

The State of Spanish Language Media

2010 Annual Report



The Center for Spanish Language Media

The University of North Texas

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2010 Annual Report

A research report compiled by the staff of

The Center for Spanish Language Media

The University of North Texas

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The staff of the Center for Spanish Language Media at the University of North Texas is pleased to present this research report entitled *The State of Spanish Language Media* for 2010. The information in this report was compiled by graduate research assistants and Center faculty, and represents, to the best of our abilities—a summary of activities taking place in the following media industries: radio, television, newspapers, Internet and advertising, and key transactions. The report concludes with a few projections for 2011.

The Center for Spanish Language Media was established on September 1, 2006 at the University of North Texas as the first such entity of its kind in the United States, with a three fold mission of education, research and professional development. *The State of Spanish Language Media* is part of our research mission, to gather and disseminate research on the key SL media operating in the United States.

Any errors or omissions in this report are the responsibility of the Center for Spanish Language Media, and do not reflect the opinions of the University of North Texas.

The Center has many activities and other research material available on our web site at <http://www.spanishmedia.unt.edu>. We welcome your comments and feedback on this report or other activities via email at spanishmedia@unt.edu

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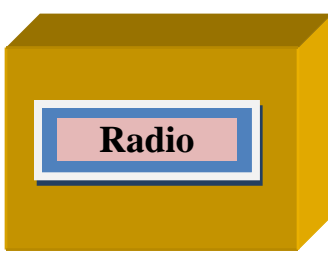
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The State of Spanish Language Media Industries:

A Summary of Spanish Language Radio 2010

Jennifer Yopez

Center for Spanish Language Media, University of North Texas

Radio remains a vital medium that Hispanic's turn to for entertainment and information (Hispanic Radio Today 2009). Radio continues to have an “overwhelming strong” reach when it comes to Hispanics listeners, reaching 95 % of Spanish-dominate Hispanics and more than 93 % of English-dominate Hispanics (Hispanic Radio Today 2009). Arbitron's Hispanic Radio Today 2009, compares consumer profiles and listening activity from spring 2007 to 2008. The data gathered for the Arbitron report was derived from 105 markets that have significant Hispanic population, and covers 10 Spanish language formats and six English language formats (Hispanic Radio Today, 2009).

Even though Spanish language radio continued to reach numerous Hispanics in 2010, the controversy over ratings and Arbitron's Personal People Meter (PPM) from the previous year continued.

Personal People Meter Controversy

In 2009, Spanish language radio outlets raised concerns over Arbitron's decision to replace the traditional “diary” method of gathering rating information for the pager-like device of a Personal People Meter (PPM). In 2008 many Hispanic and African American stations saw a drop in ratings after the PPM was implemented in several markets with time spent listening in Fall 2008 lower than in previous years with at-home and out-of-home listening dropping 36 % and 22 % respectively (Hispanic Radio Today 2009) . Arbitron said, “The drops reflected a shift in measurement methodology and not a decline in listenership” (Cobo, 2010). In 2009, the U.S. Congress and the Federal Communications Commission launched investigations that led to the House Committee for Oversight and Government Reform to take action. After the oversight committee subpoenaed audits from The Media Ratings Council (MRC), the independent industry body that accredits media ratings systems, the committee informed the public that the PPM system did in fact have flaws (Shargrin & Warfield, 2009). From the information that was gathered via a subpoena, the committee stated that PPM had “persistent problems” with sampling minority audiences (Shargrin & Warfield, 2009). Attorney generals from New York and New Jersey filed law suits against Arbitron in January of 2009, claiming the PPM data “threatened the existence of critical media serving minority communities” (New York Daily News, 2009). The suits were later settled.

In November 2009 Arbitron released a paper entitled, “Spanish Language Radio in a PPM Measured World: Hispanic PPM Data Update.” Arbitron stated it had found greater participation from Hispanic panelists, including improvements in sampling across the Hispanic community including country-of-origin, and that Spanish stations performed better with the PPM methodology (Spanish Language Radio in a PPM Measured World, 2010). Arbitron stands by its PPMs and believes Spanish language radio stations have access to more data on listeners with the PPM. In Spring 2010, “Time Spent Listening” in Spanish language radio was again lower than in previous reports completed by Arbitron, however, Arbitron stated that it would be “unfair and erroneous” to conclude that less radio consumption was the issue, but rather the numbers are a result of markets making the switch over to PPM from the old diary methodology (Arbitron, 2010).

In 2010, Spanish Broadcasting System stopped using Arbitron’s PPM system, stating the service was not producing accurate data (Verrinder, 2010a). The Supreme Court of the State of New York issued a restraining order citing that other dissatisfied minority stations might follow in SBS footsteps and chose not to use PPM. However, Arbitron failed to provide evidence that if SBS stopped using the services it would cause “permanent and irreparable harm”, and the court reversed its ruling in mid-2010 (Verrinder, 2010a). By the end of April 2010, SBS began once again encoding its content with Arbitron in all markets where PPM is in use, in order to be picked up by PPM devices and for the use of PPM ratings (Verrinder, 2010b).

In November 2010, Univision Radio signed multi-year contracts with Arbitron to use the PPM services in twelve markets: New York, Los Angeles, Chicago, San Francisco, San Jose, Dallas, Miami, San Diego, Phoenix, Las Vegas, San Antonio and Austin (PR Newswire, 2010). Ceril Shagrin, executive vice president of Audience Measurement Innovation and Analytics at Univision stated, "Reliable ratings data are vitally important for all stakeholders in the radio marketplace. Based on the steps taken by Arbitron to date to improve the PPM service, and on Arbitron's commitment to continue its current efforts to improve the service, we concluded that we could begin subscribing to the PPM service again" (PR Newswire, 2010). Carol Hanley, executive vice president, Chief Sales and Marketing Officer at Arbitron Inc. stated in response to Univision’s decision, "We are grateful for the support and, as part of our renewed partnership with Univision Radio, we will work together to promote the value of radio to agencies, advertisers and the communities it serves" (PR Newswire, 2010).

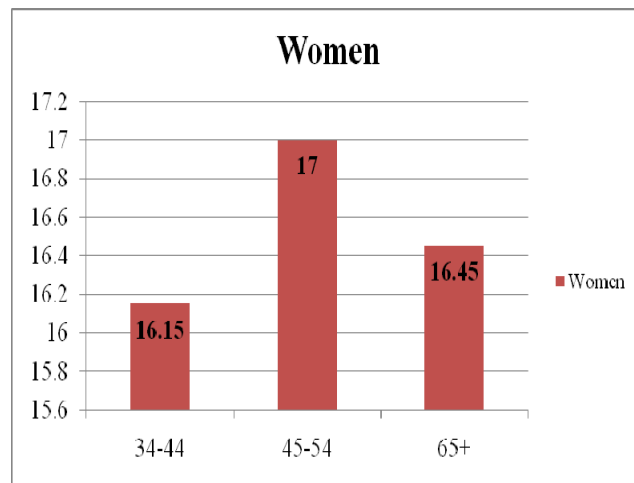
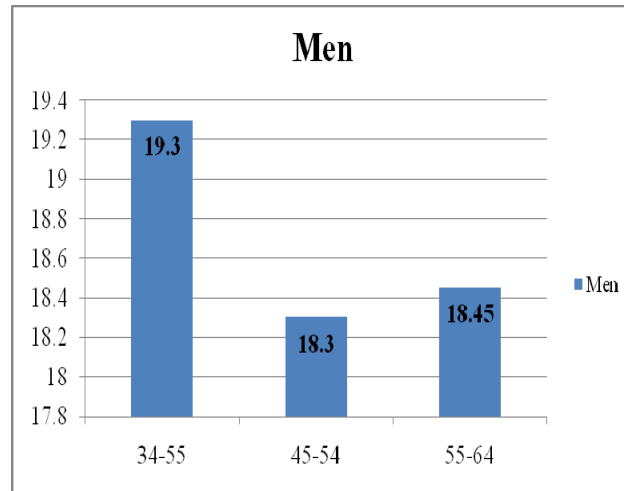
With Univision, SBS, and Arbitron resolving their differences over the PPM, hopefully all parties can move forward with more confidence in the PPM system and improvements in audience measurement. Still to be resolved is Arbitron’s accreditation with the PPM. At the end of 2010, only three markets had been accredited by the MRC to use the PPM system. This is an area where Arbitron will continue to invest resources in 2011 and beyond.

Listening Habits Among Hispanics

Hispanic men 35-44 spend the most time listening to radio estimated at 19.3 hours per week, men 55-64 spend 18.4 hours a week and men 45-54 spend 18.3 hours per week (Advertising Age Hispanic Fact Pack, 2010). Hispanic women 45-54 spend 17 hours a

week listening to the radio, women ages 65 and older spend 16.4 hours a week and women 34-44 spend 16.1 hours a week (Advertising Age Hispanic Fact Pack, 2010).

Time Spent Listening to Spanish language Radio



Source: (Advertising Age Hispanic Fact Pack, 2010).

The data for Fall 2010 top rated Spanish language radio stations is not available at this time, however data for market rankings is available for Fall 2010. The first chart lists the top five Spanish language radio markets for Fall 2010.

Chart #1: Spanish Language Radio Market Rankings: Fall 2010

Market	Hispanic Market Ranking	General Market Ranking	Hispanic Population
Los Angeles	1	2	4,598,300
New York	2	1	3,382,600
Miami-Ft. Lauderdale-Hollywood	3	12	1,767,800
Houston-Galveston	4	6	1,591,300
Chicago	5	3	1,500,300

Source: (Arbitron, 2011)

Fall 2009 top rated stations were: KLVE-FM in Los Angeles with over two million listeners (weekly cumulative listeners) and playing Spanish contemporary music, WSKQ-FM in New York with a little over two million listeners tuning in to hear Spanish tropical music, and another New York station, this one playing Spanish contemporary, WXXQ-FM with over one million listeners (Advertising Age Hispanic Fact Pack, 2010). Two Mexican regional stations in Los Angeles, KSCA-FM and KLAX-FM, came in at number four and five respectively both with over one million listeners.

Chart #2: Top Spanish language Radio Stations in U.S.

City/Station	Format	Weekly Cume Listeners
Los Angeles KLVE-FM	Spanish Contemporary	2,139,600
New York WSKQ-FM	Spanish Tropical	2,097,200
New York WXXQ-FM	Spanish Contemporary	1,625,900
Los Angeles KSCA-FM	Mexican Regional	1,617,100
Los Angeles KLAX-FM	Mexican Regional	1,425,100

Source: (Advertising Age Hispanic Fact Pack, 2010).

Mexican regional music continues to be the dominant format in Spanish language radio, with 300 stations across the nation (Arbitron, 2010). With 11 million listeners a week, Mexican Regional has nearly doubled the audience of Spanish Contemporary, the second-ranked format (Arbitron, 2010). Not all listeners of Mexican Regional are Spanish-dominant. In 2009 numbers show that the 12-24 age groups were more likely to be English-dominant, and in 2010 the numbers still reflect that Mexican Regional format is popular with English dominant teens and young adults (Arbitron, 2010). Another format that had more English-dominant listeners was Tejano with 63 % of the Hispanics (12 and older) listeners being English-dominant while only 37 % were Spanish-dominant. The second most popular format among Hispanics is Spanish Contemporary music, followed by Rhythmic Contemporary Hit Radio (Spanish language Radio in a PPM Measured World, 2010). Weekend listening has attracted an average of 81% of Hispanic men and women 18-44, which is higher than any weekday time period (Arbitron, 2010).

English-dominant Listeners

Spanish language radio caught the attention of some new listeners in 2010. A poll by the Associated Press and Univision from March 11th-June 3 found that U.S. Hispanics who mainly speak English are also listening to Spanish language radio. Four in 10 Hispanics who mostly speak English said they tuned to Spanish language radio and 75 % of Hispanics who mostly speak Spanish tuned in to Spanish radio. The nationwide poll, completed by the National Opinion Research Center at the University of Chicago and sponsored by The Nielsen Company and Stanford University, showed that the main appeal for English speaking Hispanics was for sports, entertainment, a cultural connection and the belief that English-speaking media outlets portray Hispanics in a negative light (Spanish language Media has Powerful Reach, 2010).

All six of the English language formats Arbitron included in their Hispanic Radio Today 2009 report showed an increase in Hispanic listeners from the previous year. Three formats that saw double the number of Hispanic listeners every week were: adult contemporary, top 40 and classic hits formats (Cobo, 2010).

Spanish Language Sports Programming

Spanish language sports programming is a growing sector, so much so that Arbitron profiled “Spanish Sports” as a new format in the Hispanic Radio Today 2010 Report. Spanish Sports format is modeled after the English language Sports Talk stations and the new format focuses predominantly on Hispanics favorite sports, teams and leagues. This includes but not limited to play-by-play and talk regarding: Mexican soccer leagues, baseball, boxing, motor sports, and basketball (Arbitron, 2010).

Nationally, ESPN Deportes reaches over 50 % of the Hispanic population in the United States, and has grown to include 46 affiliates nationwide, up from 39 affiliates in 2009. ESPN Deportes continues to launch new affiliates across the country including markets like San Diego, Salt Lake City and San Antonio. The network provided Spanish language news and information coverage from Johannesburg, South Africa during the 2010 FIFA World Cup (ESPN Deportes kicks off coverage of the 2010 FIFA world cup, 2010).

Spanish language sports content continued to grow in 2010 locally as well. The Beasley Broadcast Group replaced Philadelphia's 860 AM WWDB Business Talk for the 24-hour radio Spanish language network ESPN Deportes. The change made 860 AM Deportes the only Spanish language sports station in Philadelphia (WWDB/Philly reads Spanish sports flip, 2010). In Atlanta, Beasley also converted 1100 AM WWWE into ESPN Deportes, the only Spanish sports station in Atlanta. "This is yet another step forward in our effort to make ESPN Deportes Radio available in the top U.S. Hispanic markets," Oscar Ramos, General Manager ESPN Deportes Radio said (Atlanta to get ESPN Deportes radio, 2010).

Advertising on Spanish Language Radio

Spanish language media advertising spending fell 6.3 % during a 12-month span through June 2009, and radio was no exception. Spanish language spot radio grossed a total of \$566 million in 2009, down just .2 % since 2008 with \$567 million (Advertising Age Hispanic Fact Pack, 2010). Two of the top five advertisers in Hispanic spot radio spent less in 2009 than in 2008. Broadcasting Media Partners (Univision) spent a total of \$20,371,000 a 13.8 % decrease from 2008. Verizon Communications also decreased spending by 8.4 % (Advertising Age Hispanic Fact Pack, 2010). Even with multiplatform advertising for the 2010 U.S. Census, the U.S. government also decreased Hispanic spot radio advertising by 16.4 % and Home Depot by 9 %. On the other hand AT&T, McDonald's Corp and J.C. Penny Co. increased Hispanic spot radio spending by 35.8 %, 25.6 % and 12.1 % respectively (Advertising Age Hispanic Fact Pack, 2010). While Home Depot cut Hispanic ad spending, competitor Lowe's increased spending by 59.4 % since 2008 and Safeway increased Hispanic ad spending by an astonishing 112.6% since 2008 (Advertising Age Hispanic Fact Pack, 2010).

Politicians were also using Spanish language radio to get their message out during the 2010 election year. In May, New York attorney general candidate Sean Coffey came out with a Spanish language radio ad to help promote his campaign platform. The ad talked about how Coffey's parents were immigrants looking for an opportunity to make money and a life for their family in America (Freedlander, 2010). Florida's Republican gubernatorial candidate Rick Scott hit Radio Mambí in Miami as part of a \$16 million media campaign. Scott's interview on Mambí was his first ever Spanish language radio interview (Reinhard, 2010). Republican Connecticut Senate candidate Linda McMahon also launched an ad on Spanish language radio in an attempt to reach Hispanic voters (McMahon launches Spanish radio ad 2010). The ad entitled "alguien diferente" or "someone different" hit airwaves in September.

Both Coffey and McMahon were defeated; however Scott was elected into office. Not every political candidate that utilizes Spanish language media will win office, however politicians are recognizing that the Hispanic population is important as the number of Latinos eligible to vote continues to grow.

The AARP (American Association for Retired Persons) turned to Spanish language radio to get the word out about health, finance, and lifestyle. In May, the Spanish language radio program "Su Segunda Juventud" (Your Second Youth) debuted targeting Hispanics aged 45 and older. The program, hosted by Gabriela Zabalúa-Goddard, Editor of AARP VIVA, informs and entertains Hispanics that living their second youth can be better than their first. The show also includes interviews with

authors, leaders, and topics of culturally-relevant issues that pertain to Hispanics 45 and older. The show debuted in five markets: Chicago WRTO-AM “La Tremenda”, Los Angeles KTNQ “La Voz de Los Angeles”, Miami WAQI “Radio Mambi”, Puerto Rico WKAQ-AM “Radio Reloj”, and San Antonio KCOR-AM “La Primera” (AARP debuts new Spanish language radio programming, 2010).

Hispanic Listeners and Technology

In 2010, 30 million U.S. Hispanics were online, and it is known that Hispanics outpace non-Hispanics in the category of seeking entertainment via the Internet (U.S. Latinos Online: A driving force, 2010). In the category of downloading or listening to music, 43% of Hispanics download or listen to music via the Internet, while only 29% of non-Hispanics download or listen to music via the Internet (U.S. Latinos Online: A driving force, 2010). One of the top five activities Hispanic online users do is download music (U.S. Latinos Online: A driving force, 2010). For online Hispanics, 32% download music files, 14% download or listen to Podcasts, 11% listen to online or traditional radio station, and 7% listen to satellite radio online (U.S. Latinos Online: A driving force, 2010). Another sector Hispanic outpace non-Hispanics is the use of cellular phones to download or listen to music. Only 5% of non-Hispanics use a cellular phone to listen or download music, while 9.5% of Hispanics use a cellular phone to listen or download music (U.S. Latinos Online: A driving force, 2010).

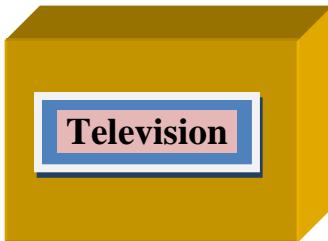
Conclusion

Hispanic consumers’ continue to value Spanish language radio. It is an important part of U.S. Hispanics’ lives and they continue to listen both at home and away-from home. Even with an ever-expanding array of media options, Spanish language radio is still seen as a primary media platform for both English dominate and Spanish dominate Hispanics. In 2008 there were 872 traditional Spanish language radio stations in the U.S., and by 2009 the number of stations increased to 1,041 (Hispanic Radio Today, 2009). As the number of traditional stations increase, perhaps so will the number of Spanish language online radio outlets. Spanish language radio formats continue to have repeat success in listenership, and has a strong enough foothold among listeners to create the new format of Spanish Sports. Spanish language radio has particularly strong reach during middays, afternoon drive and on the weekends. Spanish language radio continues to be a part of Hispanic consumer’s lives, whether it be weekdays or weekend and regardless of gender or age (Arbitron, 2010).

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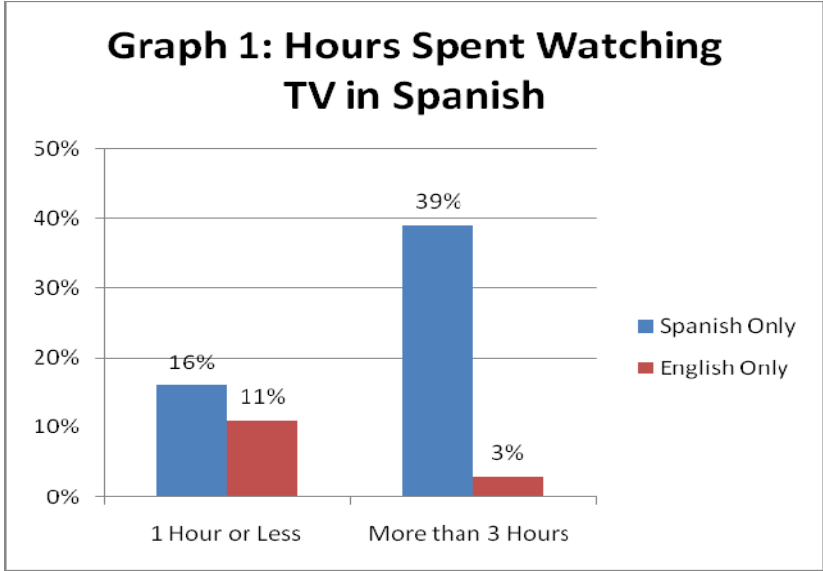
A Summary of Spanish Language Television 2010

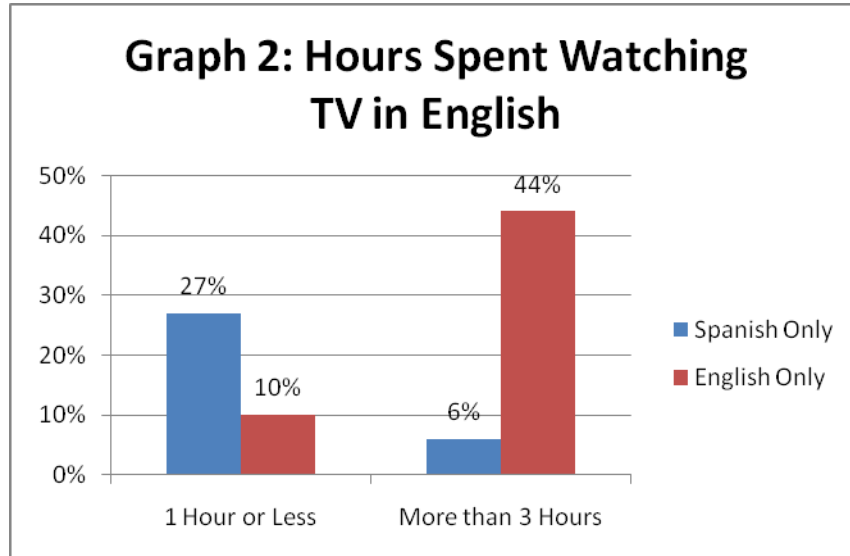
Jennifer Yopez

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As the Hispanic population continues to grow, so does the number of Hispanic television households in the United States. According to Nielsen, 40% of the new TV households for the 2010-2011 season are Hispanic households (Guthrie, 2010). This is a 3.07% increase from the 2009-2010 TV season, equal to approximately 400,000 homes (Guthrie, 2010). New Hispanic TV households out-number the overall total of new TV households, which had only .87% gain (Guthrie, 2010).

In September Nielsen noted a difference in television viewership according to acculturation level and the language spoken in the home. As noted in the following graphs, Hispanics that speak English only do watch Spanish language TV, almost as much as Hispanics that speak Spanish only in the '1 hour or less' category. On the other hand, Hispanics that speak Spanish only watch more English language TV in the '1 hour or less' category than Hispanics that are English only (Below the Topline: U.S. Hispanics and Acculturation.). Hispanics are the largest ethnic group in the U.S. and research suggests that acculturation is crucial to understanding this ethnic group (Mintel, 2009). The following graphs combine data on the language spoken in the home and hours spent watching TV in English and Spanish.





Adapted from: The Nielsen Company

Ad Spending

Spanish language ad spending declined 7.3% in 2009 with a \$270 million drop from the previous year. Spanish language Network TV advertising dropped 3.9 % from 2008 to 2009, however Spanish language Cable advertising grew by 32% (Kantar media reports U.S. advertising expenditures declined 12.3 percent in 2009, 2010). From January to June 2010 Spanish language ad spending rose 14.6% compared to 2009, with most of the growth stemming from the World Cup event in June (Kantar media reports U.S. advertising expenditures declined 12.3 percent in 2009, 2010). The top two advertisers in Hispanic Network TV in 2009 were Procter and Gamble Co. spending \$137, 095,000, a 17% drop since 2008, and Lexicon Marketing Corp. with a 25.6 % drop spending \$102,813,00. McDonald's Corp. came in at number three with a 13.5% increase since 2008 with \$84, 495,000 (Advertising Age Hispanic Fact Pack, 2010). Number four and five top spenders, both spending over \$70, 000,000 were Verizon Communications and General Mills with an increase in spending by 10.5% and 85.5% respectively.

DirecTV and AT&T both decreased Hispanic Spot TV spending in 2009 versus 2008 by 2.4 % and 27.4%, but still came in at number one and two with \$72,932,000 and \$44,627,000 (Advertising Age Hispanic Fact Pack, 2010). Number three and four, Verizon Communications and Time Warner Cable, spent \$36, 274,000 and \$24,819,000 respectively in 2009, that's an increase of 30.1% and 92.1%. Number five Ford Motor Co. decreased ad spending by 32.5% in 2009 spending only \$16,455,000 (Advertising Age Hispanic Fact Pack, 2010). Comcast Corporation made the list at number six spending \$16,178,000, but that was an astonishing 259% increase from 2008 (Advertising Age Hispanic Fact Pack, 2010).

Univision & Univision Networks

Regardless of language, Univision continues to be one of the top five television networks in America. In the category of Spanish language broadcast television networks, Univision ranks first, reaching 95% of all U.S. Hispanic television households. Univision continues to own and operate 19 full-power stations and seven low-power stations. The Univision Television Group also owns and operates one non-Univision full power station, two non-Univision low power stations, and three full- power stations in Puerto Rico (Univision, 2010b).

Univision saw huge ratings gains in 2010. Univision ranked number one in Hispanic TV network viewership with a household rating of 14.8 and a household share of 24 (Advertising age Hispanic Fact Pack, 2010). In May, the top ten prime-time network programs were all on Univision. The top show Monday thru Friday was “Hasta Que El Dinero Nos Separe” (“Until the Money Separates Us”) with Hispanic household ratings reaching as high as 20.9 on Tuesday’s airing and as low as 18.8 on Friday’s airing (Advertising Age Hispanic Fact Pack, 2010). The program helped Univision beat ABC, NBC, and CW in the 2010/2011 season opening week and was ranked as the number three network in the time period among adults 18-34 years old (Sanjenís, 2010).

In September, Univision had the highest audience growth of any broadcast network. According to Nielsen, during the opening week of the 2010/2011 season Univision had an 11% growth among adults 18-49 and a 10% growth among adults 18-34. Regardless of language, Univision had the highest growth compared to ABC, CBS, NBC, FOX and CW (Sanjenís, 2010). This was the first time a Spanish language station topped English language networks in this key demographic category. The 18-49 demographic group is important to advertisers and in September Univision’s prime-time average audience was 3.8 million viewers compared to CBS’ 1.8 million (Norman, 2010). Univision is consciously going after this key demographic by supporting programming that “would be familiar to English-speaking viewers” such as reality series in conjunction with its backbone programming of novellas (Norman, 2010).

Univision scored big with the exclusive Spanish language rights to the 2010 FIFA’s World Cup Soccer Championship, as well as the Mexican Soccer League. In June, the opening match of the World Cup between Mexico and Argentina delivered over 9.3 million total viewers, the single most watched broadcast in the history of Spanish language television in the U.S. (Gorman, 2010d). The match was watched by an estimated 5.5 million adults 18-49, over 3.3 million adults 18-34 and more than 4 million persons 12-34 (Gorman, 2010d). Regardless of language, the network’s coverage of the game was the number one program of the week in key markets such as Los Angeles, Miami, Houston and Dallas. Univision broadcast all 64 games of the World Cup across all the network’s platforms: Univision, TeleFutura, Galavision Networks, Univision.com, Univision Movil, and Univision on Demand (Gorman, 2010d). The final match between Spain and the Netherlands averaged 8.8 million viewers and was the most watched final in Univision’s history across all key demographics and the third most-watched program in Spanish language television history, regardless of genre. The 2010 final game attracted 50% more total viewers than the final game in 2006 (Gorman, 2010d).

Taking a look at Univision in the local markets during the July ratings “sweep”, KMEX-TV Univision 34 in Los Angeles was the most watched station during primetime

in the country among total viewers (2 plus), adults 18-49, 18-34, and 25-54. Univision stations that were ranked number one in primetime during the July sweeps were found in: Los Angeles, Houston, Dallas Miami, and Phoenix (among total viewers 2 plus), Los Angeles, Miami, Houston, Dallas Phoenix, San Francisco, and Sacramento (among the 18-49 and 18-34 demographic groups). WXTV-TV Univision 41 in New York was the most watched early newscast in the country among adults 18-34. KMEX Univision 34 in Los Angeles was the most watched late newscast in the country among adults 18-49, 18-34 and 25-54 (Univision, 2010b).

Perhaps the biggest news for Univision in 2010 was the announcement that the Mexican media conglomerate Televisa would be investing \$1.2 billion in Univision. The large investment stems from Televisa contributing a 50% stake in TuTV to Univision (Univision, 2010a). In return, Univision's payment of \$55 million results in Televisa holding a 5% equity stake. Univision will receive exclusive Spanish language digital rights to Televisa's audiovisual programming until 2020. Univision is free to use Televisa's online content, network, and pay-television programming (TuTV). Univision is able to use this content on Univision, TeleFutura, Galavision, and on any current or future Univision Interactive platforms such as Univision.com, Univision Móvil and Video on Demand. Televisa has broadcast rights to certain Mexican soccer games and will give Univision the right to broadcast those games in the U.S., starting with select teams in 2011 and expanding to all teams in 2012 (Univision, 2010a).

The 2010 agreement ended a period of controversy between the two companies. In 2006 Televisa filed a lawsuit in attempt to dissolve its programming agreement with Univision. The two companies had longstanding disagreements, especially over digital rights to Televisa programming. In 2009 a settlement was reached. Univision agreed to pay \$25 million plus advertising time worth \$65 million a year to Televisa to have access to Televisa's programming content until 2017. The new programming license agreement that was reached in 2010 showed signs that the two companies have patched up disagreements. Chairman of Univision Communications, Haim Saban, said, "We are extremely pleased to have reached this important agreement, which fully aligns the interests of Univision and Televisa for the long-term as both companies work to further serve the substantial growth opportunities in Spanish language media in the United States" (Univision, 2010a).

Univision's daytime schedule saw some changes in 2010 with the last season of "El Show de Cristina" (The Cristina Show). Cristina Saralegui hosted her own show for more than 20 years, and was often compared to being the Spanish language version of Oprah Winfrey. The Cuban American hostess was known for her interviews with A-list Latino stars and frankness. The final episode aired in November; however Cristina will remain a part of the Univision team as a host for specials on the network (Villarreal, 2010).

Univision had a coming of age moment in 2010 when the network aired a live, five-hour commercial-free celebrity telethon to raise money for Haiti. In times of disaster, like the earthquake, most Hispanic media outlets just report on the topic, usually to a greater extent than English language networks, but not this year. Univision had a number of Latino stars that participated in the telethon including host Mario Kreutzberger (aka "Don Francisco"), Ricky Martin, Daddy Yankee and Shakira. Spanish language outlets usually air the same telethons or fundraisers as their English counter-

parts with subtitles; however Univision was able to raise \$6 million for Haiti. The network has aired telethons in the past but never to this extent, Kreutzberger said, “The world has helped us many times. Now it is time for us to return that help to Haiti” (Munoz-Wides, 2010).

Univision continued to boost its youth appeal in 2010, with the 7th annual Premios Juventud show (Youth Awards). This award show directly targets young viewers and features the biggest stars in television, movies, music and sports. While competitor Telemundo hosts The Billboard Latin Music Awards, the network does not air an award show that has such a youth-oriented appeal. During the program, Univision pushed the importance of education and encouraged young people to go to college. However, Univision runs Premios Juventud as a way to get the younger demographic to check out the network and stay tuned throughout the year. “I think the particular appeal for advertisers is the ability to start connecting with this unique, fast-growing demographic at such a young age” said César Conde, president of Univision Networks (Carey, 2010).

TeleFutura

Univision’s sister network, TeleFutura, started off the first week of the 2010/2011 season as the number two Spanish language network in prime time. TeleFutura beat Telemundo in the Monday-Sunday 7pm-11pm primetime by gaining key demographics including Adults 18-49 years old (Gorman, 2010a). During the first week of the 2010/2011 season, the novela “Rosario Tijeras” out-performed every novela on Telemundo and delivered its highest weekly ratings since its premiere in July 2010 (Gorman, 2010a). In local markets, TeleFutura out-performed Telemundo in primetime (7-11PM) Monday-Sunday among total viewers 2 plus, persons 12-34, Adults 18-34 and Adults 18-49 in Los Angeles, Houston, Dallas, Chicago, Phoenix, San Francisco, and Sacramento (Gorman, 2010a). In primetime Monday-Friday, TeleFutura out-performed Telemundo among total viewers 2 plus in Los Angeles, Houston, Phoenix, San Francisco and Sacramento and among Adults 18-49, 18-34, and Persons 12-34 in Los Angeles, Houston, Dallas, Phoenix, San Francisco and Sacramento (Gorman, 2010a).

TeleFutura and Telemundo have long been competing for the number two spot behind Univision. While Univision airs mostly imported novelas, TeleFutura’s novela’s are more modern, and target not only a female audience but also males. The median age of viewers is 33 years old, and the networks programming includes comedies (Vasquez, 2010). Senior Vice President and Operations Manager at TeleFutura Bert Medina states that the network’s strategy has always been to counter-program against other Spanish language networks. The network also experiments with new genres that will appeal to a younger male audience, airs blockbuster movies, and other international programming. With the deal between Univision and Televisa, TeleFutura will also have access to Televisa’s online, network, and pay-television programming (Vasquez, 2010). TeleFutura continues to generate strong year-over-year audience numbers across all key demographics and continues to battle for the number two spot (Seidman, 2010a).

Galavisión

Galavisión, also owned by Univision, reaches 81% of the U.S. Hispanic cable households, and is the number one Spanish language cable network in the U.S. The network covers 54.2 million U.S. homes of which 8.6 million are Hispanic subscribers.

Each week the network offers more than 38 hours of live news, sports, and entertainment programming (Galavision, 2010). Galavisión's website states that their "blockbuster programming is specifically tailored to meet the tastes, preferences, and informational needs of the U.S. Hispanic audience" (Galavision, 2010). Galavisión's programming includes: around-the-clock newscasts, sports shows like "Más Deporte" (More Sports) and "La Jugada" (The Play), lifestyle shows like "Delicioso" (Delicious) and "Moda al Rescate" (Fashion to the Rescue), and comedy and entertainment shows like "Acceso Maximo" (Total Access), a live interactive music show that incorporates viewer participation (Galavision, 2010). For the 2009-2010 season, Galavisión was the number one Spanish language cable network in primetime (Gorman, 2010c). The network more than doubled their audience in the first and second quarter in 2010 among total Hispanic viewers 2 plus and Hispanic Adults 18-49 (Gorman, 2010b). Galavisión's senior vice president and operating manager Sebastian Trujillo says, "It's a testament to our continued effort to provide viewers with a variety of high quality programming they connect with" (Gorman, 2010c).

Telemundo & Mun2

Telemundo, a division of NBC Universal, reaches 94% of the U.S. Hispanic households. Telemundo is in 210 markets via 14 owned-and-operated stations, 46 broadcast affiliates, and over 1,000 cable affiliates. Telemundo also offers original content on platforms such as mobile devices and the Internet (Seidman, 2010b). Telemundo is in constant competition with TeleFutura for ratings. As of October 2010, TeleFutura was producing more nightly ratings and saw more total viewers during primetime Monday-Sunday than Telemundo compared to the 2009-2010 season (Gorman, 2010e). However, in November, Telemundo's original primetime novela *Aurora* averaged 1.5 million total viewers (2 plus) and 836,000 viewers among Adults 18-49 during its premiere week (Gorman, 2010f). The novela showed an increase of 37% among Adults 18-49, 36% among Adults 18-34, 25% among total viewers (persons 2 plus) and 36% increase among Women 18-49 (Gorman, 2010f).

In October, Telemundo provided live coverage of the rescue of 33 miners trapped in a mine in Copiapo, Chile. The network interrupted its regularly-scheduled programming to provide more than 14 hours of uninterrupted coverage. "Telemundo was the only Spanish language network in the U.S. to have broadcast full-screen minute by minute development of this captivating news story" (Seidman, 2010b).

Telemundo offered three new primetime novellas in the fall 2010 season. The network blocked a four hour time slot for the shows instead of their usual three (Consoli & Walker, 2010). One of the new novellas Telemundo is airing is the Spanish adaptation of ABC's popular show "Grey's Anatomy". Telemundo recognizes that the U.S. Hispanic is drastically changing, and the network is doing its part in creating content that speaks to the ever changing demographics. Hispanic population growth is now driven by U.S. birth rates rather than immigration. Now Hispanic viewers are more likely to have different viewing habits, similar to the general market. This shift in population growth has created a new set of younger demographics Spanish language medium must address. Not only do Spanish language networks have to consider age, gender and income, but also language preference (Spanish-dominant, bilingual, or English-dominant) and acculturation (Garvin, 2010). Telemundo is adapting to the change, rather than buying all of their novelas

abroad, Telemundo is spending an estimated \$100 million a year to produce its own novelas that speak to the U.S. Hispanic lifestyle and issues (Garvin, 2010).

During mid-term election in 2010, Telemundo launched its special election coverage, “Tu Voto, Tu Futuro” (Your Vote, Your Future). The multiplatform approach focused on three key issues, the economy, immigration and education. The network also used social media, Twitter and Facebook, to launch the “get out the vote” campaign (Seidman, 2010c).

Mun2

This niche network that directly targets young Spanish and English-speaking viewers is Mun2, which is owned by Telemundo (Dyer, 2010). In 2010, Mun2, in partnership with Starcom Mediavest Group, developed an in-depth demographic study to identify the various psychographic segments in the U.S. (Martinez, 2010). With the results of the Latino Identity Study, Mun2 will look for trends and create a new format for the network. A new format that Mun2 is calling “dramela” is a drama in a novela style and is scheduled to premiere in the second quarter of 2011 (Martinez, 2010). The network wants the programs to speak directly to their audience; for example one show’s character is a 25-year-old urban Hispanic, speaks Spanish with his family but English with his friends and just returned to the U.S. after serving in Iraq (Martinez, 2010). Another main character is an 18-year-old MIA or Modern Independent Achiever Woman who is constantly connected to the Internet and walks around with an iPod. Telemundo COO, Jacqueline Hernandez said, “Hispanics have cultural dexterity, they move comfortably in two worlds, and we want the series to reflect this” (Martinez, 2010). With the study’s results, Mun2 can also address the issue of skin color and will feature a wide range of characters of various skin tones. Advertisers such as Chevy and Burger King are already on board and plan to not only advertise but also integrate their products into the show (Martinez, 2010).

Azteca América

Azteca América, owned by Mexican broadcaster TV Grupo Azteca, reaches 89% of Hispanics in the U.S. Azteca América operates in 69 markets nationwide and can also be viewed on DirecTV Más Channel 441 (AZA 441) and DISH Network Channel 825 (PR Newswire, 2010). Their programming includes news from 32 Mexican states, and TV Azteca’s three national networks with over 200,000 hours of original programming (PR Newswire, 2010). Azteca América is the “alternative choice in television for Spanish-speaking families residing in the U.S.” and “respond to viewers’ tastes through innovative programming that makes them feel respected, connected and empowered” (Messenger & Yenter, 2010). In June, Verizon Wireless teamed up with Azteca América to offer a variety of full-length programs on V CAST Video. “We’re excited to continue offering top-notch Azteca América programming on new platforms. V CAST Video gives users a unique selection of unmatched high-quality video on the go,” said Rawdon Messenger, director of new media for Azteca América (PR Newswire, 2010). Programs that are available via V CAST Video include entertainment, drama, sports and novela programming (PR Newswire, 2010).

Estrella TV

Estrella TV reaches 75% of Hispanic households in the U.S. and the network added Chicago, Denver and Bakersfield, California to its coverage area in 2010 (Estrella TV, 2010). The network broadcasts across 28 markets, has nine owned-and-operated stations, and 20 affiliates including stations and multicast channels owned by Belo Corporation, Communications Corporation of America, Hearst Television, Sinclair Broadcast Group, Sunbeam Television, Titan Broadcasting and Tribune Company (Garvin, 2010).

Estrella TV has seen an increase in viewership among 18-49 and 25-54 demographic groups and produces over 60 hours of original programming a week from its studio in Burbank, California (Garvin, 2010). The network's strategy is to counter-program against the imported programming ran by other Hispanic networks, since the content is produced in the U.S. the network has the ability to work with advertisers to develop multiplatform opportunities for advertisers (Garvin, 2010). In early March, Nielsen Media Research began to list Estrella TV in its national ratings (Garvin, 2010).

LATV & V-me

LATV is a bilingual music and entertainment network and targets 18-34 year old Latinos (LATV). In 2001, LATV was a local network in Los Angeles, but in April 2007 expanded to become a national network (LATV). With headquarters in Los Angeles and New York, LATV states to be "a pioneer in bicultural youth broadcasting" (LATV). With 32 affiliates, LATV offers a range of content including multi-genre music, lifestyle, original programming, and exclusive performances (LATV).

V-me was launched in 2007 and has 40 affiliates that are available in 75% of the U.S. (Spangler, 2010). V-me is the first national Spanish language network to partner with American Public Television (V-me, 2010). The 24-hour digital multi-platform network is carried on basic cable or via satellite (V-me, 2010). V-me offers "smart, engaging and empowering entertainment for America's Latino families." V-me targets anyone who is passionate about Spanish language, Latino culture or interested in the Latin American experience. V-me's programming is a mixture of original productions, exclusive premieres and public television adapted for Latinos. The network's programming is divided into four main categories: Kids-growing and playing, Lifestyle-living and improving, Factual and Current Affairs-exploring and expressing, and Movies and Special Events- enjoying and celebrating.

Conclusion

With the continuing growth of Latinos in the U.S., Spanish language television is doing its part to keep up with an ever changing market. Almost all the networks are focused on creating original programming content that reflects the issues and lifestyles of U.S. Hispanics. Taking it upon themselves, networks are carrying out studies and surveys to discover what the Hispanic market watches and what they would like to see. New programs are being developed that appeals to a younger bilingual audience that have been born in the U.S. Spanish language networks have taken note that the fastest growing segment of U.S. Hispanics are young and bilingual. Therefore, the networks are creating content that appeals to this segment such as Univision's Premios Juventud show and Mun2's entire line-up.

Spanish language networks, big and small, are aware the audiences are watching Spanish language content on multiple platforms. Networks are stepping up their web presence by making their content available on multiple platforms including the Internet and mobile devices. Univision offers Univision Móvil and Video on Demand, while Telemundo launched a new HD broadband video player that includes English subtitles to reach those bilingual web users.

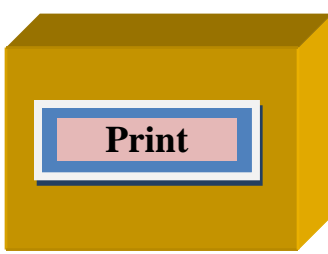
Networks saw positive ratings in 2010. Univision had an outstanding year with exclusive Spanish language rights to the World Cup and even topped English language networks. Telemundo and TeleFutura continue to battle for the number two spot, and both networks are featuring new content that target key demographics. Other networks are offering updated content, creating original programming in the U.S. and featuring events relevant to U.S. Hispanics. Advertisers also jumped on board by having their products integrated in novellas and original programming. Quick service restaurants and telecommunication companies are just some of the few that are teaming up with Spanish language TV to present their products to U.S. Hispanics within the content of a program. Don Browne, president of Telemundo said, “This time next year, if you’re not in Hispanic media, you’re going to want badly to get in” (Garvin, 2010).

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The State of Spanish Language Media Industries:

A Summary of Spanish Language Print 2010

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Spanish language print media were among the hardest hit industries during the recession period in the U.S. According to Nielsen, Spanish language national magazines and local newspapers accounted for a significant portion of advertising revenue losses from 2008 to 2009. Advertising revenue for local Hispanic newspapers fell 25.3% from \$103 million in 2008 to \$77 million in 2009 and national Hispanic magazine ad revenue fell 38.2% from \$182 million in 2008 to \$112.5 million in 2009 (Multicultural Ad Spending Declines in 2009, but Less than Overall Ad Market, 2010; Project for Excellence in Journalism, 2010). However, Spanish language print media showed some rebound in 2010, with Spanish magazine and newspaper advertising revenues up 1.5% and 4.5% respectively from 2009 to first quarter 2010 (Ives, 2010).

Economic Effects on Spanish Language Newspapers

Loss of revenues has forced Spanish language publishers to look for ways to cut costs, such as staff reduction and eliminating the number of days papers are published. In some cases, publications were forced to close their doors completely. *La Palma*, a local weekly Spanish language newspaper in West Palm Beach, FL, ceased publishing of both its print and online editions in July 2010. The paper was owned by Palm Beach Newspapers, Inc., which is part of the Cox Media Group. *La Palma* was a free publication distributed on Fridays and claimed to reach 25,000 readers through newsstands and home delivery. The economic downturn and tough business climate were cited as reason for the newspaper's closure (Palm Beach Newspapers to discontinue *La Palma*, its Spanish-language newspaper and website, 2010). However, only a few months later, a group of executives and journalists from *La Palma* joined together to form *La Guia Gratuita*, a free weekly Spanish language newspaper targeting Palm Beach. The new publication boasts a circulation of 15,000 and plans to launch a companion website as well (Hispanic Newspaper Tidbits: Hola Noticias and La Guia Gratuita, 2010).

The McClatchy Company, owner of the *El Nuevo Herald* in Miami, *La Estrella en Casa* in Dallas-Fort Worth and *Vida de la Valle* in the San Joaquin Valley, reported a net income of \$54 million in 2009, compared to a loss of nearly \$4 million in 2008. However, even with increased revenue, the company reported an outstanding debt of \$1.95 billion at the end of 2009. The company experienced continued declines in

advertising revenues with losses of 27.4% in Florida, 25.3% in Texas and 26.9% in California in the fourth quarter of 2009. In an effort to cut costs, the company was forced to implement widespread layoffs and reduce work hours (Jacobson, 2010).

However, some Spanish language newspapers are still seeing growth. *Hola Noticias* is a recently launched Hispanic newspaper in Charlotte, NC. *Hola Noticias* is published by Norsan Multimedia and its first local publication began in Jacksonville, FL. Norsan Multimedia has plans to publish local editions of *Hola Noticias* in other markets including Greensboro, NC and Winston Salem, NC. Norsan Multimedia also owns radio stations in these markets (Hispanic Newspaper Tidbits: *Hola Noticias* and *La Guia Gratuita*, 2010).

The Ibarria Media Group, based in Northern New Jersey, reported strong sales and circulation growth for its two weekly newspapers, *El Especial* and *El Especialito*. *El Especial* offers national and local news with a focus on entertainment, sports and health, while *El Especialito* takes a more community-focused approach. *El Especialito* has 10 editions serving Hudson, Passaic, Essex, Union and Middlesex Counties in New Jersey; as well as The Bronx and Brooklyn in New York and Miami-Dade County, Florida. Overall, both publications report a total audience of 1.5 million (Jacobson, 2010).

Hoy Fin de Semana in Las Angeles, a weekend publication, increased its distribution by 40% starting October 2010. The expansion will take distribution from 500,000 to more than 700,000 Hispanic households targeted via zip codes (*Hoy Fin de Semana* increases Household Distribution, 2010). Also, *Noticias*, a Spanish language newspaper serving the Hispanic population in Wisconsin, boasts continued readership and growing loyalty. In addition to the newspaper, the company is also launching a new Spanish language magazine called *En Caliente*. The paper is based in Abbotsford, WI and claims a distribution of 35,000 bimonthly across the state (Sleater, 2010).

Economic Effects on Spanish Language Magazines

Spanish language regional and national magazines also struggled during 2009. *People en Español* was ranked first among Spanish language magazines for advertising revenue in 2009, receiving 32.2% of total Spanish language magazine advertising dollars. While maintaining the lead position, *People en Español* did report losses of 15% from 2008 to 2009. *Selecciones*, the Spanish language publication of *Reader's Digest*, ceased publication in June 2009. *Selecciones* was one of the largest Spanish language magazines in the U.S. According to HispanicMagazineMonitor, *Selecciones* accounted for approximately 4% of total advertising revenues among measured Spanish language magazine titles. *Selecciones* ranked eighth for overall advertising revenue in 2009, even with its closure in June. *Fox Sports en Español* Magazine, published by Cuatro Media, reported that its publication paused distribution in 2009, with hopes to relaunch in late 2010 or early 2011. *Café*, a Chicago based Latino lifestyle magazine, published its last edition in December 2010 citing economic hardship as the reason for closure. The publication will maintain a presence via its digital counterpart (*Café Media* closes Print Edition, 2010). Also, Fashion and lifestyle magazines *Ocean Drive en Español*, *KENA* and *Sobre Ruedas* ceased publication in 2009 (Jacobson, 2010).

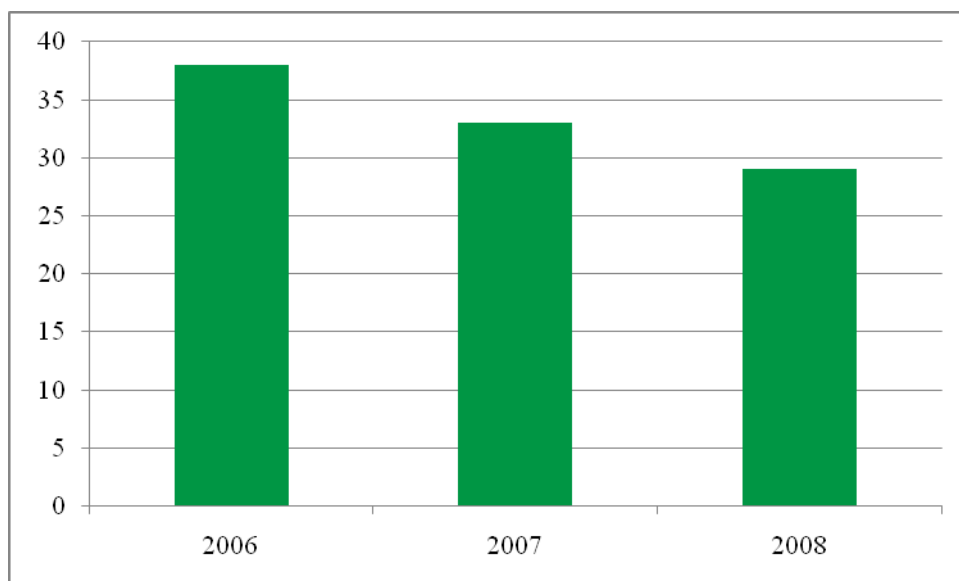
However, in the midst of so many closures two new Spanish language consumer publications debuted in 2009, *LATINO* Magazine and *Cocina al Maximo*. Also, two of the top 10 Spanish language magazines, *TV Notas* and *Ser Padres Espera*, reported

growth. *TV Notas*, from Maya Publishing Group, reported a 15% increase in advertising revenues and *Ser Padres Espera*, published by Meredith Corporation, reported an 11% increase in ad revenues in 2009 (Jacobson, 2010).

Distribution and Circulation

At the end of 2008, the latest year of available data; there were 29 Hispanic daily newspapers. This is down from 33 in 2007 and 38 in 2006. Advertising revenue for daily newspapers dropped substantially from \$637 million in 2007 to \$427 million in 2008. In contrast, the number of weekly Hispanic newspapers shows slight growth. This is due in part to some dailies switching to weekly publications in order to cut costs. In 2008, there were a reported 424 weekly Hispanic newspapers, up from 417 in 2007. In addition the number of biweekly or monthly newspapers increased from 377 in 2007 to 381 in 2008 (Project for Excellence in Journalism, 2010).

Number of Daily Hispanic Newspapers by Year

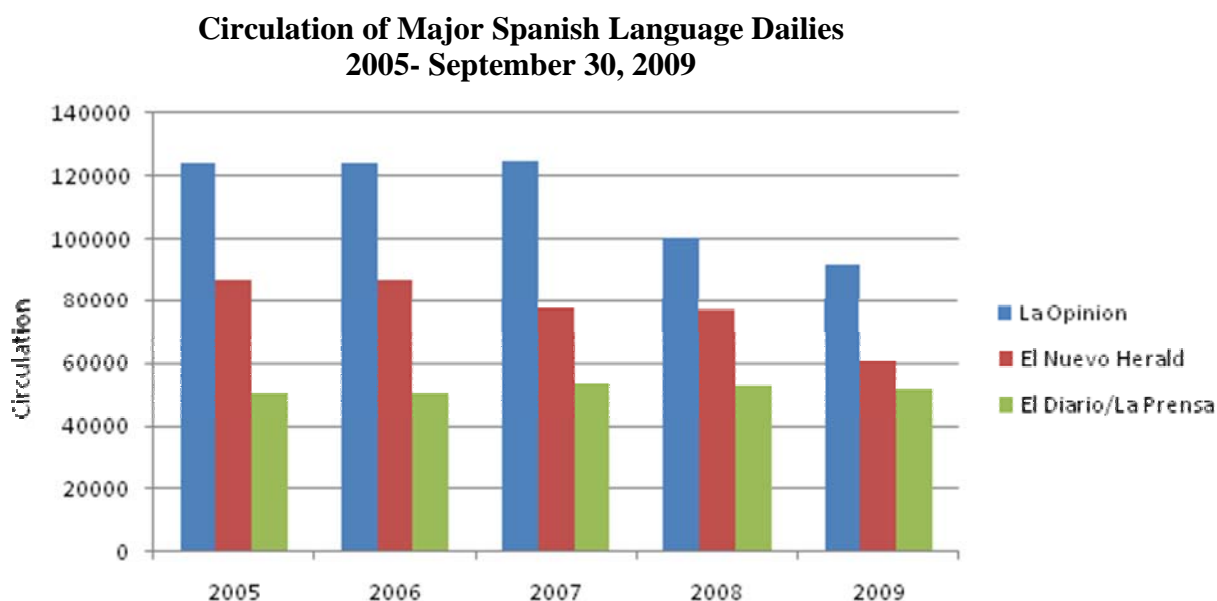


Source: Project for Excellence in Journalism, 2010

A similar trend is present in Spanish language magazines as well. Maya Publishing Group, the U.S. subsidiary of Mexican publishing house Notmusa, has announced it will be reducing the frequency of two of its magazines in 2011. Entertainment magazine, *TVNotas*, currently a weekly publication, will be published twice a month at an increased circulation from 150,000 to 200,000. Soccer magazine, *Récord Semanario de Fútbol*, will be renamed as *Récord Fútbol al Maximo* and will decrease distribution from bimonthly to monthly. Circulation will increase from 50,000 to 75,000 (Maya Publishing Group, changes frequency of its titles, increases circulation, 2010).

The three largest daily Hispanic newspapers continue to lose circulation, all reporting declines from 2008 to 2009. Similar to 2008, New York's *El Diario/La Prensa*

maintains the most stable circulation with only a 2% drop from 52,857 to 51,749 as of September 2009. *La Opinion* in Las Angeles reported an 8.4% loss of average weekday circulation down to 91,977 from 100,462. Finally, Miami's *El Nuevo Herald* reported the steepest decline with an almost 22% decrease in weekday circulation down to 60,483 from 77,295 in 2008. However, some smaller daily newspapers experienced increased circulation. *Hoy Chicago*, a free daily, reported an increase of 16.3% from 2008 to 2009. Also, *Al Dia Dallas* reported an increase of almost 26% in circulation in 2009 after decreasing frequency from 6 days a week to 2 days a week (Project for Excellence in Journalism, 2010).



Source: Project for Excellence in Journalism, 2010

In addition to Hispanic newspaper circulation, according to the Hispanic Newspaper Audience survey, 82% of participants who reported reading a Hispanic newspaper also reported sharing the newspaper with at least one other person, while 26% reported sharing the paper with at least four other people (Hispanic Newspapers show High Readership Loyalty, 2009).

Efforts to Expand Audiences

Spanish language newspapers are exploring ways to broaden audiences in order to increase advertising revenues. One way publications are achieving this is through partnerships for content-sharing and distribution. ImpreMedia, the nation's largest publisher of Spanish language print and digital content, has made several partnership agreements since 2009 towards this goal. Some of these alliances include a content-sharing agreement with AOL Latino, a contract to distribute content via the Associated Press Mobile feed and an extensive content sharing agreement with Univision Interactive Media (Project for Excellence in Journalism, 2010; The Two Spanish-Language Leaders

will Exchange Entertainment and News Content to Further Increase Audience Size and Engagement, 2010).

The content sharing agreement between ImpreMedia and Univision Interactive Media encompasses online and mobile properties for local and national entertainment and news feeds. ImpreMedia will acquire entertainment content such as, Lo Ultimo, Univision's online music property. In exchange, ImpreMedia will provide Univision Interactive Media with local news content for Los Angeles, New York, Chicago and Houston (The Two Spanish-Language Leaders will Exchange Entertainment and News Content to Further Increase Audience Size and Engagement, 2010).

In an effort to increase its local digital presence and create more loyalty, Impremedia is partnering with local community bloggers to offer “hyperlocal” coverage in the two largest Hispanics markets, New York and Los Angeles. The company set up electronic journalism media labs in newsrooms at *El Dario/La Prensa* in New York and *La Opinion* in Los Angeles to aid local bloggers in covering community news from a unique perspective. Selected bloggers were also trained in sales (ImpreMedia Announces Plans for Hyperlocal Coverage, 2009).

ImpreMedia has also partnered with Atlanta Latino Inc., a multiplatform Hispanic media company. Under this partnership, the two companies will share their content via print, online, TV and mobile media outlets. This relationship allows ImpreMedia to expand its footprint in Georgia, which is currently ranked as the ninth largest Hispanic populated state. Atlanta Latino owns *Atlanta Latino Newspaper*, a biweekly paper, and produces a weekly television show “Atlanta Latino en Tu Tele” via an agreement with Telemundo. The company also operates the atlantalatino.com digital property (Atlanta Latino and impreMedia Create Strategic Alliance, 2009).

Some Hispanic publishers are beginning to bundle print and digital properties in order to grow advertising dollars. Tribune Company declared its move toward bundled services in December 2009. The company launched Tribune Hispanic, a multi-platform national media network to target Hispanic consumers via Tribune owned newspapers, broadcast stations, Internet and mobile properties. With this move to a national network, Tribune Company seeks to better compete with ImpreMedia. Tribune claims it reaches 1.7 million Hispanic consumers with its Spanish language print and online properties, which include *Hoy Chicago*, *Hoy Los Angeles*, *El Sentinel Orlando* and *El Sentinel South Florida*, as well as home delivered weekend editions of *El Fin de Semana* in Chicago and L.A. Tribune distribution markets contain about 28% of the total U.S. Hispanic population. In an effort to establish synergy within the Tribune Hispanic network, all newspaper entertainment sections will be rebranded as “ViveloHoy”, to mirror *Hoy's* current website. (Fitzgerald, 2009; Tribune Company Launches Cross-Platform Sales Group Aimed at Growing Hispanic Market, 2009).

Sea Latino attempted to increase its audience base by establishing itself as the first national Spanish language newspaper. In September 2008, the company launched an initiative for publishing the paper on a national basis and providing regional editions. The publication introduced weekly editions in Seattle, Los Angeles, Houston, Chicago, South Florida and New York; however, the initiative was short-lived. In December 2008, the publication took a four week hiatus with the promise to return in 2009, but the publication never resumed circulation (Project for Excellence in Journalism, 2010).

Bilingual Content

Another way some Hispanic newspapers have considered expanding audiences is by offering more bilingual content. One example is *Vida en el Valle*, an ImpreMedia and McClatchy owned publication serving Sacramento and Fresno. *Vida en el Valle* switched from offering 50% English content to 80% English content in 2009. The paper's editor stated reasons for the switch were to increase appeal to younger readers who are proficient in English and increase efficiencies by printing full articles only in English with a Spanish language synopsis at the end, rather than printing complete articles twice in both languages. The majority of Hispanic weekly newspapers are still published in Spanish only (Project for Excellence in Journalism, 2010).

According to Steven Swartz, the president of Hearst Media Company, English newspapers in markets with dense Hispanic populations, such as many Texas markets, cater much of the content to the Hispanic community. Swartz states the main general market publications - both print and digital components, reach a large percentage of the Hispanic market. Using San Antonio and Houston as examples, Swartz claims the *San Antonio Express* and *The Houston Chronicle* reach at least 45% of Hispanics in each market and even more online, stating that 78% of Houston Hispanic Internet users visit Chron.com or Yahoo! each month. (@ Our Conference: Steve Swartz, "Several of our Media Properties are Growing Again", 2010).

Readership and Loyalty

According to a survey by Nielsen released September 2010, only 40% of Hispanics surveyed read a Spanish language newspaper, while 60% read an English language newspaper. Even lower percentages were reported for Spanish language magazines, with only 33% stating they read Spanish language magazines and 56% saying they read English language magazines. Readership seems to depend heavily on the level of acculturation. Nielsen divided respondents into four acculturation levels based on the primary language spoken at home and amount of Spanish language TV consumption. The survey found that among the least acculturated respondents, just over half (51%) reported spending up to an hour with Spanish language newspapers and over two-thirds (69%) said they do not read English papers. In contrast, among the most acculturated respondents, over half (54%) reported spending up to an hour with English language newspapers and the majority (88%) said they did not read Spanish language newspapers (Nielsen details Hispanic media usage in the U.S., 2010).

However, the Hispanic Newspaper Audience survey, a study conducted by Alloy Access and Excend Consulting Services, found that there is still a high level of engagement with Spanish Language publications among Hispanics of all ages. The study was conducted using a telephone survey of 1,030 respondents in the states of California, New York, Texas, Florida and Illinois in March 2009. The study reports that 74% of Hispanic newspaper readers have read at least three of the last five issues and 53% said they have been reading their favorite Hispanic publication for three years or longer. The newspaper was reported as the preferred source for news and entertainment, as well as an appreciated source for promotional offers among all ages in the study. Findings also indicate that Hispanics who read Spanish language newspapers are attentive to advertising in a newspaper. When asked about newspaper promotions and advertising, 55% of readers reported using newspaper coupons and 63% stated they often looked at

newspaper advertisements. Further than attentiveness, Hispanic newspaper readers indicated they are likely to act on advertising information found in the newspaper as 34% reported visiting a company's website after viewing an ad and 39% reported telling a friend about the advertisement (Fitzgerald, 2009; Hispanic Newspapers show High Readership Loyalty, 2009).

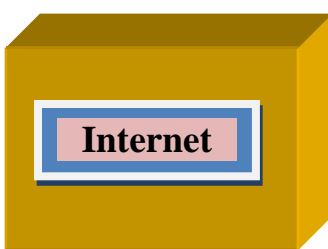
The study reports that younger audiences are still reading Spanish language newspapers, with 57% of respondents who read these newspapers under 35 years of age. The business section was reported as the most popular section among Hispanic newspapers in general, while the 18-24 age groups indexed high for the politics and entertainment sections. Employment was also a popular section for young Hispanic newspaper readers as 24% of respondents 18-35 stated they are more likely to have inquired about a job or attended a job fair that was published in the newspaper (Hispanic Newspapers show High Readership Loyalty, 2009).

Conclusion

The Spanish language print industry is struggling with economic hardships and declining circulation in recent years. Significant losses in advertising revenue has resulted in many Spanish language publishers making changes to cut costs or exploring ways to broaden audiences, while a few were forced to close or decrease the number of days papers were published. However, Spanish language print media has shown resilience with slight revenue increases beginning in 2010 and some Spanish language publishers reporting steady growth. As the U.S. Hispanic audience continues to evolve, Spanish language print media will need to remain vigilant and responsive to the changing media landscape further explore digital and multiplatform offerings, and find ways to make their publication efforts more responsive to the needs of Hispanics.

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The State of Spanish Language Media Industries:

A Summary of Spanish Language Internet 2010

Aimee Valentine & Jennifer Yopez

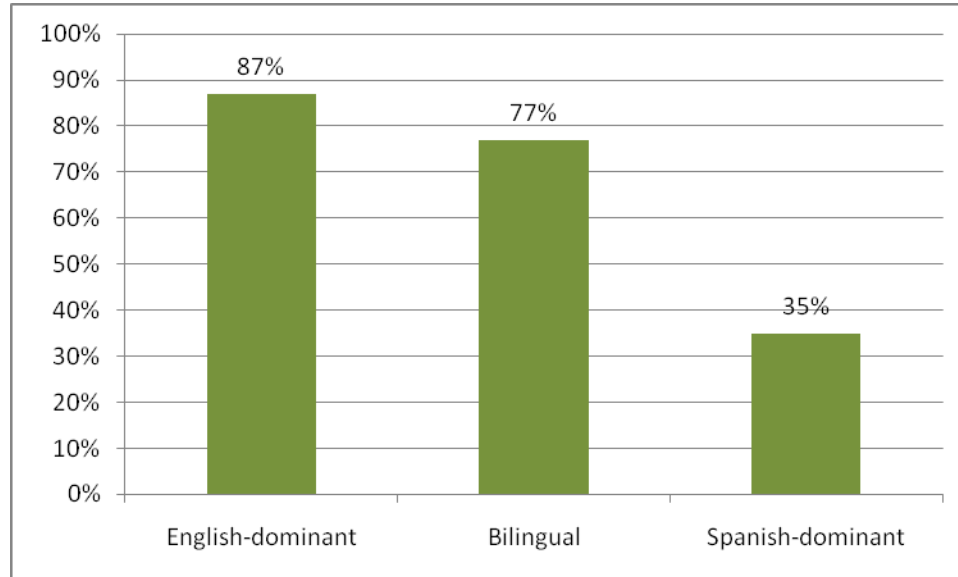
Center for Spanish Language Media, University of North Texas

U.S. Hispanics continue to have a growing online presence in 2010. As of March, 30 million Hispanics were online, representing 59.9% of the total Hispanic population and 13% of all online users. This is a growth of 9% since 2009, more than three times which of non-Hispanic whites in the U.S. By 2014, it is expected that 39 million Hispanics will be online estimated to reach 70% of the Hispanic population and 16% of total online users (U.S. Latinos online: A driving force, 2010).

There are many factors to consider when looking at Hispanics and their Internet usage. Looking at the data, age is clearly a factor in Hispanics' online presence. In general, online Hispanics are much younger than the online general population. Internet usage among Hispanics 16-25 is 77% and of Latinos ages 16-19 years old, 84% reported either using email or the Internet. The percentage drops to 74% for the 20-25 year olds and continues to drop in the category of Latinos 26 and older with only 61% reporting they use email or Internet (Livingston, 2010). Forty-six percent of online Hispanics are under the age of 35 years old compared to the total Internet population, in which only 28% is under the age of 35 (Bloom, Pousa, Resnick & Rodnick, 2010). Likewise, online Hispanics that are "empty nesters," average age 57 years old with children 18 or older, make up only 13%, where as 30% of the overall online population are considered empty nester (Bloom, Pousa, Resnick & Rodnick, 2010).

Origin is also related to Hispanics and Internet usage. While 85% of native-born Latinos ages 16 and older are online, only 51% of foreign-born Latinos are online (Livingston, 2010). One factor to be considered is that native-born Latinos tend to be younger on average than foreign born Latinos. Internet usage can also vary by generations. For second-generation Latinos aged 16-19, 90% are online while 97% of third-generation Latinos are online. Internet usage among older Latinos does not vary by generations (Livingston, 2010). Another factor to consider when looking at Hispanics and Internet usage is English proficiency. Roughly 87% of English-dominant Latinos aged 16 and older are online, while 77% of bilingual Latinos use the Internet and only 35% of Spanish-dominant Latinos are online.

U.S. Hispanics Internet Users 16 & Older by Language Preference

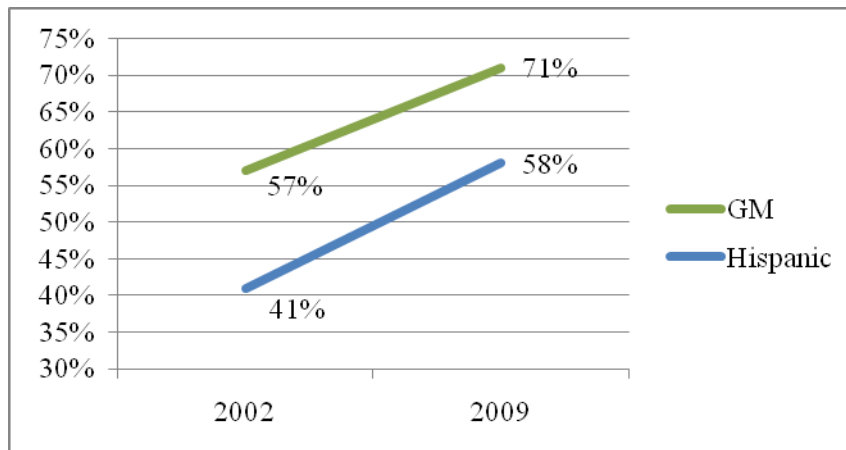


Source: Livingston, 2010

In age groups 20-25 and 26 and older, English-dominant Latinos are much more likely to be online than those that are Spanish-dominant. In the Latino population as a whole, there is no major difference regarding gender and Internet usage. There is a less than 10% difference between female and male usage: among 16-19 year olds female usage is 88% and male usage is 80% and within 20-25 year olds female usage is 79% and male usage is 70%. However, for Latinos 26 and older female usage is 57% while male usage is 65% (Livingston, 2010).

Internet usage among Hispanics is catching up to the general population, with an increase of 17% usage while the total population only saw a 14 % increase between 2002 and 2009 (Bloom, Pousa, Resnick & Rodnick, 2010).

Online Growth: Hispanic vs. General Market



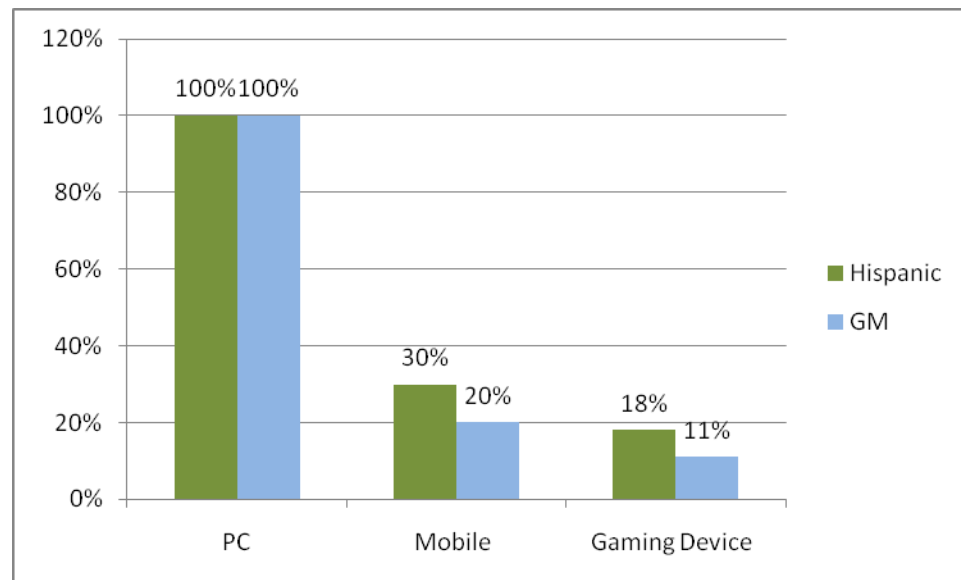
Source: Bloom, Pousa, Resnick & Rodnick, 2010

Native-born younger Hispanics tend to use the Internet more than foreign-born Hispanics. Language and generation are also factors affecting Hispanic Internet usage. Hispanic Internet users tend to be on average eight years younger than non-Hispanic users, are 77% more likely to live in a household with three or more employed adults, and are twice as likely to live in a household with three or more children (U.S. Latinos Online: A Driving Force, 2010).

How Hispanics Connect

Internet users have found new ways to stay connected, and Hispanics are no different. Hispanics, compared to the general market, are more sophisticated when it comes to technology (Bloom, Pousa, Resnick & Rodnick, 2010). Hispanics are most likely to access the Internet via their cell phones at 23.6% (Hispanics, African Americans, Asians more digital-savvy than Caucasians, 2010). In accessing the Internet via a gaming device, 18% of Hispanics reported doing so compared to 11% of the general market. Also, 32% of Hispanics connect to the Internet using a mobile device compared with 20% of the general market (Bloom, Pousa, Resnick & Rodnick, 2010).

Internet Access Devices: Hispanic vs. General Market

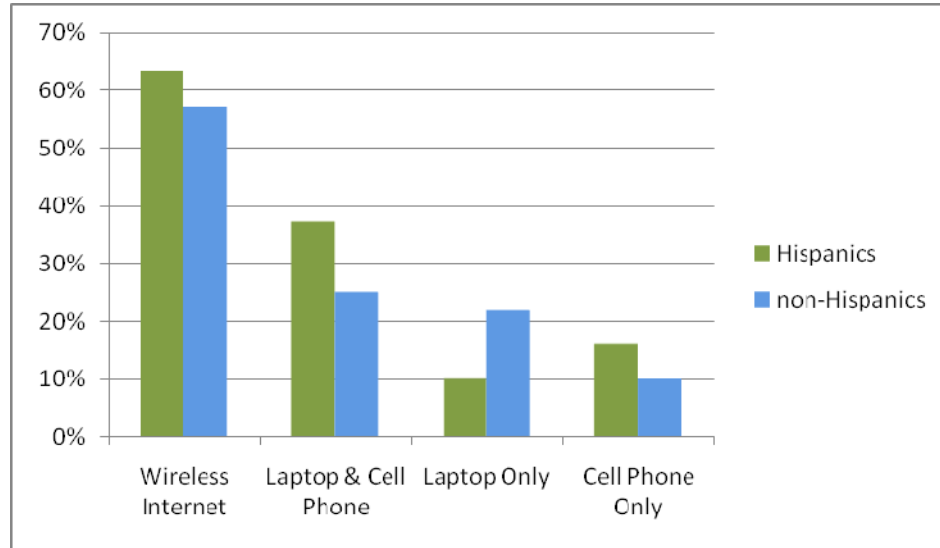


Source: Bloom, Pousa, Resnick & Rodnick, 2010

Computer ownership at home among Hispanics has reached 72%, and of those, 89% have Internet access and 54% have high speed access (Nielsen details Hispanic media usage in the U.S., 2010). A Pew Internet study found that rates of laptop ownership among Hispanics slightly decreased from 56% in 2009 to 54% in 2010. There has also been a slight decrease in wireless Internet usage among English-speaking Hispanics. However, English-speaking Hispanics outpace non-Hispanics in wireless Internet usage with 63% versus 57% respectively. Wireless Internet usage among Hispanics is driven by cell phone access. Only 10% of English-speaking Hispanics access the Internet via a laptop while 22% of non-Hispanics use laptops; however, 16% of

Hispanics access the Internet via a cell phone compared with only 10% of non-Hispanics (Smith, 2010).

Wireless Internet Access: English-speaking Hispanics vs. non-Hispanics



Source: Smith, 2010

Online Activities and Social Media

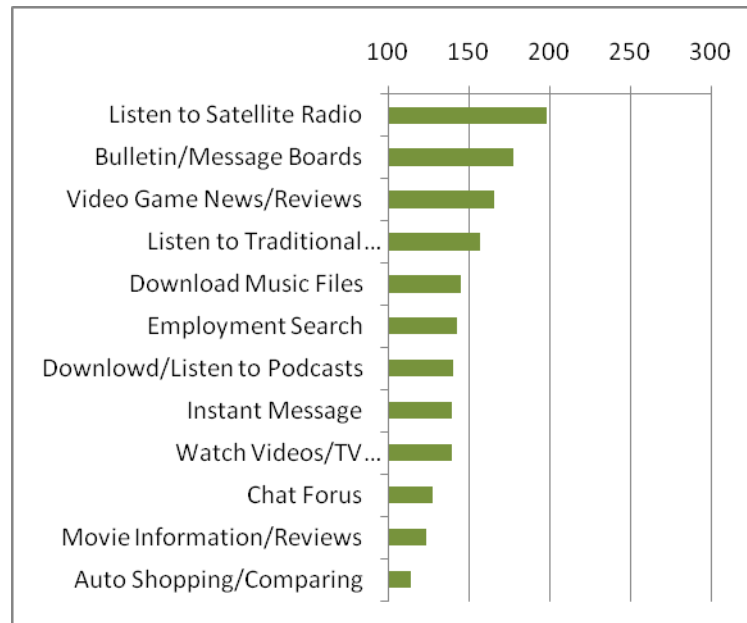
A study by Nielsen, in September 2010, regarding media usage found that 47% of Hispanics spent some time each day on Spanish language Internet, including email, watching video or listening to music. Twenty-two percent of respondents said they spend between 31 minutes and two hours each day with Spanish language Internet content, and 3% spend more than five hours. With English language Internet, 27% spend between 31 minutes and two hours, 12% spend more than five hours and 32% say they don't look at English language Internet at all (Nielsen details Hispanic media usage in the U.S., 2010).

Most Hispanics consume online media in English, since it does make up 27.6% of web content, while Spanish language content comes in third at 7.9%. Hispanics that speak English at home consume 20 hours of online English content and only 3 hours of Spanish content. Hispanics that speak both English and Spanish at home spend 12.4 hours with English content and 2.5 hours with Spanish content, and Hispanics that are Spanish dominant at home spend 14.3 hours with English content and 9.3 hours with Spanish content (Bloom, Pousa, Resnick & Rodnick, 2010).

In terms of top online activities, Hispanics engage in similar tasks as the general market, including email (72%), checking news and weather updates (50%), online banking (46%), music downloads (32%) and making travel plans (29%). However, there are some activities that Hispanics are more likely to engage in than non-Hispanics, such as music and streaming radio, watching video, socializing and exchanging reviews (U.S. Latinos online: A driving force, 2010). Downloading music and videos is a top priority for minority online users, with 23.2 % of Hispanics using iTunes.com, 14.1 % using YouTube.com and 6.6 % get content from LimeWire.com (Hispanics, African Americans, Asians more digital-savvy than Caucasians, 2010). The chart below lists

activities that Hispanics are more likely to engage in than non-Hispanics. Activities are ranked by index of Hispanic usage versus non-Hispanic usage, with an index of 100 being equal.

Online Activities: Hispanics vs. Non-Hispanics Index



Source: U.S. Latinos online: A driving force, 2010

The number one activity for minorities online is shopping. Hispanics are 32.2% more likely to shop online than Caucasians, and are also active in product research. Hispanics turn to the Internet throughout different stages of the purchasing process. For example, in terms of product research, over 85% say they use the Internet to learn about a product's features. Over 85% look for a place to buy, 90% look to compare prices and 79% to make a final decision. When it comes to conducting preliminary product research online, Hispanics (51.2%) are more likely to do so than Caucasians (40.2%) (Hispanics, African Americans, Asians more digital-savvy than Caucasians, 2010). Hispanics tend to trust Internet product rating sites more than Caucasians. Seventy-two percent of Hispanics say they trust a product rating site, while 28% say they trust a friend's opinion (Bloom, Pousa, Resnick & Rodnick, 2010).

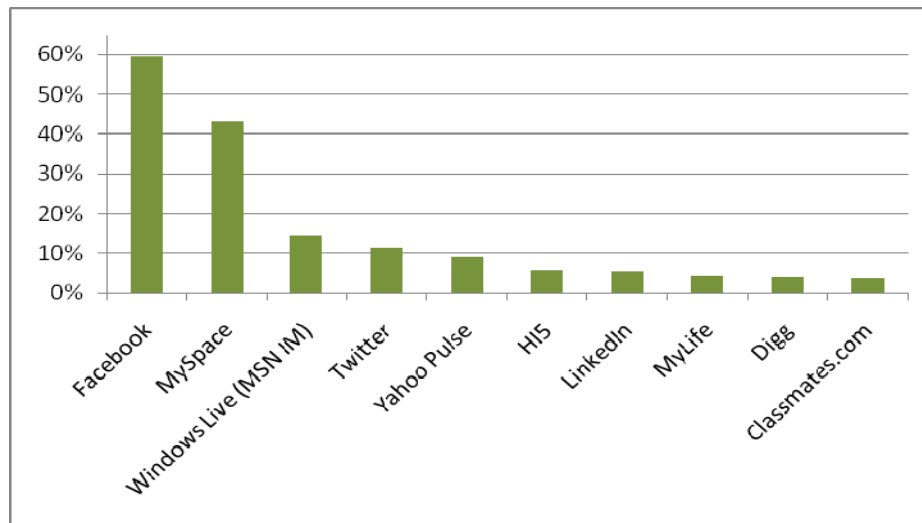
Social media is also a major activity for Hispanics online. Since December 2008, Facebook usage among all ethnic segments has doubled, except for Asians. As of June 2010, Facebook is the fourth ranked website among Hispanics, reaching close to 45% of all Hispanics online (Vann, 2010b). In the Interactive Advertising Bureau study, *Hispanics Online – A Driving Force*, 29% of online Hispanics reported the Internet as “a new way for me to socialize or meet people.” The study also found that 48% of Hispanics have an online social network profile, which is 55% more likely than Caucasians and 12% more likely than African Americans (U.S. Latinos online: A driving force, 2010).

To many Spanish language outlets, Facebook is seen as a tool to drive traffic and create revenue. Telemundo is the leading Spanish language media company on Facebook

with 138,000 fans, while Univision has 92,000 Facebook fans (Vann, 2010b). While Telemundo does not have Facebook integrated within their website like Univision, they do have separate pages for their popular shows and promote Facebook pages on air. Univision also has separate pages dedicated to various topics and integration with their website encourages interaction between users. In third quarter 2010, there were 9 million global visits to the home pages of Univision.com's social media properties, including Mi Página, forums and chat (O'Malley, 2010a). Other Spanish language outlets have a presence on the social media site; however they lag far behind Telemundo and Univision: Terra - 6,300 fans, AOL Latino - 1,700 fans, Batanga - 630 fans, MSN Latino - 207 fans (Vann, 2010b).

Twitter reaches roughly 18% of Latino Internet users out of its total 44.4 million U.S. users. Hispanics are nearly four times more likely to have a Twitter account than non-Hispanic whites, with 12% of African Americans and 5% of whites having a Twitter account (Smith & Rainie, 2010; Vann, 2010a). Like Facebook, Spanish language outlets use Twitter to connect and maintain audiences and drive traffic to their websites. Most outlets have multiple Twitter pages for different shows and topics including one “corporate” page. Univision has a Twitter feed for news, called newsunivision that updates Twitter users with news headlines (Project for Excellence In Journalism, 2010). Univision is the leading Spanish language media company on Twitter with 124,000 followers and Telemundo ranks second with 51,000 followers. Other sources include Terra - 6,700, AOL Latino - 3,800, Batanga – 955, MSN Latino – 72 (Vann, 2010a). Video sites such as YouTube and Hulu have also seen growth in Hispanic users, with 15.1% of Hispanics visiting Hulu (Hispanics, African Americans, Asians more digital-savvy than Caucasians, 2010).

Top social networking sites among U.S. Hispanics by Reach

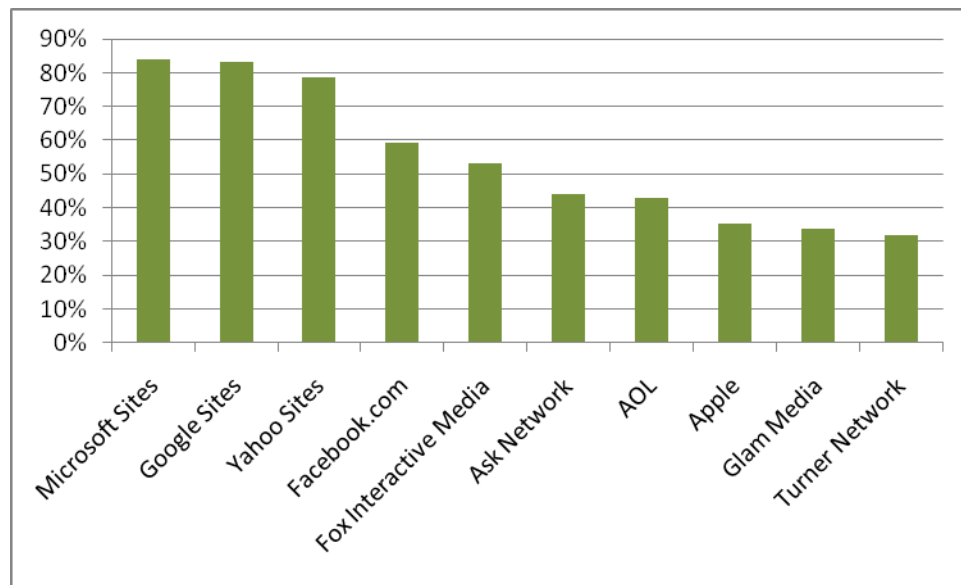


Source: Hispanic Fact Pack: Annual Guide to Hispanic Marketing and Media, 2010

Top Websites

Hispanics go online mostly for entertainment purposes and to shop. While Spanish language sites do see a lot of traffic from Hispanics, the highest levels of Hispanic online traffic are on English sites (U.S. Latinos online: A driving force, 2010). Below are the top 10 web properties, regardless of language, among Hispanics in 2010. Microsoft sites top the list as the leading web property for Hispanic visitors, reaching 83.8% of total online Hispanics. Hispanics account for 14.2% of Microsoft's total unique visitors (Hispanic Fact Pack: Annual Guide to Hispanic Marketing and Media, 2010).

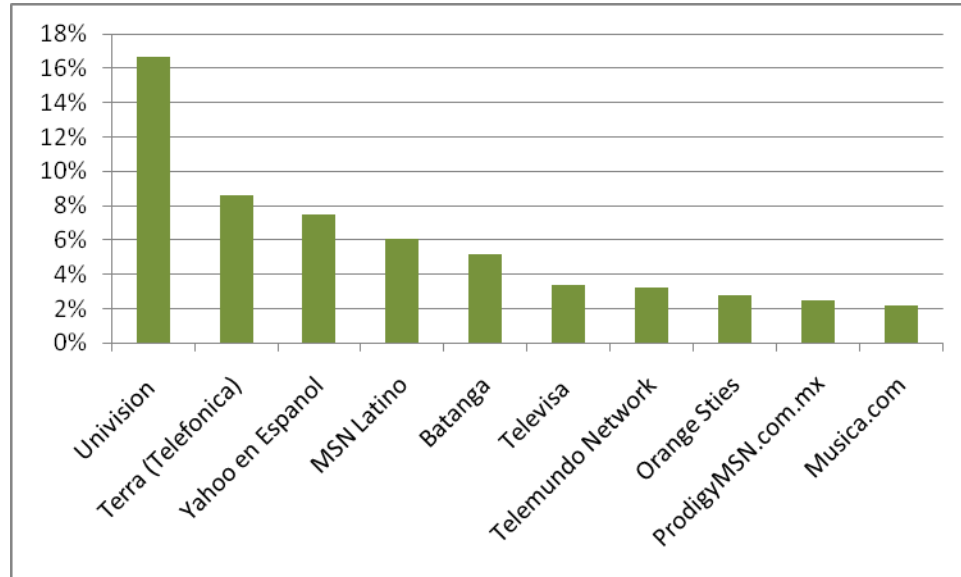
Top Web Properties among Hispanic Internet Users by Reach



Source: Hispanic Fact Pack: Annual Guide to Hispanic Marketing and Media, 2010

Univision remains the number one Spanish language site among U.S. Hispanics. Below are the top 10 Hispanic-focused sites in 2010. According to ComScore, only 56% of the unique visitors to these sites reported themselves as Hispanic, while 71.9% of Univision.com unique visitors reported themselves as Hispanic (Hispanic Fact Pack: Annual Guide to Hispanic Marketing and Media, 2010).

Top Hispanic Focus Category Sites by Reach



Source: Hispanic Fact Pack: Annual Guide to Hispanic Marketing and Media, 2010

Industry Highlights

The Interactive Advertising Bureau announced the formation of a new Multicultural Council in an effort to identify key trends and behaviors among U.S. minorities. The new Multicultural Council will replace the former IAB Hispanic Committee. The IAB Multicultural Council is tasked with addressing key issues that impact marketing and advertising and ensure that all segments of the U.S. population are accurately measured in online media. IAB is folding its Hispanic initiative under this multicultural umbrella. The IAB Hispanic research group was formed in November 2009 and made up of 12 media research individuals from ImpreMedia, Terra Networks, Telemundo, Univision, Star Media, AOL Latino, Batanga and Scarborough. They are tasked with consolidating data from different resources to accurately determine the size, growth and dynamics of the online Hispanic audience and provide insight regarding the most effective online communication methods (O'Malley, 2010a).

As the online Hispanic audience continues to grow, digital media publishers are expanding to meet the needs of this population to take advantage of the opportunities this growing market has to offer. Costs are much less for starting and operating a web site compared with other media. Since barriers of entry are significantly lower, competition is fierce among Hispanic-targeted web properties. Many general market sites are launching Spanish language components to their sites, while Hispanic focused sites continue to revamp their offerings to remain competitive. Due to increased competition, maintaining compelling content is essential for digital media companies (Vann, 2010c).

Fox News introduced Fox News Latino, a website targeting English dominant Hispanics, in October 2010. Fox plans to target the U.S. Latino audience with culturally relevant content in mostly English, but will offer some content in Spanish. The site will cover news from both the U.S. and Latin America with articles provided by Efe and

Associated Press newswires. Michael Clemente, Senior Vice President of Fox News Editorial said, “The launch of FOX News Latino creates an unprecedented opportunity to expand our reach by engaging the fastest growing minority audience and providing a unique platform for compelling and original content focused on the Latino community and the American dream” (Carrasco, 2010b).

Azteca America formed a partnership with Maximum TV to host some of its most popular programming. Introduced in 2010, Maximum TV programming is currently free to viewers and is available on its own portal, as well as through online syndication in the U. S. The partnership allows Azteca America to increase its video presence on the Internet (Maximum TV and Azteca America deliver TV programs via the Internet, 2010).

CNN en Español plans to unveil a redesign of its brand and website, along with a host of new programs. The redesign will include a new logo and tagline. CNN en Español will maintain a red logotype, but plans to add a tilde over the two "Ns." With the new tagline, *Vive la noticia* ("Live the News"), CNN en Español hopes to convey the relevance of the site's content to the audience. CNN aims to enhance its Spanish language content with significant investments in technology, a Miami-based production hub and state-of-the-art studio in Atlanta. The site attempts to engage its audience through integration of social media and viewer participation via iReport. CNN plans to debut these initiatives in several phases over 2010 and 2011 (CNN en Español announces network reface, 2010).

Recognizing that Hispanics over-index for web access on mobile devices, web publishers are also expanding to reach online Hispanics via mobile web pages. Yahoo launched Yahoo Mobile en Español in November 2009, a Spanish language mobile version of the site (Dilworth, 2009). Also, Telemundo announced it will be launching new network mobile applications in 2011, with a revamped look and enhanced content (Carrasco, 2010a).

Univision

Univision Interactive Media, Inc. has maintained its place as the number one ranked Spanish language web property in the U.S., but competition is much tighter when compared to Spanish language television and radio (Vann, 2010c). Much of Univision's online traffic comes from streaming video and television programs offered on the site, particularly the popular telenovas. One such program, *Vidas Cruzadas* (Crossed Lives), attracted over 2 million streams in August 2009 (Project for Excellence in Journalism, 2010). In order to stay competitive and maintain its position as the most-visited Spanish language website among U.S. Hispanics, Univision has launched several key initiatives over the end of 2009 and 2010 to increase content engagement and overall web presence.

Univision is working to revamp all 72 online and mobile local TV and Radio sites in its top 20 markets by early 2011. This initiative is part of Univision's effort to drive growth on the local level and maximize traffic across all its digital platforms. “These new sites are an integral step in providing our users with a comprehensive and fully engaging local interactive experience that further strengthens our connection with Hispanics at the community level,” said Kevin Conroy, president, Univision Interactive Media. Local website enhancements will include more video and photo offerings, improved functionality, social media integration and easier navigation. Each site will have an upgraded publishing tool that simplifies the development and delivery of content across

all Univision local sites. Branding of local stations will also be more prominent on each site, including unique station URLs. New online and mobile sites have launched in Miami, Los Angeles and New York, remaining sites will debut in early 2011.

In October 2009, Univision Interactive Media partnered with Flock, a social web browser, to develop a customized Spanish language version. Flock is a web browser with a built-in ability to connect with social media sites, via the “people sidebar.” It allows you to make status updates and comments from anywhere on the web, including sharing web pages, photos, and video. The Univision branded edition includes default links to Univision news, entertainment, popular videos and sports feeds, as well as a Univision.com homepage tab and search capability (Project for Excellence in Journalism, 2010; Univision Interactive Media and Flock Announce the First Exclusive Version of Spanish-Language Social Web Browser, 2009).

As a result of Univision’s agreement with Televisa, Univision is creating a new video web site to host its most popular telenovelas. The new site, “Novela y Series,” or “Novelas and Series,” is slated to appear in the spring of 2011. The new video-focused website is part of Univision’s overall initiative of increasing video presence on the Internet and follows the successful launch of the originally produced webnovela, “Vidas Cruzadas” (Crossed Lives). “Vida Cruzadas”, which launched in fall 2009, generated over 2.5 million streams. According to Nielsen, online video viewing on Univision's sites increased 42% from August 2009 to January 2010. The site will offer full episodes of telenovelas from Univision and outside suppliers free online and through mobile phones. The site will also include telenovela encyclopedias, news and message boards. Univision has lined up several outside suppliers, including Televisa, Azteca America, the U.S. network of Mexico's Grupo Salinas, Colombia's RCN Television and Dori Media Group. Univision has started pre-production on two Web-only shows for the site (Univision Readies Telenovela Web Site, 2010; Univision Interactive Media to Launch Comprehensive Online and Mobile “Novelas y Series” Channel on Univision.com, 2010; Vann, 2010c).

As Univision Interactive Media’s video initiatives continue to expand, the company has partnered with FreeWheel to manage its video advertising business. Kevin Conroy, president of Univision Interactive Media, said the partnership was crucial to realizing the company's goals in its monetizing video content. Univision Interactive already boasts a library of over 50,000 videos across its owned and operated web and mobile properties (O'Malley, 2010b).

Univision and the NFL rebranded the Spanish language website they operate together in partnership. The most notable change was the merger of two separate sites targeted at American and Mexican populations into one entity. NFLatino.com and a Mexican URL have been unified as NFL.com/Español. The site includes content geared to Mexican NFL followers, as well as live radio broadcasts and an inside look at all 32 NFL teams. The NFL has staged several games in Mexico over the years. A mobile edition of the site will also be available (Goetzl, 2010).

Conclusion

The U.S. Hispanic online population continues to show exponential growth as it is quickly catching up to the general population. Online Hispanics are a unique demographic that tend to be younger than the general population, mostly native-born and

proficient in English. Hispanics enjoy connecting to the web on-the-go and are more likely to access the Internet via mobile and gaming devices. Shopping, downloading music, streaming radio and watching video are top activities among Hispanics online. Socializing is also a fundamental online activity among Hispanics, with Facebook reaching almost half of all online Hispanics. While the number of Spanish language web properties is growing, most Hispanics consume online media in English and English sites reach the largest percent of the audience.

Univision remains the number one Spanish language site among U.S. Hispanics. General market and Hispanic focused websites alike are attempting to take advantage of the opportunities the growing Hispanic Internet market has to offer. General market sites are beginning to provide Spanish language content on their sites, while Hispanic focused sites continue increase engaging content with additions of video and social media components.

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The State of Spanish Language Media Industries: A Summary of Spanish Language Advertising 2010

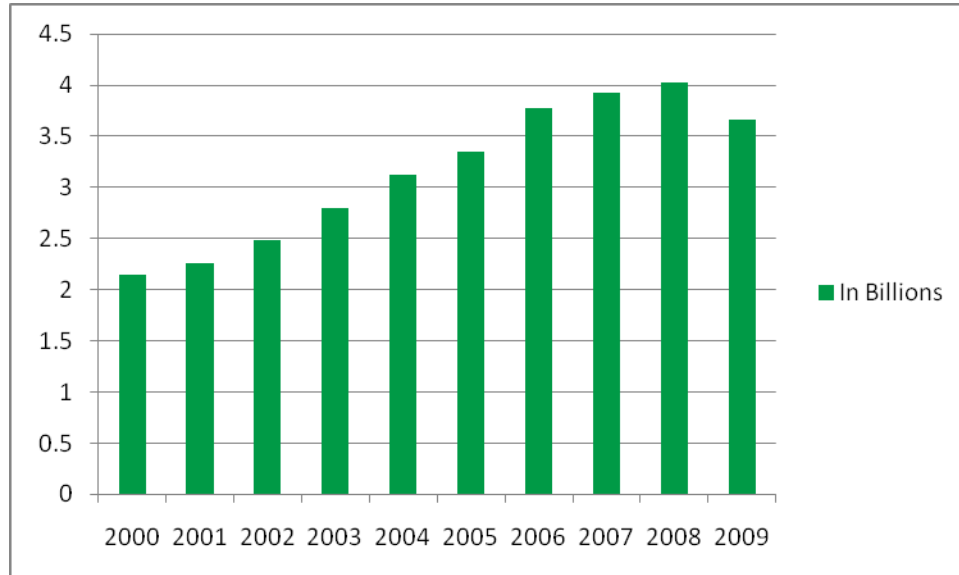
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Overall, advertising revenue in Spanish language media declined 4.7% for 2009, according to Nielsen. A total of \$5.4 billion was spent on advertising in Spanish language media in 2009, a decrease of \$270 million from 2008. Declines in television, radio, magazines and newspapers were offset by a 32% increase in spending on Spanish language cable television. The majority of spending within Hispanic media remains in Spanish language TV, with Spanish language newspapers and magazines accounting for the majority of ad spending declines in 2009 (Bachman, 2010; Jacobson, 2010).

However, Spanish language ad spending began a slight rebound in 2010. According to Kantar Media, ad spending on Spanish language TV was up 14.6% in the first six months of 2010 compared with 2009. Some of this increase can be attributed to Spanish language TV airing the World Cup in June 2010, as well as local political spending in key states including California and Nevada (Goetzl, 2010; Kantar Media Reports U.S. Advertising Expenditures Increased 5.7% in the First Half of 2010, 2010; Meg Whitman on Record Campaign Spending Spree, 2010; Spillman, 2010). During the governor's race in California, for example, republican candidate Meg Whitman spent \$275,000 on Spanish language TV ads in the month of October alone (Meg Witman, On Record Campaign Spending Spree, 2010). In Nevada, the democratic gubernatorial candidate, Rory Reid, spend over \$200,000 on Spanish Language TV (Spillman, 2010). In general, each Spanish language medium is showing quarter over quarter growth for 2010, indicating a steady rebound. One exception is Spanish language newspapers, which have shown a slight decrease in growth from Q1 to Q2, reporting an increase of 4.5% in Q1 and only 2.8% after Q2. (Kantar Media Reports U.S. Advertisers Expenditures Increased 5.1% in the First Quarter of 2010, 2010).

Total Hispanic Net Ad Spending by Year in Billions



Source: Ad Expenditure Growth by Medium: 2002-2007 (2004), Ad Age Hispanic Fact Pack (2010)

While Spanish language media advertising revenues did suffer from 2008 to 2009, the industry is faring better when compared with the general market. General market networks experienced decreases of 15% or more in ad sales during the upfronts for 2010, while Univision sales remained reasonably flat. This was after Univision reported an overall 2% increase in revenues for fourth quarter 2009, but reported a loss of 3% for all of 2009. While Univision reported increases in television ad revenue, it also saw losses in digital ad revenues, including online and mobile platforms. Univision also cites problems with difficulties gaining ad revenues from unmeasured radio markets, which is a Hispanic diary market where Univision does not subscribe to Arbitron PPM ratings (Goetzl, 2010). Among the top 500 advertisers, general market spending dropped 9.5% in 2009, while Hispanic media spending only dropped by 4.4%. The Association of Hispanic Advertising Agencies (AHAA) indicates this could be a result of marketers shifting some general market dollars to Hispanic targeted media (Share of Media Dollars Allocated to Hispanic Market Increased in 2009 Despite Recession and Near Double-Digit Cuts in Overall Ad Spending Among Top 500 Advertisers, 2010).

According to the AHAA 2010 Hispanic Investment Trends Analysis, although advertisers are allocating more dollars to the Hispanic market, spending is still below levels reached in 2007 before the recession. Advertisers allocated 5.4% of marketing budgets toward targeting Hispanic consumers in 2009, which is up from 5.1% in 2008; however, it is still slightly down from the 5.6% budget allocation to Hispanic media in 2007 (Share of Media Dollars Allocated to Hispanic Market Increased in 2009 Despite Recession and Near Double-Digit Cuts in Overall Ad Spending Among Top 500 Advertisers, 2010; Washkuch, 2010).

Top Advertisers

Even as the 2010 Census data release is predicted to find an increase of 42% in the U.S. Hispanic population since the last Census in 2000, many marketers say they have no plans for increasing Hispanic targeted media budgets. In a Hispanic marketing trends survey of 9,300 senior marketing and advertising executives in February 2010, commissioned by Hispanic advertising agency Orca, the study found that 51% of respondents do not currently market to Hispanics and 82% of advertisers have no plans to increase existing efforts in the next year. Although the majority of advertisers (more than 8 out of 10) in the study agree that Latino Americans will have an impact on U.S. product and services in the next five years, they have not planned to increase Spanish language media budgets (Loechner, 2010; New Survey from Orca finds American Advertisers Acknowledge Hispanics' Impact on U.S. Culture but Half Don't Market to Nation's Largest Minority, 2010).

However, this is not the case for all advertisers. Several advertisers began Hispanic advertising initiatives in 2010. Ace Hardware Corporation launched its first ever national Hispanic advertising campaign in 2010. The campaign includes television spots to air on both Univision and Telemundo, as well as a radio presence. Ace Hardware conducted Hispanic targeted test campaigns in Denver, Sacramento and Chicago over 2008 and 2009. After experiencing increased year over year sales in targeted stores, the company decided to expand efforts to a national basis. "We've seen strong results at retail by reaching out to the Hispanic market and understand the importance of communication directed to these customers," stated John Surane, vice president of consumer marketing, merchandising and paint for Ace Hardware (Ace Hardware Launches First-Ever National Hispanic Advertising Campaign, 2010).

Wendy's also launched a major Hispanic targeted advertising campaign in November 2010. The campaign includes national network TV, cable and local spot TV, as well as local radio efforts in select markets. According to Nielsen, Wendy's spent \$25 million in Hispanic media in 2009 and \$8 million during the first half of 2010 (Lukovitz, 2010).

AHAA compiles a list of "best in class" Spanish Language advertisers consisting of advertisers that allocate more than 11.8% of their marketing budget toward the Hispanic audience. This list grew from 32 to 40 advertisers in 2009, with an average allocation of 21.4% to the Hispanic market. In addition, companies included in this list increased Hispanic targeted spending an aggregated 25% in 2009 over 2008. This is compared with average increases of 11% in non-Hispanic targeted media by the same companies. Gisela Girard, chair of the Association of Hispanic Advertising Agencies and president of Creative Civilization, believes the results of the 2010 Hispanic Investment Trends analysis indicate that advertisers are placing greater confidence in Hispanic buying power. Girard states, "Our 2009 report revealed that many corporations 'don't get it' and our 2010 preliminary findings indicate that it's the current best-in-class companies that are spending more in the Hispanic market in an effort to turn around their businesses." (Share of Media Dollars Allocated to Hispanic Market Increased in 2009 Despite Recession and Near Double-Digit Cuts in Overall Ad Spending Among Top 500 Advertisers, 2010, p. 7).

Quick serve restaurants were the top spending category among Spanish language media with an increase of 13.9% in 2009. The automotive category fell to the second

largest Spanish language media spending category with a decrease of 38.8% from 2008 to 2009. Satellite communications represents the fastest growing advertising category for Hispanic media, up 77.3% in 2009 (Bachman, 2010).

Hispanics Media Usage

A national survey of U.S. Hispanics, conducted by Nielsen, Univision and the Associated Press, examining media consumption indicates that Hispanics are still consuming Spanish language media, but they are also consuming increasing levels of English language or general market media. The study divided respondents into various levels of Hispanic acculturation based on primary language spoken in the home and frequency of Spanish language TV viewing. The study reported that overall, 66% of Hispanics watch some Spanish language TV and 86% watch some English language TV, across all acculturation levels. Respondents in the lowest acculturation levels reported spending the most time with Spanish language media each day. The vast majority of Spanish dominant respondents (90%) watch Spanish language television and three fourths listen to Spanish language radio. Among English dominant Hispanics, 40% reported spending some time with Spanish language television and/or radio.

For online usage, across all acculturation levels, 47% reported spending time with Spanish language Internet sites each day, which was defined as using email, watching video or listening to music, while 39% spent time on English language Internet sites (A Snapshot of Hispanic Media Usage in the U.S., 2010). Initial findings from the ComScore research study, *A Closer Look at the U.S. Hispanic Online Audience*, found that about half (52%) of U.S. online Hispanics prefer English as their primary language, with 26.1% choosing bilingual and 21.9% preferring Spanish as their primary language. In regards to advertising, approximately 50% of Hispanic online consumers prefer Hispanic-targeted advertisements to be in English, while 28% have no language preference. Results suggest that Hispanics are less jaded and more receptive to advertising on the Internet, but online Hispanics expect to be entertained with advertising and content is more important than language (That's Entertainment; The Hispanic Expectation of Online Advertising, 2010).

Media and Culture

Bicultural is a new buzzword among the Hispanic advertising industry. This word does not only refer to bilingual, but the culture as well. The idea that Hispanics follow Spanish media in order to maintain a connection with their culture is a common theme acknowledged by many experts. "It has been surprising to discover that U.S. Hispanics keep strong ties to their culture despite their language choice or whether they came to the U.S. as a child or as an adult," said Cyril Shagrin, executive VP of audience measurement innovation and analytics at Univision. Tony Ruiz, partner and chief strategic officer at U.S. Hispanic ad agency the Vidal Partnership, agrees that culture plays a role in what media U.S. Hispanics chose to consume. Tony shares his opinion, "Hispanic-targeted media needs to stop selling itself as Spanish-language media," Tony said. "Language does not define the true value of the content. People don't consume content because it is in a particular language; they consume content that is compelling" (Kuznia, 2009). One example of advertisers embracing this idea is a bilingual television advertising spot introduced by Chase bank in September 2010. The campaign, which Chase refers to as

bicultural, was launched in Los Angeles and Miami. The campaign focuses on Chase now offering bank statements in Spanish. The ads ran during English and Spanish language programming in order to target Spanish dominant and bilingual Hispanics (Chase targets bicultural Latinos, 2010).

Advertising Agencies

In a time when many advertising agencies are forced to downsize and tighten their belts, some Hispanic-owned shops are actually reporting significant growth. Once example, D Exposito & Partners, a New York based agency, reports they landed several new clients in 2009 and have doubled the size of staff. Acento Advertising, a Hispanic-owned agency in Los Angeles, also reports strong growth and says it has doubled its full-time staff in the past two years. Acento reports 2009 revenues were up 30% from 2008. Hispanic-owned ad agencies cite their inherited understanding of the Hispanic market as their greatest asset and reason for growth. They believe it is a sign that companies are beginning to recognize the power of the growing Hispanic population. Of the top 50 Hispanic-owned ad agencies, just seven reported a drop in revenue through July 2009. Unlike the majority of general market ad firms, which are subsidiaries of global companies, the Hispanic ad agency segment is largely independent (Kuznia, 2009). In recognition of Hispanic advertising agency success, Grupo W, a Mexican digital agency, opened an office in Miami in October 2010 (Mexican Digital Agency, Grupo W Expands to the U.S., 2010).

Hispanic focused agencies are now beginning to see competition from larger general market counterparts. Pressured by declining advertising budgets, general market agencies are developing Hispanic focused departments in order to compete for a bigger share of the fast-growing Latino market. One example of this is reflected in Home Depot's decision to move its \$37 million Hispanic account from Hispanic agency Vidal Partnership to Richards/Lerma, a newly formed department within Home Depot's general market agency, The Richards Group. Other major advertisers including Unilever and Wendy's have also launched agency reviews for their Hispanic marketing efforts, in which they are considering general market advertising agencies. DraftFCB, an international general market agency, has assembled a team of multicultural specialists at the agency's Chicago office. These specialists work with general market account teams on multicultural business for the agency's existing general market clients, including State Farm, Kmart and Taco Bell, whose Latino account was previously handled by Hispanic agency Dieste (Wentz, 2010).

Conclusion

Advertising spending in Spanish language media showed signs of recovery in 2010 after suffering its worst declines yet from 2008 to 2009. Spanish language media did, however; claim smaller declines when compared with the general market. While some advertisers are shifting more marketing dollars to Hispanic targeted media, others say they have no plans for increasing Hispanic marketing budgets. Those advertisers who are committed to reaching the Hispanic audience continue to report success and increase Hispanic targeted budgets year over year. Although Hispanic media allocations are showing growth, they are still slightly below pre-recession levels. In the midst of the economic downturn, Hispanic-owned agencies have thrived, with some small Hispanic

agencies reporting growth in revenues and staff during 2009. As a result, Hispanic focused agencies are beginning to see competition from larger general market counterparts who are beginning to compete for a share of the fast-growing Latino market.

Research indicates that Hispanics are still consuming Spanish language media, but they are also consuming increasing levels of English language media. As a result, advertisers are beginning to explore bilingual and bicultural strategies, focusing more on cultural content than language. As the struggle for ad dollars continues, anticipation mounts over the 2010 census results and its implications for the Hispanic market, as it is projected to make a considerable impact.

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The State of Spanish Language Media Industries: Mergers & Acquisitions in Spanish Language Media

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With the exception of the pending Comcast acquisition of NBC Universal, mergers and acquisition activity was once again sluggish across all sectors of the media in 2010, due to the after effects from the 2008 recession along with continuing tightening of the credit markets.

Although the stock market had another good year in 2010, it did not translate in to key sectors of the economy such as housing, credit lending, and reducing unemployment. All of these areas represent long-term challenges, along with lenders remaining ultra conservative regarding who to lend money to, especially for questionable acquisitions.

A lot of stimulus money started to dry up in 2010, and there was talk in Washington about another round of stimulus which did happen late in the year with a reduction in the payroll tax for 2011, and the extension of the Bush tax cuts for all income levels. Still, these moves made no difference in the mergers and acquisitions market.

Media stocks did start to rebound in 2010, rebuilding their balance sheets and hoarding cash. But none of this cash has led to new acquisitions, especially for companies engaged in Spanish language media.

Bankruptcies continued to make news rather than acquisitions. At the start of the year in January 2010 Churchill Media announced it was liquidating its assets which included Mexican Regional KXOR-FM in Eugene, Oregon and ESPN Desportes KLZS, also in Eugene.

The biggest radio group to fall was Bustos Media, which transferred all of its broadcast holdings (mostly radio) to creditor group NAP Broadcast Holdings LLC in July. Quoted in a report in Radio Business Report, Amador and John Bustos stated it was the direct result of the economic downturn that led to the demise of the company.

The transactions that did occur in 2010 were few in number. Here are a few deals that were completed or announced during the year, so we have something to talk about in this section of the report.

- Clearly the biggest “deal” involving Spanish language media was Televisa’s \$1.2 billion-dollar equity investment in Univision which gave the Mexican conglomerate a 5% stake in the company. Details are presented in the TV section of this year’s report.

- Liberman Broadcasting acquired KWHD-TV in Denver as part of its development of the new Estrella network which launched in the summer of 2010.
- While not a transaction per se, former Spanish TV station KAZH in Houston changed call letters to KUBE-TV, and announced it would target the English rather than the Hispanic market.
- There were several small deals that took place in Spanish language radio but most transactions were valued at less than \$750K and none occurred in major markets. Radio deals were practically non-existent for the general market as well.

Newspaper transactions are discussed elsewhere in this report by Aimee Valentine. There were few transactions in the newspaper market in 2010, as once again a handful of publishers either folded or downgraded to publishing as a weekly in order to remain in business.

Will Spanish Language media transactions increase in 2011? At the beginning of 2011 a big radio deal was announced between Bonneville and Hubbard Broadcasting. While none of the holdings involved SL radio, it was a positive sign that maybe the acquisitions market will pick up, especially with an improving economy. As such, we think we will see more M&A activity for Spanish language media in 2011, but expect multiples in any of these transactions to be low. The Bonneville-Hubbard deal has a reported multiple of 8 times cash flow, which is on the low side for the radio industry.

Next year we may have more to report on mergers and acquisitions in the Spanish language space. Stay tuned.



Projections for 2011

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What will 2011 mean for Spanish Language Media in the United States? Per the usual caveat stated in previous editions of this report, no one at the Center claims to have a crystal ball, but we did promise to continue to be fair and point out our misses—as well as any hits—in this section of the report.

We made 8 projections last year, and were correct on five of them and were wrong on three of them. We feel good about the ones we were correct in projecting and not so good on the ones we missed. At least we didn't lose any money! Here's a look at our hits and misses.

Hits

We projected the following items that came true (for the most part) in 2010:

- We expected to see some rebound in Spanish language advertising, and we did, especially in the broadcast and digital media areas but not so for newspapers. Print continues to struggle for both general market and Spanish papers, as discussed in this report.
- We predicted the controversy between the radio industry and Arbitron over the PPM will finally be resolved. We're pleased to report it appears this has happened. PPM still has a long way to go regarding accreditation with the Media Ratings Council, but Univision and SBS both came to terms with Arbitron over the PPM after the company modified sampling procedures and targets for Latinos.
- We expected to see more Spanish language formats find their way to the HD side of the radio industry. There was an uptick in the number of stations offering variants of Spanish formats in higher-density Hispanic markets, and several more are planned to debut in 2011. The radio industry needs to do more to promote HD radio, as most Americans regardless of ethnicity have little knowledge of the new medium.
- We did not see much movement in the way of Spanish language acquisitions in 2010 and this proved to be true as well. Aside from the Comcast-NBCU deal, there was nothing of any substance connected to the Spanish language media industries.

Misses

We were incorrect on three projections:

- We thought that either the Department of Justice or the FCC might force a divestiture of Telemundo as the Comcast takeover of NBC Universal worked through regulators. The Feds posed a number of conditions to finally approve the merger in January 2011, but that was not one of them. Telemundo remains part of Comcast/NBCU.
- We thought that Spanish language TV stations would embrace the smart phone applications market. This has not happened, primarily due to slower adoption of smart phones by Latinos. The applications market for Spanish language media is bound to heat up, be in 2011 or later.
- We thought some of the smaller TV services might have trouble surviving in a very tough business atmosphere, but no company went under in 2010 or sought bankruptcy protection.

As 2010 came to a close there was a sense of optimism that the economy had turned the corner with another positive year for the stock market. Unemployment remains over 9% at the end of 2010. Many states, including Texas, are facing massive budget deficits. We are still adapting to this new normal.

What's in store for 2011? Here are our thoughts and best guesstimates:

- We are anxiously awaiting the results of the 2010 Census, and by June we will know exactly how fast the Latino population has grown since the 2000 Census. We'll offer a softball prediction that the Latino population will be the main driver of *all* population growth in the US, and continues to be the fastest growing minority.
- We expect Spanish language advertising to show positive gains in all major categories except for print in 2011. We see a gain of at least 5% for TV, 8% for radio, and 15% for online media.
- Newspaper circulation and advertising will continue to falter. We anticipate a reduction in overall circulation and advertising spending, probably in the nature of 3-5% in most markets around the U. S.
- More Spanish-speaking audiences are adopting social media, with Facebook continuing as the leader in the U. S. Social media is taking on a more important role as a communications tool for Hispanics. Companies need a social media strategy if they have not already adopted one.
- Acquisitions are expected to remain sluggish in 2011. This will be true on both the television and radio side of the business.
- Bilingual and bicultural marketing remain big goals for many companies seeking to capture some of the growing Latino market. While these efforts require a greater outlay of resources, the potential rewards are much greater.
- Spanish language novellas will continue to dominate prime-time ratings. Univision is in a strong position to build on its leadership role thanks to a new long-term agreement with Televisa and digital rights to Televisa's programming.

From the entire staff, thanks for reading our annual “State of Spanish Language Media” Report. We welcome your comments and feedback at spanishmedia@unt.edu