

## FocusON CubaNear

### Emerging Cuba Worries Caribbean

By Mimi Whitefield, *The Miami Herald*

In 38 years of holding annual conferences, Caribbean Central America Action, a Washington-based organization that brings together regional business and government leaders, has never held a meeting that has focused almost exclusively on a single topic and a single country.

But its recent 39th conference in Miami brought a laser focus on what Cuba's new relationship with the United States and the rest of the world will mean for the wider Caribbean and for regional integration. "It has implications for the entire region," said Sally Yearwood, CCAA's executive director.

Speakers called Cuba, which has the largest population of any nation in the Caribbean and the second-largest in the Caribbean Basin, a disruptor, a game changer and the new attraction.

"Cuba is both an opportunity and a challenge," said Richard Bernal, a longtime Caribbean diplomat who is now a senior consultant to the Inter-American Development Bank but wasn't speaking on the IDB's behalf. "The rest of the region will



A young traveler greets the day in Havana's Plaza Vieja. Overnight visitors to Cuba have already exceeded 3 million this year. Mimi Whitefield [mwhitefield@MiamiHerald.com](mailto:mwhitefield@MiamiHerald.com)

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As more brands realize the importance of Hispanic marketing, 2015 proved to be a banner year in the industry.

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The network has found new ways to leverage its influence on the social media channel.

# [hispanic] market works

have to find a way to survive and thrive in that context.”

Global influences impacting Cuba’s economic future “go well beyond the U.S.-Cuba relationship,” Bernal said, but that relationship “will be a key determinant on what everyone else does.”

Cuba is in the process of normalizing relations with the European Union, China is its second-largest source of foreign investment, and the island is already well-integrated with many countries in Latin America and the Caribbean.

As its relationship with the United States develops, Cuba potentially poses competition for the rest of the region in tourism, trade and investment.

But the conversation at the CCAA conference was not so much about how to compete head-to-head with Cuba as about how to make the pie bigger so other Caribbean nations can share in the benefits of Cuba’s emergence.

Tourism competition may be the most immediate threat. Cuba already receives more visitors than any other Caribbean country except the Dominican Republic, and it is poised to receive many more as a result of new more liberal travel rules for Americans and if the U.S. travel ban for Cuba is lifted completely.

Cuba is the fastest-growing destination in the Caribbean — during the normally slower summer months overnight visitors to Cuba were up nearly 22 percent — and the island has already surpassed its 2014 record of 3 million international visitors.

That means the Caribbean must explore multi-destination marketing, Bernal said. Many Caribbean islands have unique characteristics, he said, and it’s possible that eventually, Cuba’s niche might become medical tourism.

The Caribbean should respond to the challenge of Cuba by “upping” its game and becoming more competitive, said Frank Comito, chief executive of the Caribbean Hotel and Tourism Assn.

The Caribbean as a whole could focus on making entry and access to its destinations more affordable, search for a regional approach to high energy costs, and engage in joint marketing of a Caribbean brand, he said.

“We have a major disruption on the way,” Comito said. “If handled right by the region, it’s an opportunity to raise all ships.”

If Cuba were to join CARICOM, the Caribbean Community and Common Market, it would double the population of the potential market and could change how agreements between the United States and the Caribbean region are negotiated, said



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Bernal, who has served as lead negotiator for CARICOM in many trade and investment talks. Cuba currently isn't part of any major free trade agreements.

"It is in CARICOM's interest to engage with Cuba," Bernal said.

So what should small island economies do in the face of Cuban competition?

First, said Bernal, they must act with speed: "Opportunity is the most perishable thing in the global economy."

Among his other recommendations:

- **Consider strategic alliances with Cuba.** Small countries have more leverage when they act collectively, Bernal said.
- **Rethink the notion of a regional economy.** An enlarged regional economy, with the addition of Cuba, helps the Caribbean reach critical mass and become more attractive to foreign investors and traders, he said.
- **Remember that the addition of Cuba can change the politics of the region.** Cuba, with many of the same features and challenges of small island economies, can help amplify the Caribbean's voice in global institutions, Bernal said.
- **Think about the regional economy non-traditionally and include the diaspora.** Linking with the diaspora will help create a more influential Caribbean trans-national economy. Many of the things that are in short supply in the Caribbean — capital and human resources, for example — reside in the diaspora, Bernal noted.

If Cuba wants faster economic growth, it will need to open its economy more, said Ricardo Torres, a research economist at the University of Havana's Center for the Study of the Cuban Economy. "Cuba is starting from a very low base in terms of economic development."

If the right conditions are created and Cuban growth accelerates, Torres said, it could create opportunities for other Caribbean nations to export to Cuba.

"We come from small islands, and we have problems of scale," said Ana Carolina Franco Soto, director of economic, industrial and commercial analysis at the Dominican Ministry of Industry and Commerce. "We see the entry of Cuba as a great opportunity for the Dominican Republic and Dominican exports."

But Arturo Cruz, a Nicaraguan who is a professor at INCAE Business School, said the transition from statist economies to more market-oriented economies that many Latin American countries went through in the 1980s and 1990s "looks like a picnic in terms of the complexity of a Cuban transition."

Not only must Cuba, which began limited market reforms in 2011, unify an awkward dual currency system but it faces many infrastructure and capacity challenges.

"Many are saying in Cuba that there is not nearly enough infrastructure to support a big influx" of U.S. visitors, Torres said.

It's possible the Caribbean could provide entrepreneurial experience and Cuba could import management services and technology from other islands, Bernal said.

As the U.S.-Cuba relationship progresses, Bernal said, "some people think there will a huge sucking sound" as it attracts investment that might have found other regional destinations. Among Cuba's advantages, he said, is its large, well-educated population with somewhat lower expectations than labor forces elsewhere in the Caribbean.

Because of Cuba's difficulties tapping into conventional investment financing, "relations with China will be critical in the short-term," Bernal said.

It is in CARICOM's interest to engage with Cuba. Richard Bernal, Caribbean diplomat.

Rep. Stacy Plaskett, the delegate from the U.S. Virgin Islands to the House of Representatives, said she first became concerned about Cuba and its potential impact in 2008 as Cuba built its relationship with the rest of the world. She said she began asking whether the Caribbean "would become totally subsumed by this large new giant."

The time to come up with a game plan for Cuba that "will allow us to be at the table and support our own economic growth" is now, she said. CCAA members can't allow themselves to be "fighting for scraps when the embargo is lifted."

Given the U.S. electoral cycle, Plaskett said she doesn't believe the embargo will be lifted in the next three years, but Caribbean countries — faced with a brain drain and lack of long-term sustainable growth in many cases — need to be ready.

Read more [here](#).

## FocusON Digital

### Was 2015 the Best Year yet For Hispanic Digital Marketing?

By Lee Vann, Captura Group

With the holidays around the corner and 2015 coming to a close, I took some time to reflect back on what's happened in Hispanic digital marketing. I must say, it was quite a year.

The Hispanic digital marketing industry has evolved exponentially this year as more and more brands realize that to grow, they must win with online Hispanics. As a result, brands are increasing their investments in Hispanic digital marketing, which in turn has sparked innovation and growth across the Hispanic digital industry.

Here are four key trends from 2015:

#### Mobile usage among Hispanics skyrocketed

More data points to the fact that U.S. Hispanics, across segments, are mobile mavens. As I pointed out in a post early this year, if you are targeting Hispanics, you must think mobile first.

Here's why:

- 45% of U.S. Hispanics now use their phones to go online more than they use a computer, compared to only 38% of non-Hispanics
- Older Hispanics skew higher in many mobile activities
- 37% of all U.S. Hispanics adults say they often

use their cell phone while watching television, compared with 29% of non-Hispanics

- 24% of U.S. Hispanics pay for a physical good with their phone vs. 13% non-Hispanics

#### Hispanic e-commerce is surging

To me this is the most important trend in Hispanic digital marketing. Smart brands are investing in reaching online Hispanics and driving them down the path to purchase because Hispanics are more likely to buy online.

- 54.1% of U.S. Hispanics have purchased electronics on a PC vs. 53.5% of non-Hispanics
- 24.8% of U.S. Hispanics have purchased food on a PC vs. 23.% of non-Hispanics
- 18.4% of U.S. Hispanics have purchased personal care items on a cell phone vs. 10.8% of non-Hispanics

The fact that more and more Hispanics are engaging in e-commerce is also having a profound effect on the industry as a whole. As consumers increasingly turn to digital channels to research and purchase goods, brands are better able to quantify the return on their digital marketing investments. This is leading to more investments in digital marketing, which will drive further innovation and industry growth.

#### Hispanic influencer and content marketing is gaining steam

The intersection of content marketing and Hispanic marketing has given rise to a vibrant Hispanic influencer and content marketing industry. As I wrote in July of this year, native advertising is projected to be a \$21 billion industry by 2018 and according to Curata, 76%

of marketers are increasing investment in content marketing.

From a Hispanic perspective, we know that Hispanics are hungry for relevant content and brands that provide it will be rewarded with long-term, profitable relationships. Brands that develop content for Hispanics have a myriad of efficient content distribution options across leading Hispanic publishers and social networks.

In addition, Hispanic influencers are becoming increasingly important when it comes to creating and amplifying brand content and the Hispanic influencer industry is quickly maturing. For instance, Latino influencer network mitú snagged \$15 million in a series B funding round, social influencer software Tapinfluence teamed up with Latina Bloggers Connect and Latina Mom Bloggers rebranded as DiMe Media to expand their reach.

#### Facebook doubled down on digital Hispanics

If you need clear evidence to invest in Hispanic digital marketing, here it is. This year, Facebook continued to invest in their Hispanic targeting capabilities by increasing their Hispanic affinity segment by 2 million people. Today, marketers can accurately target 29.1 million Hispanics on Facebook by language preference. Marketers can overlay this Hispanic data with Facebook's rich insights to target Hispanics by interest, geography, behavior, purchase intent and more. What's more, brands can now leverage Facebook's Hispanic affinity segments to target Hispanics on Instagram.

Having dedicated the past 15 years to Hispanic digital marketing, I must say that 2015 was a one of the best I have seen. I have a feeling that 2016 will be even better!

## Mobile Powers US Hispanics' Digital Activity

By Lewis Camp

US Hispanic population as a whole no longer overindexes for smartphone ownership

At the dawn of the smartphone age, US Hispanics stood out as early adopters. Now that the population in general is converging at a high rate of smartphone ownership, one must look harder to see distinctive aspects of Hispanics' mobile usage. The key is that smartphones still power an exceptionally large portion of Hispanics' overall digital activity.

US Hispanics are well-equipped with smartphones, though they no longer outpace the general population in that respect. And the volume of their usage is large as phones fill an outsized share of their digital day, according to a new eMarketer report, "US Hispanics' Mobile Usage: Relying on Smartphones as Core of Their Digital Lives."

Hispanics who do not have smartphones are the exception. eMarketer estimates that 79.4% of US Hispanics will be mobile phone users by the end of 2015, matching the proportion of the US population in general (80.3%). Among Hispanics who use mobile phones, 71.6% will have smartphones—a bit lower than the figure for mobile users in general (73.8%).

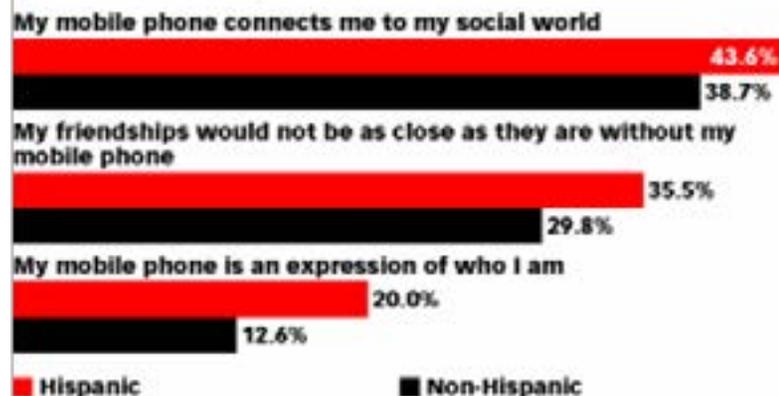
found that Hispanic adult mobile phone owners are a little more likely than non-Hispanic whites to have smartphones—76% vs. 72% of respondents—though less likely than non-Hispanic blacks (79%). Looking at mobile phone users ages 13 and older, Nielsen polling in Q2 2015 found 83% of Hispanics with smartphones, vs. 79% of total respondents.

The enthusiasm of millennials in general for smartphones is fully shared by Hispanic millennials in particular. A June 2015 survey from ThinkNow Research and Sensis identified 96% of Hispanic millennial internet users as smartphone owners.

Read more [here](#).

### Attitudes Toward Mobile Phones Among US Hispanic vs. Non-Hispanic Adults, June 2015

% of adults in each group



Source: Experian Marketing Services, "Spring 2015 Simmons National Hispanic Consumer Study," Oct 22, 2015

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Note that eMarketer's figures are for individuals of any age. Since the Hispanic population includes an above-average proportion of young kids—and since children of any ethnicity tend not to have smartphones—this pulls down the percentage of total Hispanics who have smartphones. The picture shifts a bit in surveys that narrow the age range. An April 2015 Marist Poll in conjunction with MSNBC and Telemundo

### US Smartphone User Penetration, by Race/Ethnicity, 2013-2019

% of mobile phone users in each group

	2013	2014	2015	2016	2017	2018	2019
<b>Non-Hispanic</b>							
—Asian	67.0%	74.2%	76.5%	78.3%	79.7%	80.0%	80.2%
—White	57.5%	66.9%	74.3%	80.1%	84.3%	87.1%	89.5%
—Black	63.0%	70.1%	74.0%	78.7%	80.1%	81.1%	81.9%
—Other*	60.5%	66.8%	72.8%	77.2%	80.1%	81.5%	82.3%
<b>Hispanic**</b>	<b>60.6%</b>	<b>66.8%</b>	<b>71.6%</b>	<b>75.8%</b>	<b>80.2%</b>	<b>81.2%</b>	<b>82.0%</b>
<b>Total</b>	<b>59.3%</b>	<b>67.6%</b>	<b>73.8%</b>	<b>79.0%</b>	<b>82.7%</b>	<b>84.8%</b>	<b>86.5%</b>

Note: individuals of any age who own at least one smartphone and use the smartphone(s) at least once per month; \*includes Native Americans, Alaska Natives, Hawaiian and Pacific Islanders, and bi- and multiracial individuals; \*\*can be of any race

Source: eMarketer, Feb 2015; confirmed and republished, July 2015

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## FocusON Entertainment

### LeBron James Scores \$15M Warner Bros. Investment for Entertainment Studio

*Warner Bros. and Turner Sports are putting millions into the NBA star's Uninterrupted platform as Gronk and others bypass traditional media to become showbiz players.*

By Marisa Guthrie

On July 11, 2014, a few hours after LeBron James revealed in a Sports Illustrated letter that he was “coming home” to the Cleveland Cavaliers, the NBA star was on the Nike jet to Rio for the World Cup soccer final. He confided in longtime manager Maverick Carter that he wanted to create a platform where athletes could speak their minds “uninterrupted,” he said, the same way he did in the SI piece. Six months later, Uninterrupted, self-financed by Carter and James, launched on Turner Sports’ Bleacher Report site as a hub for a series of point-of-view video shorts from athletes.

Now the duo is deepening its partnership with Turner and Warner Bros. The Time Warner companies, led by Warner Bros., have invested \$15.8 million in Uninterrupted with the goal of creating athlete-centric content for many platforms, including mobile, web and social, as well as linear television and film. The venture marks the latest move into entertainment for the NBA star and the further blurring of the lines between sports

and entertainment figures.

James, 30, has been featured heavily in Uninterrupted video shorts, which offer a peek behind the curtain at athletes’ lives away from the game. Others participating include fighter Ronda Rousey, Golden State Warrior Draymond Green of the NBA, tennis champion Serena Williams and New England Patriots tight end Rob Gronkowski (talking about the media’s handling of the NFL’s Deflategate scandal). “It’s giving athletes an opportunity to have a platform where they can speak about any issue,” James tells THR. “They don’t have to wait to be in front of a camera.” Much like Kobe Bryant utilized Derek Jeter’s The Player’s Tribune Nov. 29 to reveal his retirement, Uninterrupted is “giving athletes a way to connect with their fans” without a traditional media intermediary, although the similarities end there.

Carter and James already have a partnership with Warner Bros. through their SpringHill Entertainment shingle, which produces Starz’s Survivor’s Remorse, the Disney XD series Becoming and the recent Victor Cruz documentary I Am Giant, which aired on Showtime. Warners has several other projects in development with SpringHill. Craig Hunegs, president of business strategy at Warner Bros. Television, notes the two deals “blend together.”

“They are speaking to an audience — young men — that we don’t reach easily or readily,” says Hunegs. “When they started sketching out to us what they could do with more investment, it was a no-brainer.”

Bleacher Report is among the most popular sports sites, with 50.7 million unique visitors in October, according to comScore. James already is a social media phenomenon

with more than 63 million followers across platforms, according to HoopHype, exponentially more than the next NBA player, Bryant. Though Player’s Tribune scored a coup with Bryant’s announcement — the site crashed under heavy traffic — there are marked differences between the two ventures. “We’re not necessarily the place where any player can come if they want to break news,” notes Carter, who grew up with James in Akron, Ohio. “We’re very selective on the athletes. We feel that they have to fit a certain criteria. We want athletes who can be insightful, who can speak intelligently and who can be authentic.”

If athletes are prime drivers on social media, their day jobs naturally limit their extracurricular activities. But James is well on his way to forging a successful non-NBA career. It is an example that others are attempting to emulate. “One of the attractive things about the athletes participating in a platform like Uninterrupted is they get to associate themselves and benefit from Maverick and the team — one of whom is LeBron — and some of the expertise they have in talking to their fans,” says Matt Hong, Turner Sports executive vp and general manager. “They also benefit from the scale of a platform like Uninterrupted, which is amplified in a pretty massive way via distribution through Bleacher Report and the Warner Bros. assets.”

Turner Sports will serve as the primary sales arm of Uninterrupted. But Carter and James have brought on several new hires including Jamal Henderson, formerly of PepsiCo’s integrated marketing unit, as president and veteran journalist and former NBA.com writer Jimmy Spencer as head of content. James’ financial advisor, Paul Wachter, was instrumental in the WB deal.

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Uninterrupted will continue to feature first-person video on Bleacher Report. But new projects in development include *Dear Football: The 2015 Elite 11 Story*, a documentary series about the nation's top high school quarterbacks; *5th Quarter Club*, an interview series in which recently retired NBA great Steve Nash interviews other retired athletes; and *The Gronks*, an animated comedy series about the life of the NFL star, who describes it as "a *Family Guy*-type of show." For Gronkowski, partnering with James is invaluable. "He's definitely a role model on brand extension," Gronkowski tells THR. "They're doing an A-plus job."

Uninterrupted is conceived as a platform agnostic content network that will reach fans where they already are — on mobile, web, and social streams. In December, Uninterrupted will release *Striving for Greatness*, a five-episode series featuring James' preparation for his 13th NBA season shot entirely in virtual reality with Oculus and airing on Uninterrupted's Facebook page using the platform's 360-degree feature. Content also will continue to be distributed on the Uninterrupted platform on Bleacher Report, where first-person video will remain core, and Verizon's go90 network. Uninterrupted also has forged a technology deal with Fuisz Media to create, manage and distribute interactive video campaigns, otherwise known as native advertising.

"We're going to be very strategic," says Carter. "We're going to take the content where it can be consumed the best."

*This story first appeared in the Dec. 11 issue of [The Hollywood Reporter](#) magazine.*

## Yes, Music Streaming for Hispanics *Services focus on the mobile-heavy demographic, with curated playlists*

*By Lewis Camp*

It's no surprise that a music streaming service targeting Hispanics has finally launched.

What's surprising is that no one had done it before La Musica, which bowed on Wednesday with a library of 23 million songs and an app available in Spanish or English.

A Hispanic music streaming service makes a lot of sense.

Hispanics make up a quarter of Pandora's streaming audience, according to the service, and 39 percent of all Hispanics report listening to the online radio service in a typical week.

This demo spends more money on music annually than the average person, \$135 versus \$105, Nielsen says, and they are more engaged with artists on social media.

Add to that Hispanics' heavy reliance on mobile to stay connected—84 percent of adults have smartphones—and this seems the ideal audience to target via streaming music.

Pandora has been around for 10 years, Spotify for seven. So why did La Musica take so long?

There's no good answer.

"I think a lot of the services out there look at the market through a single lens," says Jesus Lara, executive vice president of digital media strategy at Spanish Broadcasting System, which is behind the new service.

"It's a big market, there are a lot of players. I wouldn't want



The La Musica interface shows photos of artists that rotate every few minutes while their songs play.

to compare ourselves to anyone at the moment. But where we can have a competitive advantage is our knowledge of the Hispanic market.”

The app is free and will eventually be ad-supported, though Lara notes there is no advertising yet. He says La Musica will target many of the advertisers already on traditional radio, including SBS stations.

Listeners can curate their own playlists or stream live feeds of SBS’s 20 stations across the country.

Lara says the app will default to Spanish or English depending on which language a user’s phone is set to.

The songs are bilingual, too. Lara emphasizes it’s not all Hispanic music. It’s music for Hispanics, which means lots of Latin artists such as Shakira and Marc Anthony and Juanes, but American singers, too, who are popular with young Hispanics.

The app is targeted at Millennials, and it allows them to add La Musica to their social media feeds, so that others can see what songs they’re listening to.

Playlists include everything from songs for a Sunday afternoon to kids’ music to the perfect tunes to crank when you’re heartbroken.

“We thought a lot about the differences between the ways Latinos consume music and how the general market consumes music,” Lara says.

“One difference we identified is that in general Hispanics have a broader portfolio of music preferences. For example, the American country consumer might dwell in pop, but they mostly listen country. It’s similar with hip-hop. Hispanics, on the other hand, have much broader preferences.”

## FocusON Marketing

### Is Hispanic Marketing Dying?

By [Jose Villa](#), Founder and president, Sensis

All industries go through cycles and evolve. Most follow a common trajectory that begins with rapid growth, then slows down, matures and ultimately faces creative destruction (which J. Schumpeter coined the “ultimate fact of capitalism.”) I’ve been thinking about this in relation to the state of the Hispanic marketing industry, as the industry trade association AHAA recently celebrated its 20th anniversary.

#### Not a Growth Industry Anymore

The state of the Hispanic ad business generates a lot of emotional responses, as seen in my January 2011 article, [“2011: The Year of Creative Destruction.”](#) Ask anyone who works in Hispanic marketing for their perspective and you’re likely to get a gloomy response. You’ll hear, “It’s in decline” or “it’s never been harder” or “the future is uncertain.”

#### Is Hispanic Marketing Dying?

A number of indicators point that way.

There has been an appreciable decline in the number and size of Hispanic agencies in the last five years. From the closing of former powerhouse agencies like Bromley, to consolidation of shops like Vidal Partnership and MGSCOMM, the Hispanic ad business seems to be heading in the wrong direction. There are very few mid-sized Hispanic agencies left in some of the

biggest Hispanic markets in the U.S. like Los Angeles, New York and Chicago. A simple comparison of the 2007 membership roster of AHAA shows 93 member agencies compared to only 48 in 2015.

Mergers and acquisitions (M&A) are another gauge for the vitality of an industry. M&A in the Hispanic ad business has dropped off a cliff since its peak in the early 2000s. All the big agency holding companies have Hispanic shops and do not appear to be in the market for Hispanic agencies. The only Hispanic ad agency to be purchased by a major network in the last 10 years was La Comunidad by SapientNitro in 2014. The valuation multiples I hear for Hispanic agencies are pretty low – probably the best indicator of the bearish outlook on the business. The situation is similar in the Hispanic media business.

#### A Growing Market?

Yet the Hispanic population continues to grow and is quickly approaching 60 million and 20% of the total U.S. population. Investment in Hispanic marketing has never been higher. Hispanic ad spend continues to post annual increases, with 12% growth in 2014 following almost continuous year-over-year growth since 2003 (Kantar Media). Hispanic consumers are also generally viewed as one of the most attractive consumer segments in the U.S. with their rising socioeconomic status, large and growing families, and increasing consumer spending.

#### Maybe it’s Maturity

Hispanic marketing has all the markers of a mature industry whether you look at media or ad agencies.

Most of the largest Hispanic advertising accounts are consolidating with a handful of agencies. Of the top 50 Hispanic ad spenders in 2014, 50% of the ad spend is occurring among 27 companies that are working with just seven Hispanic ad agencies. Hispanic ad agency revenue in 2014 paints a similar picture: the top 10 Hispanic ad agencies represent 48% of the revenue generated by the top 50 Hispanic ad agencies (as reported by Advertising Age).

On the media side, TV represents 76% of all Hispanic ad spend in 2014. That media spend is concentrated within eight companies, with Univision, NBC Universal and 21st Century Fox dominating.

## Looking Ahead

Two macro-trends point to further industry maturation:

- The growing trend towards a Total Market Approach by marketers
- The net negative immigration trend among Mexican immigrants

The next five years will likely see more consolidation. Instead of new start-up Hispanic agencies or media companies, we're likely to see something akin to what happened in the African American marketing business – fewer agencies, fewer media companies and the continued move of multicultural marketing out of the silos.

*Post your response and see what others are saying on the [Engage:Hispanics blog](#).*

## News Shorts



Marc Anthony's Magnus Media has launched Magnus Sports with the signing of Cincinnati Reds pitcher Aroldis Chapman. The sports firm is a joint venture with baseball agency Praver Shapiro Sports Management and will be run by Magnus' Michel Vega and Praver Shapiro's Barry Praver and Scott Shapiro.

ESPN relaunched its Spanish-language websites with a mobile-first focus in the U.S. and Latin America last week featuring local ESPN sites for Argentina, Chile, Colombia, Mexico and Venezuela and ESPNdeportes.com, with Spanish-language content for the U.S.



Christy Kranik was promoted to EVP/GM of LatinWorks following the news of President/CCO Sergio Alcocer's departure from the agency. Gabriel Garcia will take on the role of Executive Creative Director.

## FocusON Theater

### How the Success of 'Hamilton' Mirrors the Rise of Obama

*By Aurin Squire*

When President Barack Obama hosted a DNC fundraising concert of "Hamilton" on November 2, it brought the phenom full circle. The hit Broadway musical began as a series of raps that writer-actor Lin-Manuel Miranda performed at the White House under the banner of "The Hamilton Mixtape." The mixture of Hamilton's transformative life story and the stars-and-stripes patriotism of the American Revolution, infused with a hip hop vibe, was a perfect match for a president whose administration was seeking that same balance in tone and policy: multicultural, transformative, patriotic, cool.

The rise of Barack Obama and the runaway success of "Hamilton" essentially tell the same story: The standard narratives of the 20th century are not only dead in the water, but waiting to be cracked open by a new group of artists. "Hamilton" uncannily mirrors the early days of the 2008 Barack Obama campaign, when a grassroots surge pushed him past the staid establishment's pick, Hillary Clinton. Racially homogenous political parties are increasingly uncool, un-American, regressive. The clear message is to evolve or expire, invest in the youth or be left behind. And like the 2008 Obama campaign, "Hamilton" might be both a victor and victim of its own success.

I got my ticket to Hamilton last fall when it was at The Public Theatre, before it secured its record-breaking \$14.9

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million advance in Broadway ticket sales. I'm a playwright ensconced in the New York City theater scene, so it was the first and only time I paid more than \$40 for a ticket. Something told me I wouldn't be able to get tickets once the play's reviews went up. In the run-up to the show, I read the stories about the surge in "Hamilton" fans, heard about how Public Theatre's ticket hotline and website crashed.

On average I see two to four plays a week, which comes out to more than 100 plays annually. I'm lucky if I see a

"change-the-face-of-theater"-type work once every few years. But there was a distinct feeling that this wasn't just a great musical—it was a cultural shift opening up an entire generation of black and Latino people to an artform from which they had been excluded for much of American history.

Wealthy theatergoers are Broadway's SuperPAC donors.

At a playwriting conference earlier this year, a well-respected Pulitzer-Prize winning author was talking about the shock of "Hamilton's" success. This author couldn't

believe it and neither could any of the Broadway insiders nodding their heads in response. To them, this "Hamilton" phenomenon seemed random, like a bolt of lightning. To a black man like me, it seemed like a slow and inevitable erosion of their power.

Broadway and musical theater is a very small market in New York City. Geographically its center of gravity is on the east and west side of Central Park. Demographically it's lily-white and affluent; its median age is in the 50s. Broadway has always been predominantly white and upper class, but 1980s Reaganomics widened the gap even further. Theater tickets, which were once affordable for a middle-class family, became a luxury item that might cost an average worker their entire weekly wage to take their family.

By 1999, "Iceman Cometh" became the third show on Broadway to open with an average price of \$100. In 2001, "The Producers" made history when they offered orchestra seats starting at \$100. Last year was the first time the average price of any Broadway ticket reached \$100. At this point, a theater ticket has a distinct air of exclusivity. Even though most Broadway shows fail, pricing up turns them into a special, elite event.

Marketing theater tickets as luxury items would seem to make sense. Wealthy theatergoers are Broadway's SuperPAC donors—who wouldn't be tempted to sell to a rich demographic with a lot of disposable income? It makes the sales pitch so easy when one size fits most.

The problem is, this market is shrinking, and it doesn't have the same cultural cache as it did 30 years ago, before a huge chunk of the youngest generation was nonwhite and social media-literate. Not to mention that it, predictably,

stifles creativity. A group of privileged theatergoers used to hearing “yes” would rather have their views validated than challenged. When people pay hundreds of dollars for a few hours, they don’t like to be surprised. Outside of occasional aesthetic tricks and celebrity guest stars, there isn’t much room for fresh thought.

What ends up happening is that audiences are underwhelmed and annoyed, while artists who once felt like they could make a difference know they’ve sold themselves out to an ungrateful lot. Instead of fulfilling the ambitious goals of their youth, they pander to people who have the most money.

Sound familiar?

Ironically, *Hamilton*’s inclusivity is so attractive that it has made the show exclusive.

“*Hamilton*,” like Barack Obama, didn’t completely change the paradigm; the show is inoffensive and highly marketable. But “*Hamilton*” is rare in that it’s invigorating a now-stodgy art form that often inspires nothing but cynicism. And it’s doing it not by stealing away those old, white theatergoers, but by attracting new ones altogether.

Think of the 2008 Iowa caucus. Hillary Clinton hired the best strategist to capture the Iowa voter. She poured millions into the state, crunched the numbers to determine the odds. And then a young senator from Illinois came along and crushed her. Obama didn’t do it by competing for the same old, white voters. He merely opened the market by getting more young people to register. This unaccounted-for segment of the population easily overran Clinton’s safe and stable approach.

The key is that Clinton won exactly the share she should

have, but failed to account for new voters. Broadway’s blind side continues to be the enormous and growing audience they don’t consider. Old habits die hard, even when it makes no business sense. And the shock over “*Hamilton*” just shows how many atrophied heads are still in the game.

I remember the famous story (apocryphal or not) of how someone was cleaning out the literary office at McCarter Theatre and found a yellowing copy of “*Rent*” that had initially been submitted to them. This is a musical that has grossed hundreds of millions of dollars; a major institution had first crack at it, but didn’t even bother getting around to reading it. McCarter’s loss ended up being New York Theater Workshop’s astronomical gain. But until McCarter and other theaters realize that not looking at new plays is like throwing away a potential “*Rent*” every year, the revivals will continue. And so will the disbelief over every new “*Hamilton*.”

Ironically, *Hamilton*’s inclusivity is so attractive that it’s made the show exclusive. The very audience meant to see the show is once again limited by the price point as tickets have skyrocketed to \$500 in some cases. There’s a price to pay for being the biggest hit on Broadway, and apparently it’s half your monthly rent.

While this isn’t the fault of “*Hamilton*”’s producers, who are simply offering tickets at the price people are willing to pay, it does complicate the show’s sense of cultural and class diversity. Miranda has battled against this problem by offering free sidewalk mini-performances before Wednesday and Saturday shows in Ham4Ham. Similarly, Obama has had to balance relatively sudden success with being accessible to the constituents who voted him into office. Throughout his life as a public figure, Obama has

battled claims that he’s both a sellout to the mainstream—and a dangerous, radical foreigner.

I remember the sense of impossibility of what Obama was being asked to do and be for America. After getting a haircut in 2008, my local barber distilled the reason why he wasn’t going to vote for Obama into four words: “They’re gonna kill him.” His unwillingness to support the first black president wasn’t because Obama wasn’t worthy or smart enough, but because he feared for his safety. He still believed in white supremacy’s inability to see people of color clearly. There were nods all around the barbershop that spoke to a lifetime of injustice, police brutality, discrimination, and exclusion from normalcy.

Both my mom and I ended up voting for Hillary Clinton in the Florida primary. (It turned out that our vote was merely symbolic: Florida had been stripped of all its delegates because of a rule violation that, once again, highlighted our state’s incompetent electoral process.) Later on, we came around and worked on his campaign, but I can’t help but wonder how much of our reluctance was born out of cowardice—the same assumption of stasis that plagues our theaters. The same expectation of perfection that hinders transformative leaders of both politics and art, even among people like me, who stand to benefit from new paradigms.

Fortunately Lin-Manuel Miranda and Obama decided to ignore naysayers. Neither are perfect, since they’re operating within the framework they’ve been given. But little by little, they’re forcing our nation’s institutions to catch up to a rapidly changing America.

*Aurin Squire is a New York freelance journalist and playwright. In May he graduated from The Juilliard School.*

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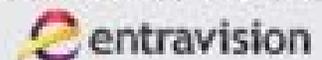
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## FocusON Television

### How Telemundo Nearly Tripled Its YouTube Audience This Year

By Sahil Patel

It's been a banner year for Telemundo on YouTube.

The Spanish-language network's main YouTube channel, which crossed 1 million subscribers over the Thanksgiving holiday, added more than 613,000 subscribers between January 1 and October 31. Over the same period, the channel also generated 460 million views (up 262 percent from the previous year) and more than 3.1 billion minutes in watch time (up 278 percent).

The numbers are more remarkable considering the

YouTube channel only launched in September 2011. Telemundo credits the growth to integrating social into its overall digital programming and distribution strategy.

Three years ago, Telemundo's digital and social teams operated independent of each other. It was then the network decided to merge both teams under its Telemundo Studios division. The task: to focus on how "each show should play out on each platform and in what language," according to Peter Blacker, evp of digital media and emerging businesses at NBCUniversal Telemundo Enterprises.

But what began three years ago has really taken shape in 2015, even as the strategy continues to evolve as new social platforms rise. For instance, today, everyone from showrunners to Telemundo digital programming executives are invested in how show content should live

across platforms. "Every single one of my programming people has to be thinking about all of these platforms," said Blacker.

The approach has really been working on YouTube, where the network aims to enhance its existing TV series by providing additional content. Some TV shows, such as "Caso Cerrado" ("Case Closed") — a sort of "People's Court" style show — have their own channels, which provide show clips as well as original videos exclusive to YouTube. "That's really exciting when you have the show's producers involved, who want to create more content and get more people to become fans of the show," said Blacker.

Elsewhere on YouTube, Telemundo provides similar fan services. For instance, it regularly publishes summaries of its top series in both English and Spanish. It's a catch-up mechanism, but one that serves viewers who are



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highly engaged with the program and just want more content related to it.

Not all YouTube content is built on top of an existing show, either. Telemundo's "Women of Today" channel focuses on women's and lifestyle issues. The network regularly has people contribute "life hack" videos, which it publishes to the channel and occasionally even takes them to other platforms including TV. The network also has a partnership with Mashable to create original Spanish content for YouTube and other platforms.

And it's not just Telemundo's main YouTube channel that is benefiting. Its network, which has 11 channels, also grew this year. Between January 1 and October 31, all channels combined to add 1.1 million subscribers, 761 million views and 4.58 billion minutes of watch time. In total, all channels combine to reach 2 million subscribers on YouTube.

Of course, as other digital video publishers have learned, YouTube no longer has a monopoly on video. Telemundo's evolving social strategy takes this into account.

On Facebook, where Telemundo's main account has more than 7 million fans (57 million fans across all shows), the network is also experimenting with video. But here, Telemundo — like a few other networks — has been partnering with Facebook to generate interest for upcoming programming. The network will either release preview clips or sometimes even full episodes of a show.

"In each case, we have seen strong ratings for the shows that we have offered pre-linear," said Blacker. Overall, Telemundo's main Facebook page generated more than 15.1 million views in October, according to social video

analytics firm Tubular Labs.

Outside of YouTube and Facebook, Telemundo has 6 million Twitter followers, 3 million on Instagram and 67,000 on Vine. All of these platforms are in play for video and other forms of social content.

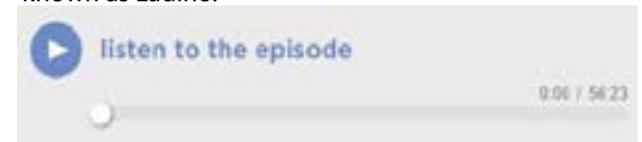
"We need to be where our audience is," said Blacker. "A fan of one of these shows is going to spend a certain amount of time on YouTube, Facebook and other social platforms, and the fact is that they want different things in each of those areas. The good thing is we make so many hours of content that we have this enormous engine to feed it."

## FocusON Radio

### ¡Ay Vey! Being Jewish and Latino

From NPR's [LatinoUSA](#)

Jews and Latinos are often discussed as different categories, but of course there are many Jewish communities across Latin America and some have made their way to the U.S. On this episode of Latino USA, we explore the history of Jewish migration throughout the Americas, hear personal stories of family and identity from Jewish Latinos themselves, and learn about struggle to preserve a fading Spanish-Jewish language known as Ladino.



## FocusON Technology

### Amazon Releases Delivery Drone Video

By Iván Cruz

Amazon seems to be one step closer to revolutionizing the online delivery service with the implementation of its new system for Amazon Prime Air.

The retail giant posted a video in which the future of online shopping is shown with a new model of a delivery drone. Preliminary tests with this delivery drone are already taking place.

Amazon's new commitment is to change the entire system of distribution of goods with drones. These unmanned vehicles are being used by the company of Jeff Bezos to deliver their products.

In the video posted below, it emphasizes that while the situation is simulated, the drone's flight is real. The video shows machinery in Amazon warehouses putting the package inside the drone, which takes off vertically and then flies to its destination.

#### Amazon Prime Air: The New Delivery Drone

The drone weighs about 25 kilos, can fly at 120 meters above ground level and travels up to 19 kilometers. As Amazon noted, it takes about 30 minutes to make deliveries to the buyer's address.

This service will "increase the overall safety and efficiency of the transport system", said the company. It also ensures that in the not too distant future, it will be common to see drones alongside trucks making their way on their delivery routes.



However, the company says that the drones will not start delivering products until they demonstrate "safe operations."

Amazon Prime Air will have a special software to land in safe areas, and will be equipped with sensors to decrease the likelihood of a collision.

Now there are 12 prototypes being tested in Israel, United Kingdom and United States.

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