he says. "We want diversification because we don't want all of our eggs in the same basket. They do have money. It's about how you distribute it. It is where you have the best return on investment, and clearly it is in the U.S. Hispanic market."



In January, Alma was honored with one of the first WARC Awards for Effectiveness – North America in the Business-to-Business category for "Adios Cuadernito" (Goodbye Little Notebook) for QuickBooks. It earned the "Grand Prix" prize.

LENGUA O CULTURA?

With going beyond creative that is culturally relevant a hot topic across the first half of 2023, Messianu was asked if the importance of "en español" has diminished compared to the desires of marketers to be culturally relevant.

He responds, "En español still makes sense when it makes sense. Look at the growth that Telemundo and TelevisaUnivision are experiencing as are several radio companies."

That's why advertisers need to stop "retrofitting" their messages for Spanish-language U.S. Hispanic media, Messianu says. Now that the "total market" philosophy has started to wane, he believes marketers more than ever understand that it took far more than just translation or transacreation to make their creative effective. "It boils down to customizing your messages for your audiences," he says. "In most cases, successful campaigns start with a strong, strategic backbone and then they can be applied to either Spanish or English, and that is what we have done for McDonald's, and for MolsonCoors and for StateFarm. it goes back to being about customizing the message and being specific to a target group - and understanding that the easy way out doesn't apply anymore. You have to push yourself to really create work that is subtle and is emotional at the consumer level."

Once the marketer determines who the audience is, media decisions can then be finalized, Messianu advises. "Contrary to popular belief, a lot of GenZ Latinos are making a point to learn Spanish and have that cultural upbringing. 'En Español' is alive and kicking.

Molson Coors has emerged as one company that has excelled as a Hispanic marketer. What stands apart for them?

Messianu replies, "We are proud to say we are an integral part of their journey."

At the 2023 Hispanic Marketing Council summit on April 27, MolsonCoors was awarded the title of Advertiser of the Year. Messianu says, "The journey started in 2017 when they really reignited their efforts to better serve the multicultural market, in particular U.S. Hispanic. They really took pride in grounding their Hispanic market work to be 'inculture' and prioritized Hispanic media. They used to just translate or put a Spanish soundtrack to their work and realized that this wasn't going to work."

While English-language Hispanic-targeted media was included in the mix, Messianu believes the most important development was MolsonCoors' decision to name the U.S. Hispanic consumer a priority growth target for classic beer brand Miller Lite. This led to a lot of Hispanic-specific tactics in each of the brand's campaigns.

Custom activations celebrating NFL fandom, including an effort designed to get Raiders coach Tom Flores inducted into the National Football League Hall of Fame in Canton, Ohio, generated buzz. So did its NFL-flavored "Animales Misticos" efforts and concerts designed to weave Miller Lite into entertainment enjoyment.

Another major Hispanic market effort saw the incorporation of Mexico's Cerveza Sol into the MillerCoors U.S. Hispanic marketing and advertising efforts. "They really walk the talk," Messianu says of the multinational brewing brand.

All in all, MolsonCoors' U.S. Hispanic media investment represented roughly 15% of the category's 2022 media spend against its targets. "It's a significant investment," Messianu says. "We've been on a combined journey based on creativity and effectiveness. We have delivered campaigns that have yielded great impact on the Hispanic market for them."

The "Iceman for Canton" effort centered on Flores won awards. But, the category growth and MolsonCoors' "Share of Voice" increase has been significant since 2021.

"It's about the right messaging and the right growth level,"
Messianu concludes

Much of MolsonCoors' growth is thanks to an Uruguayan-Canadian who in February 2023 was promoted from Miller Lite Brand Director to Chief Marketing Officer of the entire company – **Sofia Colucci**.

"It's about diversity of the team," Messianu says. "It's about understanding that diversity and inclusion can really yield growth and committing to relevance, creativity and effectiveness bring results that speak for themselves."

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BEYOND THE CULTURE CLUSTER



In short, culture has been a key selling point to marketers.

Did we forget about language?



López Negrete Communications President/CEO **Alex López-Negrete** (pictured, at right) and his son, Director of Brand Strategy **Patrick López Negrete**, share how there may be a need to place a renewed focus on targeting Spanish-language media consumed by U.S. Hispanics in this Hispanic Market Overview Q&A roundtable discussion.

HMO: There is an idea now being shared that we need to start selling the U.S. Hispanic market beyond culture. That means remembering that many consumers don't use Englishlanguage media. What are your thoughts on the arguments that language has languished as a Hispanic marketing need among brand managers and CMOs?

PATRICK: I totally understand and see what you are talking about in the sense that it has been a bit forgotten or at least pushed to the side. But I think it is really important to remember the effectiveness of that 1-2 punch of having culture and language. Separately, they both perform extremely well. When they are together, that is really the secret sauce that not just boosts brand likeability. It boosts purchase intent, from the bottom line.

We often refer to Spanish as "the language of the heart," and it truly is. It is a great way for Hispanics to be seen by brands. But, it is also a great way for them to interact and connect. When you merge them together, you really do find that secret ingredient.

ALEX: I think we can politely say that it has been forgotten. Even when we were in the early days of our industry, we always said it was about culture and language. Somewhere along the way, perhaps a certain subset of Hispanic agencies and marketers that leaned in on the "in culture" part and conveniently decided that this was going to be marketing to Latinos. Using language was seen as somewhat "old school" ... and that's where the mess began. I don't think it was as much forgotten as it was Conveniently ignored by some, and now we have a problem on our hands.

My business card doesn't say that I connect you with the Spanish-language consumer. I connect you with all Latino consumers, which includes language. Culture should always be a context ... or an artform.

HMO: Could measurement be an issue when it comes to culture versus language? Are there misperceptions about Spanish-language consumption trends permeating the creative and media buying processes?

ALEX: Certainly, measurement plays a key role. I don't think we have a shortage of tools. I think we have a shortsightedness of how to use those tools. We still have a ton of marketers who say they reach Hispanics through general market media. Any decent media planner can tell you that you may be reaching some Hispanics, but certainly not all Latinos.

There's no brief 100-page Hispanic marketing handbook tenaciously worked on for over thirty years to help you write and create insightful in-culture advertising in-language, not translated by some hard-coded bot but lovingly created by humans, so the work delivers king-sized results for Latinos through a fully authentic approach that resonates with the culture of these customers, not just as consumers, but as people who have time-honored traditions and who live unique experiences deserving of branded content which expertly navigates the relationship between language and culture through a masterful display of advertising as a craft.

...But there is an agency.



The other thing that I think is happening is that as the industry has become so fractured, there is not the necessary conversation happening between creative, strategy, and media.

Testament to this is how much I'm seeing Spanish-language messaging on English-language content when it should have been in-culture and it should have been overtly Latino.

One example of this is a truck ad fully in Spanish airing during a "Housewives" program being viewed by a multigenerational Latino household. You're missing one-third of the room.

PATRICK: I think it is also important to note that 53% of Hispanics over the age of 18 prefer to speak Spanish in the household, and we are having the same conversation we had 15 years ago. Spanish is on the rise. Millennials assimilating is not the reality of the Hispanic person. They double down on culture and language as they get older and we are having that conversation again with GenZ. This cohort, this generation, is doubling down on culture because they are the most culturally sensitive group that has come out of the U.S.

Culture is the gold standard, as in language.

ALEX: I think the moral of the story is that in the evolution of our industry we must now have a bit of a revolution. It is time for us as marketing specialists to stand up and say, 'This is the way.'

"In the evolution of our industry we must now have a bit of a revolution."

Marketers continuously want a different outcome but they are unwilling to have a different operating model inside.

If you really want to maximize what is the largest and best opportunity across industries, which is marketing to Latinos, then you have to allow your segment agency – your Hispanic marketing specialist – to move upstream in the process and have a seat at the strategic table.

We can no longer wait to end up somewhere toward the back of the process, where the idea is cooked up by the general market agency who doesn't understand what we do. They may have Latinos and they may have Blacks and they may have Asians but THIS is what we do. We need to be in the room to share how we are going to inject culture in an overt, clear way when we play in English, where we play in Spanish, and when we play in Spanglish. It doesn't happen at the end of the process ... it happens at the BEGINNING of the process.

Then, that has to be inserted into the discussions with the media agency if we are not doing the media ourselves. I go back to that "Housewives" example. We have to, as Latino agencies, create content that plays across the entire spectrum of media.

The real missing link is whether or not the client has the talent and the champion internally to be able to have those conversations and maintain the thinking when the agency is not present?

You cannot change the output and the outcome if you do not change the machine, I think that's where we need a bit of a revolution.

I think the industry is doing a great job of evolving, We have more content, more platforms, more points of access than ever before. Yet, the brands that succeed at telling powerful, relevant stories that are culturally grounded in English, Spanish and Spanglish – those are the brands that win. But, that requires a new and unique structure.

Carl Kravetz [Past Chairman of the Association of Hispanic Advertising Agencies (AHAA), today the Hispanic Marketing Council] used to say, "Our industry needs to give itself permission to be complex because this is a complex community." And he was absolutely right.

BUYING POWER, UNTAPPED INFLUENCE

We often talk about the buying power of Hispanics. Have certain myths and facts have emerged in recent years in terms of segmentation of the Hispanic consumer, and if this has clouded the ability to win over brands willing to reach all Hispanics through English, Spanish and Spanglish efforts?

ALEX: The business case is just so undeniability strong. Unfortunately, still, there is an erroneous, misguided discussion that the more acculturated Hispanic is the more wealthy Hispanic. It is absolute bullshit. Today's Latino is overwhelmingly bicultural. They lean on culture and they lean on language. Anyone who thinks that the Spanish-language customer is not the worthied Hispanic customer is just flat-out wrong. But it still exists.

The smart marketers that do not prey to that simple math and that simple, outdated thinking are the ones that are going to win. And, those are your Bank of Americas. your Walmarts, your McDonalds ...

HMO: Did somewhere in the recent past an 'IBOPE score mentality' seen in Latin America was suddenly transposed to the U.S. market and that some Madison Avenue executive is espousing their views that Los Estados Unidos de America is more than ever like Los Estados Unidos de Mexico?

ALEX: Unfortunately, yeah.

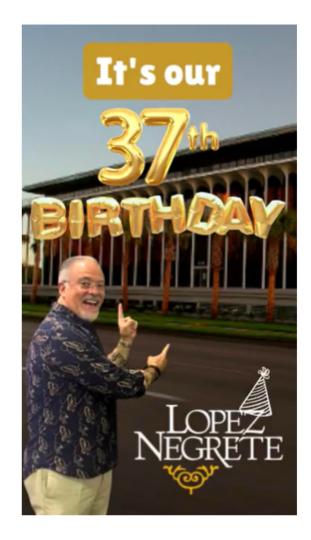
HMO: But how did that get started?

ALEX: I don't know. Oftentimes I feel like I've walked into the Bad Time Machine. Some of the thinking and some of the rationales that I spoke out against in the early 1990s the fact that they're back begs the question of whether the desire to keep things the way they were is so strong that they are willing to do "funky math"? It is just incredible to me. I'm seeing so many bad adaptations or translations of general market work where I am stunned that someone is actually spending money and completely underestimating your audience.

The U.S. Hispanic market has never been more unique. Latino identity has never been more different. The bicultural millennial is where the opportunity is, and they could not be more different. They are reclaiming their culture but they are doing it their way.

HMO: López Negrete Communications is directly responsible for **Hyundai**'s first bilingual spot, a subject of discussion at the 2023 Hispanic Marketing Council Summit. Without giving too much away, this speaks volumes of the changing nature of what Hispanic marketing can do, and where the creative goes when media buying and planning is finalized. Is this meant for Univision, for ABC, or both?

ALEX: What Hyundai did here is that they did not fall to the default "let's just reflect everybody" and call it a day. Even the creative is it "vignettish," it ties together to tell a story. This client leaned in and allowed us to go to town with each of the stories told within that creative body of work. And, it is how that story is told not just at mass media but at digital, and how it is told endemically.



"The business case is just so undeniability strong.
Unfortunately, still, there is an erroneous, misguided discussion that the more acculturated Hispanic is the more wealthy Hispanic. It is absolute bullshit."

Keep in mind that my first bicultural campaign was for the Miss Houston Metropolitan Transit Authority in 1987. This whole idea is not new. The idea of "in culture" IS ... NOT ... NEW. What disappoints me about this business is that people are still surprised by all of this.

Hispanics have been underestimated since the very beginning of our industry. When will that end? I don't know, but we will keep fighting.

PATRICK: As a bicultural Latino I feel I sit within that group of movers and shakers. I appreciate that particular lens because I get to see both worlds very clearly and get to see when people try to connect to me as a consumer, and when people miss the mark.

Because my generation is so culturally diverse, I'm not only in my heart and mind a steward of Latinos but for other segments as well. There is LGBTQI+. There is the African American community. There is the Asian community. I feel that there is a responsibility for everybody, whether they're a company or a person or a community, to be sensitive, understanding and authentic with them.

I'm not alone in having a broader lens. But, we see it firsthand. The generations coming up after us are taking that viewpoint and that understanding and taking it further — and are not just appreciate it but are demanding it.

Hyundai was culturally rich and authentic because were talking to the bullseye within our bullseye. The insight was born from a Latino mindset. But it is kind of the inverse of the Total Market and departed from a multicultural place. Even if I wasn't a strategist, I would have felt it.

There is such an opportunity to be a partner. It's right there, and just ripe for the taking.

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"As a bicultural Latino I feel I sit within that group of movers and shakers. I appreciate that particular lens because I get to see both worlds very clearly and get to see when people try to connect to me as a consumer, and when people miss the mark." — Patrick López-Negrete

Two 'District 10' Mosiac Awards Go To López Negrete

Lopez Negrete Communications was announced as a 2023 Mosaic Award winner by the American Advertising Federation Tenth District. The agency garnered an award in the Diversity and Inclusion Integrated Campaign category for their work on Walmart "Together Somos Más," Unilever "Nos Inspiras Tú," and Mattress Firm "Hablemos de tu Descanso" and also won the Mosaic Talent in Advertising Content Creation.



The Diversity and Integrated Campaign Award honored three campaigns. Walmart's "Together Somos Más," launched during Hispanic Heritage Month, spotlighted the voices of Latino dreamers and creators who transform the world through art and stories. It helped spread the word of Walmart's enduring support of the Hispanic community and struck a chord with Latino youth through social and digital platforms in a meaningful and authentic way.





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2











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Big Challenges. Bigger ROI.



Stories about the importance of Reach have permeated the U.S. Hispanic marketing and advertising world for years.

However, has 2023 put a new emphasis on more than simply reach? In a world hyperfocused on return on investment, is sales lift achievement the No. 1 goal – and how is that impacting U.S. Hispanic marketing efforts for a brand or product?

Gloria Constanza, a partner and Chief Contact Strategist at **d expósito & Partners**, has a lot to say on the subject.

"We are indeed in the era of real-time performance marketing, where acceptable ROMI/ROAS is what marketers are expecting to base their decision-making. However, advertisers and agencies, as well as the big media platforms, still understand the importance of reach — so much so that, in the last four years, the conversation has been about finding solutions for the global advertising industry that will help us achieve deduplicated, cross-channel reach at effective frequency levels," she says. "This is a conversation that was sparked by the unstoppable, everchanging and evolving media ecosystem, where there is a new player and technology every day."

These dynamics have resulted in uncontrollable frequency exposure, Constanza says, where consumers are receiving the same message three to four or even five times in a given day, or within hours. At the same time, she notes, reach has been diluted due to media proliferation and changing media consumption habits. This has prompted advertisers and agencies to push the industry toward developing and implementing the right tools that will address the issue of deduplicated reach and minimize frequency exposure. "This is exactly why Nielsen developed and launched Nielsen ONE, so that advertisers, agencies and publishers can better measure deduplicated, cross-platform delivery with one platform," Constanza says.



While reach is not necessarily the main planning KPI for some advertisers, for others, this still remains a major factor. For those where reach is not necessarily the main KPI for planning, the word "reach" is front-and-center throughout every media strategy and tactic.

Why? "It's very simple," says Constanza. "While the end result for most advertisers is sales or some sort of transaction, they understand that, in order to get there, they first need to build awareness, and awareness is driven by reach. This is why full-funnel planning has become more critical than ever before, because, to increase the pool at the bottom of the funnel, the top must first be primed with a steady flow of prospects that are aware of, and intrigued by, what a brand has to offer."

As a result, Constanza says, we now have the ability to measure Hispanic reach across multiple platforms. But, there are still limitations due to under-representation of Hispanics on most measurement systems. "This is something we need to address, especially given the constant overstimulation and incessant distraction we all experience given with today's media landscape," she says.

In Constanza's view, the industry needs a deeper measure of "message attention" versus just viewability or completion rate, but many advertisers focus on net reach.

"The ability to measure meaningful reach in an accurate way is important for all media planning regardless of consumer audience,"
Constanza says. "However,
Hispanic media planners have an added responsibility of showing how our plans enhance and even outperform broad market plans. This makes access to measurement tools even more important for Hispanic media plans."

So, if reach is still a key desire for marketers in the U.S. Hispanic market, how then can ROI be achieved?

"The Hispanic industry continues to face big challenges when it comes to measuring sales and ROI," Constanza says. "This isn't a surprise because we are a consumer segment within a broader consumer market, but we still need to implement the mechanics necessary to accurately and effectively measure ROI for this growth segment. That's not to say there aren't metrics to serve as inputs, but, to date, they have largely been directional and do not fully reflect the ROI of Hispanic efforts."

This also varies by category, Constanza says, where certain verticals have been able to demonstrate effective and acceptable ROI; especially for those advertisers that have either implemented Direct Response campaigns or that have paused Hispanic activities and they see sales decline.

"With that said, Nielsen shared a recent report that showed the ROI for Hispanic TV activities has increased by more than 40% over a period of three years, Constanza shares. "Of course, this primarily considers advertisers that have insightful and culturally relevant creative and messaging, are consistent with their efforts and invest their fair share in the market. Conversely, we know there are advertisers that do not customize creative for Hispanic nor implement the proper measurement tools to determine Hispanic ROI, often relying on creative, tools and resources that favor the broad market campaigns."

"The Hispanic industry continues to face big challenges when it comes to measuring sales and ROI. This isn't a surprise because we are a consumer segment within a broader consumer market, but we still need to implement the mechanics necessary to accurately and effectively measure ROI for this growth segment."

Ensuring the Hispanic market buy is also a tale of demonstrating case studies that prove marketing, keeping the budget, and embracing the consumer pays rich dividends.

So, where is the language tale in the equation? Is language again important since Spanish-language media is unique, can't necessarily be duplicated from total market media and ensure the entire Hispanic consumer segment is being pitched?



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René Santaella, Chief Digital and Streaming Officer, Estrella Media.

Jacqueline Hernández, CEO & Co-Founder, New Majority Ready.

Emilio Aliaga, Chief Digital Officer, TV Azteca.

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"Many Hispanic advertisers and media outlets have shifted the pendulum too much toward focusing on culture and downplayed the power of language in Hispanic communications," Constanza says. "Culture is definitely the root of any advertising campaign, regardless of ethnicity, but language is integral part of culture and individual identity, even for those that are bilingual or prefer English."

For those that are Spanishpreferred or reliant, Spanish is what most clearly communicates a message, Constanza concludes.

"I am of Dominican background and love Merengue, and when Bad Bunny opened the 2023 Grammy Awards with a Merengue, I immediately rushed to the TV set," she says. "It was an immediate and instinctive reaction that was driven by cultural connection. However, that connection and my attention - was strengthened by him choosing to speak Spanish, especially on an Englishlanguage program.

"Culture is definitely the root of any advertising campaign, regardless of ethnicity, but language is integral part of culture and individual identity, even for those that are bilingual or prefer English."

"This is exactly what will happen, particularly with Spanish-dominant or Spanish-preferred Hispanics, but inclusive of those that are bilingual or Englishpreferred."

The difference here, Constanza says, is that this example is about an entertainment program and a performance that is not limited to 30 seconds or less.

"Cultural connection and language are even more important and impactful when it comes to advertising regardless of channel, especially for more complex categories and for brands with limited-to-no awareness among Hispanics," she says. "While it's true the Hispanic segment has been increasingly comprised of U.S.-born, bicultural Latinos, 30% of the market still identify as Spanishdominants. And since the Hispanic population size has consistently grown over the decades - with no signs of stopping - the absolute number of people that rely on or prefer to speak Spanish is much larger than ever before."

That's why Constanza is convinced Spanish-language media will experience another big surge in the next year or so. "Conversely, if advertisers don't want to throw their dollars away by running English ads on Spanish-Language media outlets, they should think twice and create insightful, culturally relevant messaging in both Spanish and English," she advises.

"And of course, in the era where de-duplicated reach is the epitome of the conversation, there is no doubt that adding Spanishlanguage and Hispanictargeted media to a broad market campaign will not only increase reach, it will drive message attention," Constanza says. "Most notably, by implementing these approaches, the cost per incremental reach point will be significantly more efficient."



A HOME FOR HISPANIC DIGITAL PUBLISHERS?

Digital media continues to grow exponentially.

What does this mean to the Hispanic marketer's budget and media placement?

Constanza says, "We are in the age of big data and the age of addressability targeting, but this has severely impacted measurement of Latinos' involvement with Hispanictargeted digital media outlets, which has directly and negatively impacted the fair share of budget allocated to these Hispanictargeted media platforms. Yet, while Hispanic publishers are most affected. they are not alone. This situation is similarly impacting English publishers negatively."

Constanza continues, "The winners in this case are the big 3 (Google, Meta, and Amazon) and now starting to compete is ByteDance, or there is TikTok. Since these media players are languageagnostic, they offer a wide breadth of education and entertainment in both English and Spanish. This drives value to their audiences and results in efficient reach and engagement, which is the reason why marketers automatically gravitate towards them. However, this does not mean that Hispanic media budgets are decreasing. Rather, larger budgets allocations are moving towards these platforms."

While these big, global platforms are certainly the dominant force, hope is not lost for Hispanic publishers, Constanza says. "They have an opportunity to play to their strengths. The algorithms that drive reach and efficiency can often result in content fatigue because they often serve users the same content of the same type of subject matter. This drives user fatigue, especially when their interests change and evolve. Hispanic publishers have an opportunity to have their content stay fresh and current, based on their audience preferences. They also have an opportunity to hyper-focus on Hispanicrelevant content that is domestic, regional or local in appeal. There's a valuable role for everyone, as long as each stays true to their strengths and reasons why Hispanics choose to view their content."

HISPANIC MARKET STRENGTH FOR 'SALUD'

The healthcare vertical remains strong in the U.S. Hispanic market. How so? What is emblematic about this activity that perhaps can be replicated across other categories?

Constanza replies, "There are at least three key dynamics at play, here. The first is largely driven by demographics, where the number of Hispanics, regardless of place of birth, age and language preference, are continue increasing, and rapidly. Our community is also more predisposed to certain conditions and disease states, so we can often be more qualified prospects for specific medications or treatment options. The second is that many Latinos gained access to health insurance through the Affordable Care Act (ACA). The third is not new but has been fully exposed by the COVID-19 pandemic, which was an eye-opener for many healthcare advertisers. The systemic disparities in healthcare, inclusive of advertising spend resulted in many brands not wanting to be called out for being non-inclusive and/or viewed as insensitive and culturally irrelevant."

Constana concludes, "These dynamics and others have finally prompted many healthcare advertisers to increase the priority and up their game when it comes to outreach to Hispanics and other diverse consumer segments. Replicating this success across all therapeutic categories can be challenging, but if any given advertiser does not currently see the Hispanic market as a growth engine now, they will in the future. If those brands do not devise a strategy and long-term go-to-market plan, they will be in for a big surprise when their sales begin to plateau and decline."

"Hispanic publishers have an opportunity to have their content stay fresh and current, based on their audience preferences. They also have an opportunity to hyper-focus on Hispanic-relevant content that is domestic, regional or local in appeal."

New Growth In Old Places



Twelve years ago, Spanish Broadcasting System (SBS) made a bold statement about its intentions to grow its broadcast television business.

The company agreed to purchase a Houston TV station for \$16 million.

Today, that TV station is now owned by TEGNA. But, pending FCC approval, SBS is poised to return to the Texas market.

As reported by the Radio + Television Business Report, a Securities & Exchange Commission filing distributed by SBS's investor relations team confirmed that on April 3, the newly created "SBS SouthWest" has entered into an asset purchase agreement to acquire **KROI-FM 92.1 in Houston** from Urban One, a multimedia company that has been using the station of late as a home for Black Gospel programming.

This will certainly change under SBS ownership, and the company agreed to pay \$7.5 million – plus or minus "certain customary prorations and adjustments" – for the property.

Closing is anticipated for the third quarter of 2023.

The acquisition of KROI by SBS indirectly involves Cox Media Group as the KROI sale was prompted by that company's sale of three other FM stations in Houston to Urban One, creating a problem: Urban One would own too many stations as allowed under FCC regulations.

SBS directly engaged with Cox Media Group when it finally succeeded in its efforts to purchase WPYO-FM in Orlando and WSUN-FM in Tampa. Both stations are now Tropical-flavored Latin Urban stations branded as "El Nuevo Sol."

SBS paid a total price of \$12.5 million for both WPYO and WSUN.

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Source: Nielsen National Regional Database; Fall 2022; US Total; M-Su 6a-12m; P 18-49 Station Rankings Based on: Top 100 All Stations; Nielsen Digital Streaming

'Lean In To Market Trends' When Gauging **Hispanic Media and Landscape Changes**



For those who haven't been paying attention to the Hispanic media landscape in the U.S., one thing is very clear with respect to Entravision Communications: the majority of the company's revenue is derived from its digital advertising solutions.

In fact, digital consumption trends indicate that in 2025 some 75% of all ad dollars will be placed in digital. But, what are the U.S. Hispanic market trends?

Karl Meyer, Entravision's Chief Revenue Officer, comments, "In the U.S., our digital operations are geared primarily to providing SMB solutions in our local markets we serve." And, Entravision is seeing trends of Hispanic and multicultural ad dollars migrating from linear broadcast to digital.

"The development of our local digital business continues to be the fastest growing revenue stream, from a percentage basis," Meyer says. In Entravision's U.S. Media Group it accounts for close to 20% of our local linear revenue. "There is great growth potential for our U.S. Digital business, which remains a priority area of development for our company.



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Branded Content | Creative Production Studios | CTV Digital Audio | Digital Display Ads | DOOH Influencers | O&O Radio | Social Media | Television How has Entravision responded to this digital shift with respect to content, while ensuring its linear delivery channels are not negatively impacted?

"You have to lean into the market trends, and there is no question Hispanic and multicultural ad dollars are migrating to include more digital," Meyer reiterates. "Our network audio business has benefited tremendously from our ability to deliver exclusive digital impressions via our AudioEngage platform. Locally, we sell with an impressions-based emphasis, which makes it easier to integrate digital products like OTT, Social Media, Digital Out-of-Home and e-mail marketing. Our go-to-market strategy is to use a variety of performance proven products that serve our local client needs by implementing omnichannel solutions that work seamlessly with our linear broadcast assets.

What are the trends with respect to advertising on Entravision's radio and TV channels, and is more being done to integrate these assets with digital components?

Meyer points to Hispanic marketing, advertising and broadcast, which he says have always been about remaining firmly in-culture. "Language remains a huge part of this. Local news delivery for Entravision's Univision television affiliates and Entravision's Spanish-language radio formats like Tricolor and La Suavecita are not likely to shift from a predominantly Spanish-language delivery. We are, however, exploring crossover radio formats like our Latin Urban format Fuego, which features Spanish-language music presented by bilingual/English-leaning talents like **Edgar "Shoboy" Sotelo**. In addition, we have a partnership with **LATV** that allows us to work with LATV to serve the English language Latino marketplace with a focus on the LBCTQ+ and Afro-Latino market.

The thirst for culturally relevant content among U.S. Hispanics has not ebbed. But, what's in store for 2024 and beyond with respect to content creation, and how inlanguage may be a renewed focus rather than "in-culture?" Meyer says Entravision has developed a branded content strategy utilizing bilingual Content Engagement Specialists (CES Team) utilized to deliver video content and client engagement through social media platforms. "Our extensive training on the various platforms along with significant production and creative services support has proven to be an excellent means to drive local client ROI, foot traffic and works seamlessly with our linear and local digital solutions," he says.

Lastly, Meyer was asked about audio connectivity — also a key cultural touchpoint for Latinos. What is driving the U.S. Hispanic audience that enjoys Entravision-distributed content?

"We have a loyal, linear listener base that has high engagement with our radio formats and talent," he says. "We know the type of content that our listeners are seeking, and we have been working on enhancing and diversifying our audio content with additional audio formats like podcasts, audio on demand and digital-only radio stations through both new O&O efforts as well as strategic content partnerships."

Since Q4 2022, Entravision has welcomed new content partnerships with Prisa, Pattaya and Futvox. Meyer believes these partnerships have allowed Entravision to expand its content offerings both on the air and online. The final three months of 2022 also saw Entravision launch 24 new podcasts on its audio delivery app, El Botón. We also launched new morning and afternoon shows, La Bronca Mañana and El Corneta, respectively.



Hispanic Media Consumption: The News and Entertainment Delivery Shift

Once Atlanta-focused MundoHispánico, **MundoNow** today seeks to gain Latinos who
desire news and information of particular
interest to them via its website and associated
digital platforms.

The brand promise: delivery of content to someone who identifies as either bilingual, bicultural or English-language preferred, and is seeking more sophisticated, culturally focused content.



But, are ad dollars in line with consumption trends when it comes to the Hispanic digital publisher?

Rene Alegria, the CEO of MundoNow, concurs with Hispanic Market Overview with the belief that Latinos, for some time, overindex when it comes to adopting new technology. "We are a very mobile community," he says. "Through that, our content consumption is reflected of this."

It is not new. "We were mobile adopters way earlier than the general market." But, when it comes to connecting that trend to content consumption, Alegria finds that "an epiphany of sorts" has come with regard to how companies like MundoNow connect with NextGen Latinos who are disconnecting from traditional ways to consume media.

As Alegria sees it, MundoNow represents a new way to connect with a segment of the U.S. Hispanic population that is growing, and is different from previous generations.

MundoNow's value proposition is tied to its roots as a news organization. Why is noticias, rather than general interest information and entertainment, perhaps a key for connecting to U.S. Hispanic consumers?

For Alegria, it comes down to content, and total market media simply doesn't have the same mix of stories. That's why in 2021 MundoNow expanded its content to include English-language stories. This, he reasons, also gave advertisers an opportunity to reach all Hispanics, regardless of language, via his platform.

"We are a digital, bilingual media company that connects to the entire spectrum of the Hispanic communities," Alegria says. "Most companies cannot say that without any confidence."

It's a solution to having Latinos being "bucketed" into a Spanish-language column by marketers, Alegria adds. "This attracts the elusive English-preferred Hispanic that eludes the typical brand model."

"We are a digital, bilingual media company that connects to the entire spectrum of the Hispanic communities. Most companies cannot say that without any confidence."

On a recent visit to the MundoNow website, news stories differed between those in English and Spanish by topic. However, both sides of the MundoNow online hub had one big commonality: The subject matter was wholly foreign to acculturated Hispanics with no ties to Latin America or Hispanic culture.

That would present, one would think, a unique advertising opportunity for CMOs seeking to reach and grow among U.S. Hispanics.

As of today, advertising on the MundoNow website is scarce. How can Alegria possibly attract advertisers when he's in competition with Amazon, Google and YouTube, Meta's suite of social media brands and the two big Hispanic market giants, TelevisaUnivision and Telemundo?

Alegria comments, "It's not easy. It's not for the faint of heart. It's a media knife fight out there everyday. You are competing for users' attention in that micro-millisecond of time that one spends scrolling on a website. But we do take care in how we are approaching our community in whatever language we are publishing into."

He then shifted the conversation toward the content MundoNow offers that differs from similar online destinations as a key attraction point for marketers.

"There is a greater chance for us to crack into the advertising budgets of those larger advertisers," Alegria believes. He believes the DEI movement has been great for MundoNow. "I'm very optimistic about the future," Alegria says. "We check all of the boxes of what marketers and CMOs say they want. We don't half a staff of 1,000. But we are offering something no others are."

Twenty content producers work across the U.S. for MundoNow, with the majority of them based in Atlanta. Original content dominates, with the occasional Associated Press story added to the mix.

With a vastly changed value proposition for Spanish-language newspapers compared to a decade ago, MundoNow's blueprint since its acquisition from Cox Media saw a big investment in advertising operations. This, Alegria believes, puts MundoNow ahead of the curve compared to other Spanish-language newspapers that were once strong and today are struggling — or defunct.

Consumers of total market content include Hispanics. How can Alegria continue to drive the message that this only reaches a segment of the total Hispanic consumer population? Is there a way to tell the Hispanic consumer story better? "It's a great question," he says. "We number 60 million+ and goes up to about 70 million when you include the undocumented. How do brands follow through on their commitment to tap into our community? It is reality versus lip service. We need to do more, fan out, get more nimble.

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Adam R Jacobson has served as the publisher and content director for the *Hispanic Market Overview* series of reports since its debut in 2010. In addition to this annual report, the *HMO* brand extends to the *Hispanic TV Programming Report*, the *Hispanic Market Thought Leaders* report and *Hispanic Content, Data and Social Media* reports produced exclusively for HispanicAd.com. He began his career in the U.S. Hispanic market as an editorial assistant at HISPANIC magazine in fall 1993, and assisted in the 1994 launch of *Latina Style Magazine*. From 2006-2009, he served as a senior reporter and editor at *Hispanic Market Weekly*. His work has appeared in *Latin Trade*, the *Miami Herald* and *VISTA* magazine.

Adam has also served as a multicultural analyst for Mintel, and in various advisory and outreach roles for The Leukemia & Lymphoma Society's South Florida Chapter.

Outside of the U.S. Hispanic market, Adam serves as the Editor-in-Chief for the *Radio + Television Business Report*. In this role, he hosts the *InFOCUS Podcast*, focused on the radio and television business.

Adam is based in Delray Beach, Fla., and is fluent in Spanish, with studies at Colegio Mayor Santa Maria del Valle through Universidades Complutense in Madrid. He holds a B.A. in Communications and Journalism from American University in Washington, D.C.