

**Beyond Traditional Spanish Language Media:
Alternative Methods in Creating Integration in a
Mature US Hispanic Market**

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Introduction

Over the last decade, the Hispanic population in the US has grown exponentially.

Below are some basic facts on the U.S. Hispanic Market demonstrating this growth:

- The U.S. Census Bureau estimates more than 44 million US Hispanics represent almost 15% of the total US population
- One out of eight Persons in the US is Hispanic
- Hispanics in the U.S. have a spending power of almost \$750 billion annually
- By 2012, U.S. Latinos will surpass 50 Million

Introduction Continued...

This rapidly growing segment of the consumer population has been captivating corporate America's attention. As a result, there has been, and continues to be, a high demand for Spanish Language Media outlets to reach the U.S. Hispanic. Spanish Language Media is now an integral part of the general market media mix as advertisers look toward this lucrative market.

Advertising spending during the first six months of 2006 increased 5.1% over the same period in 2005.

Despite the decline of overall ad spending in 2007 due to U.S. economic concerns, Hispanic ad spending is still on the rise. In fact total ad spending for the first half of 2007 is up 2.3% over the same period in 2006.

Principal Drivers in this Growth:

- Internet
- Spanish-language television
- National magazines
- Events and Promotions

Introduction Continued...

There is no doubt that as this population increases, so does the list of key brands that want a piece of the pie and thus emerge more media outlets to fulfill the marketing needs.

Largest advertiser categories targeting the Hispanic market:

- Automotive
- Wireless telephone services

Hispanics consume all facets of media in their daily lives and the growing Hispanic population makes it a more complex media mix as options continue to grow as do the number of Hispanic Internet users.

Objective

To research U.S. Hispanic Internet growth, user trends, as well as promotional opportunities to reach this ever growing and mature audience.

Research Sources

comScore Media Metrix

Portada-online

Mediaweek

Nielsen

Hispanic PR Wire

Hispanic Ad

HispaicTips

Havard Business School

TNS Media Intelligence

Advertising Age 2007 Hispanic Fact Pack

PewInternet.org

Spanish Language Internet: Fastest Growing Segment Online

There is no question that Internet usage in general has changed the world as we know it, and now without any thought, anytime anyone needs information, they look to the Internet for a solution.

Whether it is on their cellular phone or other mobile device, information and technology is now at the world's fingertips.

There is no exception to the Internet proliferation with the U.S. Hispanic. As the group's population increases, so too will the need for more target specific Internet services.

Companies looking to reach more affluent U.S. Hispanics, online offers a cost-efficient opportunity when compared to traditional radio and television advertising.

Spanish Language Internet

Who says Hispanics do not use the Internet?

Many have underestimated Hispanics Internet usage, thus not offering Spanish language versions of their websites.

Fact:

65% of U.S. Hispanics own a computer - a very high number for a group who have until recently, been underserved by the online world.



Spanish vs. English Online Content - which is preferred?

Industry professionals continue to argue the importance of Spanish language offerings online. Some have argued that those U.S. Hispanics that have access to a computer speak English so why the need for in-language content?

Google research on Internet content and Hispanics demonstrates:

- Spanish content must be unique and relevant
- *Spanish performs at a higher level than English*
- *Spanish appears more authoritative*
- Hispanics skew younger with smaller households and
49% *speak Spanish fluently*
- Hispanics online are more usage intensive with 25% more
pages viewed daily
- Hispanics spend 20% more time online than the General
Market
- 61% of US Hispanics own cell phones

Spanish vs. English Online Content - which is preferred?

Many popular sites such as MySpace, YouTube, iTunes and Wikipedia do offer Spanish Language options to reach Spanish dominant Hispanics, while Spanish language specific sites like VoyMusic, Batanga, PlanetaTV.com and VoyTV.com are holding their place in the top 10 most visited sites by Hispanics.

Based on population growth and buying power, U.S. Hispanic specific content is still lacking and advertisers and media groups are continually looking for new ways to reach this consumer and quickly, leaving a lot of room for growth for new online properties.

Most Visited Websites

% of Hispanics that answered “which of the following Websites do you visit regularly, at least once a week?”

	Spanish-preferred Hispanics	English-preferred Hispanics	All Online Hispanics
My Space	31%	31%	31%
YouTube	21%	24%	22%
Itunes	16%	20%	18%
Wikipedia	12%	15%	13%
VoyMusic.com	20%	5%	13%
IMDB	10%	7%	8%
PlanetaTV.com	13%	2%	8%
Batanga.com	9%	2%	5%
VoyTV.com	8%	2%	5%
FaceBook	7%	2%	4%

Source: Forrester Research

Top 10 Hispanic Web Sites

By measured U.S. web ad spending

Rank	Website	2006 AD Spending	%
<u>CHG</u>			
1	Univision.com	\$30,798.9	32.4
2	Yahoo Telemundo.com	12,330.0	36.9
3	Starmedia.com	12,284.2	32.2
4	MSNLatino.com	7,416.8	
		206.9	
5	Batanga.com	6,891.8	NA
6	MSN LatinAmerica.com	5,071.4	NA
7	La Opinion Digital.com	2,316.9	NA
8	Terra.com	852.8	24.2
9	ElNuevoHerald.com	845.7	93.3
10	Latintrade.com	452.0	NA

Dollars are in thousands. Measured web ad spending from TNS Media Intelligence. Percent change is computed from 2005 data. TNS monitors 37 Hispanic sites. Excludes paid search and broadband video. Published in Advertising Age | 2007 Hispanic Fact Pack P.32

Top Web Properties Among All Hispanic Users

By number of unique visitors regardless of language preference

Rank/ Property	Unique Visitors in Thousands	% Reach
1 Yahoo sites	13,031	78.8
2 Google sites	12,244	74.1
3 Time Warner	11,675	70.6
4 Microsoft sites	11,489	69.5
5 Fox Interactive Media	8,917	54.0
6 eBay	8,169	49.4
7 Ask network	4,773	28.9
8 Wikipedia sites	4,707	28.5
9 Viacom Digital	4,562	27.6
10 Amazon sites	4,322	26.2

Data from comScore Media Metrix. Percent reach is of all Hispanic Internet users (16.5 million) in April 2007. Published in Advertising Age | 2007 Hispanic Fact Pack, P.31.

ComScore Media Metrix is the industry leader in Internet measurement and ranking.

New Web Launches 2007

Findings demonstrate many new Hispanic online initiatives in 2007 hosting a variety of content and services:

Brand/ Description	Site	Category
Airforce Nutrisoda	http://www.nutrisoda.com	Beverage
National Cancer Institute	http://www.cancer.gov/espanol	Healthcare
Regions Bank	http://regions.com	Financial
Pentagon Federal Credit Union	https://Español.penfed.org	Financial
Unilever—Slimfast	http://es.slim-fast.com	CPG
Broward Center of Performing Arts	http://browardcenter.org	Non-profit
Hispanic Financial Web Portal	http://www.tarjetasdecredito.tv	Financial
Diabetes Social Online Network	http://www.tudiabetes.com	Healthcare
ClickOcio	http://www.clickocio.com	Travel/Leisure
BabyCenter ®	http://www.babycenterespanol.com	Healthcare

Source: Adapted from Motionpoint/Portada link:

<http://www.portadaonline.com/productdetails.aspx?productID=2372>

Online Content Launches in 2007

Television networks are trying to capitalize on the popularity of its telenovelas by repurposing their content on their websites by creating discussion forums around the programming where viewers can exchange feedback, commentary, download clips, and view excerpts from their shows.

Telemundo:

- Launched video portal on Yahoo Telemundo.com inviting people to send in videos interpreting some aspect of the popular hit telenovela, Zorro through song, dance, or other interpretive form and posting it on the website
- Now offering all programs for viewing on their site

Online Content Launches in 2007

Univision:

- Video portal on Univision.com, where users can access clips from their TV shows, celebrity interviews music videos and news clips
- Social networking service
- Wireless video subscription service through their new mobile initiative, Univision Movil
- Web-only novela, co-produced with Unilever, featured Unilever's Caress body-care brand following extensive Unilever research to tap into a growing young Hispanic female audience and consumer group

Hispanic Youth Online Findings - Do they Surf?



Hispanics surf the web for many different reasons. Hispanic teens have an affinity toward cutting edge technological features. The fastest-emerging platform to reach them is via mobile marketing.

MTV network's Slivered Screen Research demonstrates:

- 63% of Hispanics in the US own a media-capable cell phone
- Hispanics are 23% more likely to use mobile devices to watch video content and programming than the general population.
(Compared to 49% of non- Hispanics)

Responding to such compelling data, MTV Tr3s has launched a multi-carrier, bilingual mobile channel for Hispanic youth in March, 2007 with ringtones and video content from hot Latin artists.

Social Networking and Blogging - Do they chat and blog?

Social networking among all adults has become a popular phenomenon.

Research findings indicate:

- Social online networking among Hispanics tripled between 2005 and 2006
- Half of online Hispanics are involved in at least one of five social Internet activities, including blogging, personal Web pages, and involvement on discussion boards
- MySpace is Number one with 31% of Hispanics visiting at least once monthly

Social Networking and Blogging - Do they chat and blog?

Another interesting growth mechanism on the Internet is blog sites and 'blogging.'

According to Scarborough Research findings, Austin, TX, Portland, OR, San Francisco and Seattle are the top markets for people who read or participate in blogging activities because they are youth driven and tech savvy.

Interestingly enough, half of these markets are heavy Hispanic growth markets. So it is no surprise that new research is being conducted on Hispanics and their blogging.

What about Hispanics that do not use the Internet?

A recent study conducted by the Pew Hispanic Center indicates a lack of access is the most prevalent reason for Hispanics not utilizing the Internet, with 53% of the respondents claiming they do not have Internet access available.

Other key data from this report:

- Only 6% percent of the respondents claimed cost as a barrier
- Approximately 1/5th of the respondents claimed that they are simply not interested in accessing the Internet

That leads industry professionals to believe that there is a great lack of relevant and compelling content to engage them.

Grassroots and Promotions

With the rising costs of traditional media advertising, marketers and advertisers look to alternatives to reach the Hispanic consumer. In addition to new online opportunities, promotions such as events and grassroots initiatives are increasing as this Hispanic market matures.

Companies and advertisers are looking for innovative ways to reach this consumer in a more personal and engaging way.

When dealing with the Hispanic market, all marketing, media and promotional efforts must be culturally relevant so the general message will connect with the consumer.

Complete integration of the strategic platform is crucial to implementing successful promotions within the Hispanic Market.

Grassroots and Promotions

Although event marketing and promotions seem to be an inexpensive way to market a product/service to the Hispanic consumer, it takes a lot of planning to create a cost-effective way of reaching a consumer with direct person-to-person contact.

There are hundreds of events in markets countrywide ranging from brand custom events to community events.

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Hispanic Events



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Most Hispanic events are visited by the entire family, so participating in these events really reaches deep into the home, and communicates on a personal level with people of a variety of ages in one location.

Premier Hispanic Events

Local Hispanic celebration events offer prime locations for executing promotions on-site to large masses of Hispanics quickly.

The following events traditionally attract the largest numbers:

- Puerto Rican Day Parade (Manhattan) established in 1958. 2 million people attend making it the largest outdoor cultural event in the US.
- Calle Ocho - (Miami) held in Miami in March. Attracts more than 1 million visitors with the Kiwanis Club of Little Havana, stretching out for 23 blocks with 40 stages of top live talent.
- Cinco de Mayo - Prominent in the Southwest region of the US. Adopted in the U.S. as the first official Hispanic celebration open to all cultures.
- Diez y Seis - Celebrated where the majority of the Hispanic population are of Mexican origin. This is the official Mexican Independence Day as they declared its independence from Spain on

Promotional Growth and Opportunities



Where once there were only a few neighborhood businesses, food vendors and musicians at these events, they are now heavily sought out by Blue Chip clients who want to tap into this rapidly growing consumer base.

Major media groups such as Univision, Telemundo, Azteca America and every Hispanic radio group in the country work with event producers to create a personal relationship with their viewers and listeners.

There are a few companies in Hispanic Media that offer this niche service such as GMR, Dieste and Marketration, but there is scope for many more. Industry leaders forecast a large growth in Promotional efforts pertaining to the Hispanic Market over the next several years.

Conclusion

In summary, this research proves there is tremendous growth opportunity within the Hispanic market for new media such as online offerings and integrated promotions.

Promotions and online go hand in hand in delivering an effective platform to reach this niche audience. Most Spanish language television and radio stations utilize their online websites to promote their events, programming and contests.

Univision radio and television are a good example of that. The marketplace is diversified as television and radio options continue to grow, and marketers are seeking new and innovative avenues to reach U.S. Hispanics.

As lives in America continue to become more hectic and people spend less time in front of the television and more time online, marketers will continue to move toward a digital approach.