

been with agencies specializing in Hispanic marketing and advertising. I am currently with Diario Las Americas, South Florida's first Hispanic daily newspaper.

The U.S. Hispanic media market should be treated separately from the non-Hispanic media market. Hispanics differ in many ways from non-Hispanics:

- Larger households 3.4 vs. 2.5.
- Hispanics are younger 27.6 vs. 37.2.
- More HH with children 18 58% vs. 34%.
- Religion is more important in their lives, 80% vs. 46%.
- Language preference—over 90% of Hispanics speak some Spanish, over 70% prefer to speak Spanish at home and over 50% prefer to speak Spanish on social occasions.

Sources: Nielsen Universe Estimates 2002, Strategy Research, Yankelovich 2000, Center for Media Research 10/7/02.

Advertising in Spanish-language is proven to be far more effective with Hispanics. According to the Roslow 2000 study on advertising effectiveness among U.S. Hispanics: ad recall rises 61% for those viewing in Spanish, communication is 57% more effective and persuasion is 5 times greater.

Marketing to Hispanics should not only be in Spanish-language but should also be culturally relevant. Translation of general market copy is not an effective or efficient approach for delivering the target. Advertising should be culturally relevant and dialect sensitive. Agencies specializing in Hispanic advertising and marketing understand that accents and terminologies

differ based on country of origin. They exercise sensitivities to these differences when creating an advertising message. Important, as well, is not to stereotype this market.

Spanish language preference has not decreased throughout the years as many had predicted. It has actually increased. One contributor to the increase could be the increasing acceptance of Spanish-language, as well as, what many are calling 'retro-acculturation.' Latinos are feeling more comfortable with their culture and the use of Spanish-language. Great contributions by Latinos in the areas of sports, entertainment, and business have laid out a new dynamic for Latino youths. They are more proud to be a part of the Hispanic community and to be considered Latinos.

"The Spanish language is more important to me than it was just five years ago. - % HISPANICS AGREE



Source: Yankelovich Partners 1990 & 2002 Hispanic Monitor Study

The Hispanic market is **separated from general market by language and culture**. Hispanics have different viewing and listening patterns. That is why the top rated programs (overall—Hispanic & general market—source Nielsen Hispanic Station Index) on television for Hispanics are 'novelas' on Univision; and why the top radio stations in major Hispanic markets are Hispanic stations. Some Hispanics can be reached through general market advertising efforts (spill), but the effectiveness and impact of the message is not the same (per Roslow 2000). Hispanics are more likely to buy brands that advertise to them in Spanish-language. Many advertisers have become savor to the fact. In November Burger King Inc. set aside swathes of aisle space in nearly 1,000 of its stores for videos dubbed in Spanish. In December, Kmart Corp. announced the launch of an apparel line named after Mexican pop star Thalía. P&G created a magazine-style direct mail piece specific to Hispanics.

Some companies early to see the potential are cashing in Sales of Ford brand cars and light trucks to the Hispanic market grew 40% in the past five years. After the company started using Mexican bombshell Salma Hayek to market its Lincoln brand last year, Hispanic purchases of Lincoln Navigators grew 12%, while sales to non-Hispanics were flat, says a Ford Motor Co. spokeswoman. At Honda Motor Co.'s American arm, Latino purchases grew to 8.4% of all vehicles sold last year from about 7% five years ago.

With the nation's economy as a whole stagnating, the U.S. Hispanic population is emerging as one of the most promising motors for growth. Driving the growth is the population's higher-than-average birth rate and immigration. Additionally, Hispanic

household incomes are starting to catch up with national averages. The Global Insight report estimates that Hispanic household incomes should grow from 77% of the national average in 2000 to 82% by 2020. The Selig Center for Economic Growth at the University of Georgia says Hispanic disposable income will reach \$926 billion in 2007, up some 60% from \$580.5 billion last year. Meanwhile, non-Hispanic buying power will grow less than 28%, to \$8.9 trillion. The Selig Center estimates that in five years Hispanics will account for 9.4% of the nation's disposable income, up from 5.2% in 1990.

Both television and radio have seen the growth. Advertising on Spanish-language TV grew 16.5% last year, over twice the 7.6% growth by all broadcast TV, estimates Gordon Hodge of investment bank Thomas Weisel Partners. Today there are 8 times the number of Hispanic radio stations than there were 20 years ago.

1980: 67 Hispanic Radio Stations
2002: 600 Hispanic Radio Stations

Get the picture? It seems some major companies have, and it sell \$\$\$\$. They understand the importance of the Hispanic market. They see it as a **separate market**, and so should we.

Sincerely,
Leticia R. Pelaez
Director of Advertising

May 22, 2003

Federal Communications Commission
445 Twelfth Street South, Washington, DC.
20554

To Whom It May Concern, My name is Raquel Tomasino, I am Media Director of Castells & Asociados and have been asked to comment on whether the U.S. Hispanic

media market is a separate market for the purpose of assisting the FCC in its ongoing review and analysis of the pending merger of Univision Communications and Hispanic Broadcasting Corporation.

From a marketing standpoint the US Hispanic market is a separate marketplace. Marketing to Hispanics requires understanding of the cultural differences that exist versus the General Consumer, understanding that creatively Spanish-language commercials need to reflect Latino cultural nuances and queues to be fully effective in producing similar results versus the General English-language commercials.

More than 50% of the US Hispanics are Spanish-dominant. In the West Coast that number is closer to 60%. While long time residents and US born Latinos speak English so that they can function in mainstream America, various factors which include, the growing population, strong Hispanic communities, and immigration keep fueling the desire for Hispanics to hang on to their culture, their language and entertainment preferences.

The Hispanic market is not one Monolithic segment of the population, it is a complex group comprised of many segments with different cultural nuances and origins, united by one language.

Spanish-language media plays a very big part in reaching out to the different segments of the population by continuing to supply programming that feature relevant content that speak to the Latino preferences.

In the case of Spanish-language TV, Experience has shown that original productions with familiar content such as Latino entertainers, International dramas and Futbol/Soccer is a formula for success. The English-TV programming, such as "Charlie's