

## FocusON Netflix

### Netflix Steps Up Production on Spanish-Language Original Series

By Anna Marie de la Fuente

Netflix is in production on two Spanish-language skeins in a bid to boost membership in Latin America: "Narcos," a Colombia-set drug crime thriller co-helmed by Brazilian director Jose Padilha, and soccer-set satire "Club de Cuervos," from the producers of Mexican blockbuster "Nosotros los Nobles."

"We are investing in content that would be attractive to Latin America but would also appeal to viewers across the world," says Netflix communications chief Jonathan Friedman,

The streaming giant recently said it has signed more than 5 million subscribers in Latin America since its September 2011 launch. It's quickly risen to become the dominant subscription video-on-demand service in the market, with the second-largest regional over-the-top service, Claro Video, chalking up an estimated 1 million subs.



Hector Vivas/Latin Content/Getty Images

Given that Latin America claims 66.1 million broadband households, there is massive room for growth. In early February, Netflix announced that it had begun offering the service to Cuba despite the island nation's extremely limited access to broadband and international credit cards.

"The U.S. administration has already lifted controls allowing media

companies to operate," Friedman points out.

"Prices of content went through the roof when Netflix came into the market," says Antonio Barreto, CEO of Digital Latin America, who thinks it's no surprise that some OTTs have failed. "It's a high-stakes game," he says, requiring considerable expense on content and marketing.

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Millennials have shifted the consumer focus from things to own to things to do.

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### As Cuba Opens Up, Cuban-Americans Weigh In

Has the tide turned in Cuban Americans' support of President Obama's Cuban decision? Just over half say yes.



# FOX DEPORTES DELIVERS A STELLAR MLS RETURN



SEASON OPENERS

TOTAL VIEWERS

**+233%**

VS 2011

P18-49

**+291%**

VS 2011



[FOXHISPANICMEDIA.COM](http://FOXHISPANICMEDIA.COM)

Source: NTL Live+Same Day Program averages for 2015 (3/8/15); NHL Live+Same Day Program averages for 2011 (3/15/11-11/6/11). Subject to qualifications

## FocusON Television

### VmeTV Inspires Heart, Hope and Rock & Roll with Documentary 'No Evidence of Disease'

*Music and medicine unite as six doctors form rock band to combat cancer*

Vme TV, the national Spanish-language television network affiliated with public television stations, will broadcast "No Evidence of Disease (N.E.D.)," an award-winning one-hour, life-changing documentary about music, medicine and the struggle for survival produced by Spark Media. The documentary will air on Friday, April 10, 2015 at 10 p.m. E/P.

Stemming from the four words all cancer patients yearn to hear, the documentary tells the all-too-real story of six surgeons who turn into rock stars in an effort to create awareness of gynecologic cancers, a topic that remains largely unspoken today.

"As a broadcast network, we are able to share resources with our viewers across the nation and shed light on significant topics that affect their daily lives," said Doris Vogelmann, Vme TV's vice president of programming. "'No Evidence of Disease'" spotlights a hard-to-discuss disease and focuses on emotional experiences, courage and inspiration in a completely out-of-the-ordinary way."

According to the Center for Disease Control (CDC), each year, approximately 71,500 women in the United States are diagnosed with gynecologic cancer. Moreover, the U.S. Department of Health and Human Services reports that Latinas have the highest rates of

cervical cancer and are more likely to die from cervical cancer than their non-Hispanic white counterparts. A key factor behind this disparity is a lack of screening. Research shows that six in 10 cervical cancers occur in women who have never received a Pap test or have not been tested in the past five years.

"The subject of below the belt cancers remains taboo, despite their increasing prevalence across the country. By broadcasting N.E.D. through Vme TV, we hope to break the wall of silence and truly make noise, to generate conversation among Latinas in the U.S., many of which have rarely or never had a Pap test and may not be aware of the symptoms they should be looking out for," said Andrea Kalin, Director of the documentary.

"No Evidence of Disease" will join the roster of programs on Vme TV's "Chronicles of Our Time" block, an anthology of social and historical documentaries. This block of educational programming focuses on history and inspirational stories, emphasizing that by understanding the past, a better future can be built.



### TV Auction Could Help SBS

The television spectrum auction is still a year away but already some analysts are wondering whether Spanish Broadcasting System could be sitting on a solution to its debt issues. By some estimates WSBS-TV, Miami and KTBU-TV, Houston could fetch \$115 million. That would go a long way to address a highly-leveraged balance sheet that includes \$526 million in total debt.

"We're looking at different options," COO Albert Rodriguez said yesterday on a conference call. "We don't have any specific plans at this time." The company's attorneys and financial advisors have met with FCC officials as they look at the option. But Rodriguez said it is "too early to gauge" whether SBS will take part. "But clearly we are very encouraged by all this," he said.

Under the current \$1.75 billion congressionally-approved plan, the FCC would allow television station owners to give up some or all of the spectrum that's associated with each TV station. But with many outstanding questions about the FCC's incentive auction and repacking of television stations, SBS labels the auction as a "risk" in its regulatory filings. Selling MegaTV stations would require a shift in thinking for SBS, which has positioned the division as a way to leverage its Hispanic radio experience. "Our television business offers attractive cross-promotional opportunities with our radio stations," it tells investors.

One option would be to shift toward a cable network model, such as Radio One's TV One channel. With digital video opening new doors, SBS could also decide it doesn't need to rely on local broadcast signals.

SBS reported weaker fourth quarter revenue at both its radio and television divisions and that pushed the company stock down 9% during Wednesday trading.

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FocusON Provoking

## Where Do the Children Play?

By Michael Henderson, Account Director

Cat Stevens once wrote: "When you crack the sky, scrapers fill the air. Will you keep on building higher 'til there's no more room up there? ... Oh, I know we've come a long way, we're changing day to day, but tell me, where do the children play?"

While his character, political views and approach to life may be up for question, the

song's narrative certainly makes you wonder. With businesses continuing to build, expand and advance our economy, will that same advancement diminish our society? And after all: where will the children, tomorrow's consumer, go?

The baby boomer generation is entering retirement; the shift in consumer purchasing power is happening today. Tomorrow's consumer is here. And unlike their predecessors, this consumer's priorities are not jumbo planes and cosmic trains. With an estimated \$1.3 trillion in spending power, millennials are not spending money on material items, but rather on experiences,

causes and goodwill.

Concerts, festivals, ALS challenge donations, athletic events, travel, Hurricane Sandy crowd-funding and cultural experiences. For this consumer, happiness isn't about possessions or career status, but rather living a meaningful and happy life. It's about creating, sharing and capturing memories through experiences.

So regardless of how high we build, how many roads we construct, how many widgets we ship: If we shift our thinking beyond the material, beyond the possession, beyond the tangible item and we focus on the priorities of this consumer, we will improve our society and give the children a place to play.



## FocusON e-Commerce

### CPG Brands Should Start E-Commerce with U.S. Hispanics

By Lee Van

Despite clear consumer preferences and major digital disruption in other industries, well established CPG companies have been slow to embrace e-commerce. Technology innovations that make online CPG shopping convenient and viable, such as Amazon Fresh, Amazon Dash and Prime Pantry, Peapod and Instacart, are emerging to meet digital consumer demand. The CPG industry is fast approaching a digital tipping point that represents a huge opportunity for early movers and real threat for those that do not move.

#### CPGs can no longer afford to ignore e-commerce

The majority of CPG brands have been slow to implement e-commerce strategies for many reasons. Most importantly is the inherent channel conflict that exists between well established traditional retail relationships and e-commerce relationships that tend to be direct to consumer or with Amazon.com. Large CPGs are also built to support the traditional retail channel and not equipped to support the online channel. AdAge accentuates this point, saying, "No longer is it about promotional spending and free-standing inserts; the e-marketer operates in a world where search is the new shelf space and the online retailer controls the consumer relationship." Smaller brands, who have typically been priced out of obtaining physical shelf space, are leveraging their

nimbleness and tech savviness to gobble up virtual shelf space and gain market share against the larger, established CPG brands.

In 2018, online sales of CPG products will skyrocket to \$35 billion, up from \$8 billion in 2013 according to a report from the Grocery Manufacturers Association. The report states, "Digital's current 1% penetration of the U.S. CPG market will likely expand to 5% by 2018 and could accelerate to as much as 10% soon thereafter." Said another way, digital will account for nearly one-half of CPG growth over the next five years according to the report.

The digital stakes are high for CPG companies and they would be wise to place their bets on online Hispanics.

#### U.S. Hispanics are ideal targets for e-commerce

Much has been published in this column validating the fact that U.S. Hispanics are extremely active online and over-index the general market when it comes to mobile and social media. This passion for all things digital translates directly into online shopping. U.S. Hispanics are more likely to buy online across product categories including consumer packaged goods. In 2013, Experian Marketing Services found that:

- Hispanics shop online at higher than average rates.
- Hispanic smartphone owners are twice as likely as non-Hispanics to say that they are interested in receiving advertisements on their phone and 58% more likely to purchase products they see advertised on their phone.
- Hispanics access social media across multiple devices and are 30% more likely to say that they

are likely to purchase products that they see advertised on social media properties.

- Overall, Hispanics' share of visits to the top 500 retail Web sites tracked by Experian's Hitwise measurement service was 21% higher than the online population in general.

A recent Univision study "The Why Behind the Buy" found that 50% of Hispanics (and 60% of millennial Hispanics) have bought a grocery item online in the past year vs. 40% of U.S. market. The study also found that Hispanics have a thirst for new products that can be quenched online at the click of a mouse. The following data illustrates the importance of new product to Hispanics vs. the general market across CPG categories:

- Shampoo / Conditioner: 58% for Hispanics vs. 24%
- Cereal: 56% for Hispanics vs. 31%
- Refrigerated Juice / Drinks: 56% for Hispanics vs. 31%
- Household Cleaners: 55% for Hispanics vs. 27%
- Yogurt: 54% for Hispanics vs. 32%
- Snacks: 41% for Hispanics vs. 26%
- Candy: 35% for Hispanics vs. 26%

Recent data from Nielsen further illuminate a clear opportunity for personal care brands to target Hispanic men and women online, as they are driving sales in this category and we expect more and more of these sales to move online.

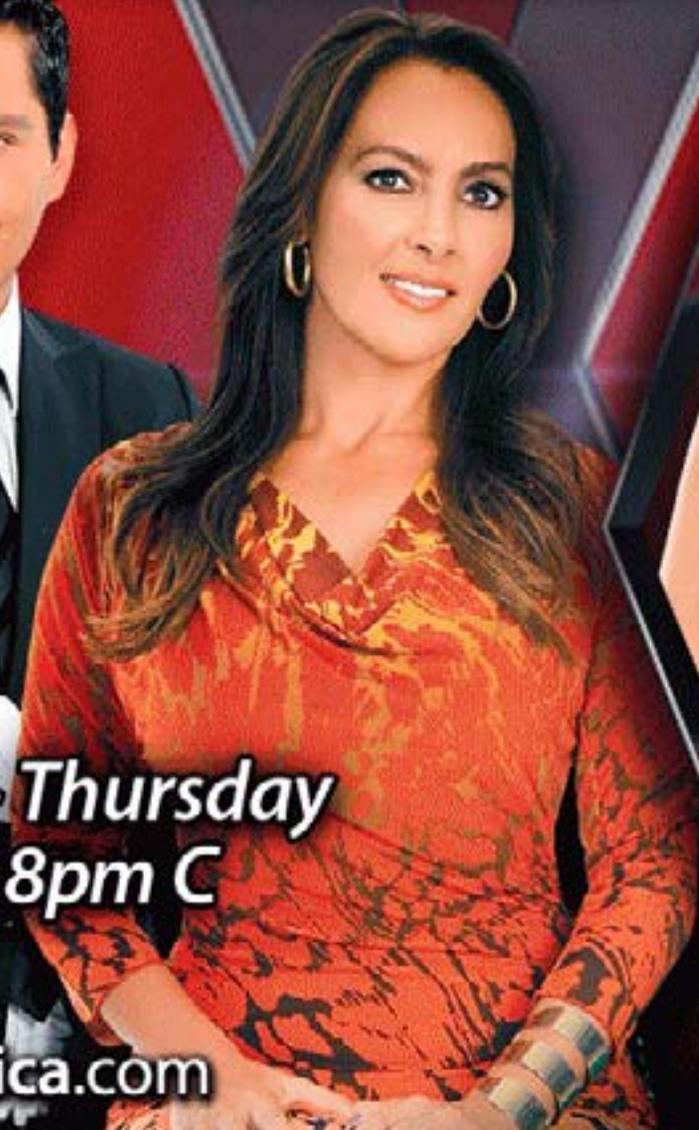
For CPG brands debating what move to make when it comes to e-commerce, we think the right move is with U.S. Hispanics.

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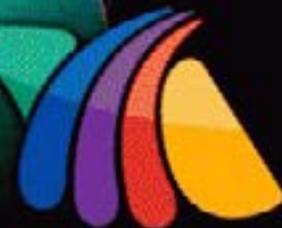


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## FocusON Marketing

### Juan Valdez Café Names Newlink America Agency of Record

*Iconic Colombian Coffee Brand to Position Itself in the US Market*

Juan Valdez Café last week selected Newlink America to position the brand in the US market. This decision comes at an important time of growth for the Colombian coffee grower, given its aggressive international expansion that kicked off with the opening of two destination cafés in Downtown Miami last year and another 60 stores planned to open in the Florida market alone over the next five years.

The international presence of Juan Valdez® currently includes more than 300 cafés in 14 different countries. Miami's recent openings are an important part of the company's strategy to gain additional markets for its premium coffees. Capitalizing on the \$18 billion coffee industry in the US, Juan Valdez, with Newlink's support, also plans to expand across major cities in the US as it appeals to a more discerning coffee consumer.

"We are thrilled to have the opportunity to bring Juan Valdez® Café to the forefront of the conversation in the United States. We know what sets this brand apart and we are eager to share that with American consumers," said Jorge Ortega, managing partner of Newlink America.

## FocusON Radio

### SBS Closes Out Year with Revenues Down

Spanish Broadcasting System reported fourth-quarter revenues down about 3 percent; radio was down 2 percent or \$600K. SBS noted that the declines were due to decreases in national, local, and barter sales, which were partially offset by increases in network sales and special events. National was down in all SBS markets, with the exception of Miami.

For the year, SBS was down \$7.5 million or 5 percent. TV was the hardest hit, down 22 percent or \$4.5 million. Radio net revenues decreased \$3.0 million or 2 percent. Operating income was down year over year, at \$35.3 million compared to \$38.3 million in the prior year.



## FocusON Publishing

### New Magazine to Target Latina "Parents"

"Meredith Corporation last week unveiled Parents Latina, a new English-language magazine targeting U.S. Hispanic millennial moms, one of the fastest growing consumer segments in the marketplace. Parents Latina is the latest enhancement to the Meredith Parents Network, which already includes Parents, FamilyFun, American Baby, and Ser Padres, as well as the digital brand extensions of Fit Pregnancy and Parenting."



Maybe, I'm too old, too sarcastic, too bitter, too out of tune with what's cool & hip, but as much as I agree that this magazine and its general market counterpart "Parents" are targeting primarily mothers, the name is "Parents" as in a couple, as in mom and dad... So shouldn't it be named "Parents Latinos" or at least, "Parents Latino" or "Parents Hispanic"?

Please tell me if I am losing touch with reality...

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## FocusON the Internet

### On the Importance of Net Neutrality for Latinos: Alex Nogales vs. Cesar Chavez?

#### Contents:

- *"We Just Won One of the Most Important Civil Rights Victories of the 21st Century" by Alex Nogales, National Hispanic Media Coalition (March 30, 2015)*
- *"What Would Cesar Chavez Think?" By Rob Atkinson. The Innovation Files (March 31, 2015)*

### We Just Won One of the Most Important Civil Rights Victories of the 21st Century

*By Alex Nogales, President of the National Hispanic Media Coalition*

We just won a historic victory, a critical step towards equality for Latinos in the digital age. Yet many American Latinos are unaware of this win and the tremendous potential it brings for us and our families to achieve full participation in the American Dream: better educations, better jobs, more financial stability and more political power.

No, unfortunately, I am not talking about important and much needed reforms to education, immigration, criminal justice, and the other major issues before us today. But this victory has far reaching implications for the way we leverage our burgeoning political power in these kind of fights in the months and years to come.

So what is this beautiful, mysterious victory? On February 26, the Federal Communications Commission (FCC) voted to adopt "Network Neutrality" rules. These rules prohibit Internet service providers like Time Warner Cable, Verizon and AT&T from blocking certain Internet content or creating Internet fast lanes for a few wealthy companies, and slow lanes for the rest of us.

In addition, the FCC's decision creates a clear pathway for the agency to adopt programs that make home broadband Internet connections much more affordable for the 47% of American Latinos, and the 62% of Spanish-dominant American Latinos, that remain unconnected to this critical resource. The U.S. has some of the most expensive broadband Internet in the developed world - the high cost is a major barrier to getting many American Latinos online - and this decision could decisively alter that dynamic.

From finding a doctor to finding your elected official, Network Neutrality is the key to opening doors. The FCC's Network Neutrality decision ensures that those doors will remain open for Latinos and all Internet users.

### What Would Cesar Chavez Think?

*By Rob Atkinson, one of the country's foremost thinkers on innovation economics*

I keep telling myself that the claims of tech populists about net neutrality could not get wackier, but then they go and say something that makes you realize, "yes they can." Case in point, Alex Nogales, of the National Hispanic Media Coalition, writing this week

If Cesar Chavez were alive, I wonder what he would say. How would a man who risked his life to ensure human and economic rights for millions of Hispanic farmworkers react when he sees the Hispanic rights movement now spending its valuable political capital on a "yuppie" fight that is nothing but symbolism. Let's inject a note of reality. There has never been a case of an ISP blocking political content, from Hispanic organizations or any other organization, and there never will be, Title II or not. ISPs simply have no interest in doing so and if they did the public and political uproar would be deafening.

As to the claim that without Title II there would be slow lanes for Hispanics and fast lanes for rich Anglos, again this is nonsense. If you want a fast lane from your ISP, you the customer - Anglo or Hispanic, rich or poor - can simply spend the extra few dollars a month to buy the faster tier residential broadband service.

Not too long ago the left spent their energies on

“lunch bucket” issues that affected working class Americans - things like the right to unionize, the minimum wage, decent housing, progressive taxation, universal health care, and the like. Now, backed by charitable foundations that should know better, they spend increasing amounts of their time, money and energy on essentially symbolic, feel-good issues that do more for white suburban kids struggling to download illegal content without getting caught than for working class Americans struggling to stay afloat in increasingly difficult economic times.

If the tech populist left, including the National Hispanic Media Coalition, really cared about working class Americans and disadvantaged minorities they wouldn't waste their time on these Yuppie, feel-good digital issues. Rather, they'd spend their time on a real tech progressive issue - closing the digital divide. In 2013, just 56 percent of Hispanic adults were broadband Internet users, compared to 74 percent of White non-Hispanics.

Expanding programs like Lifeline and Linkup to broadband, creating a national computer and broadband subsidy for families with children eligible for free or reduced school lunch programs, and funding digital training programs for disadvantaged communities are the real issues advocacy organizations should be fighting for. Progress on these and related policy ideas would do orders of magnitude more for improving the economic and social conditions for Hispanic Americans that fighting the phony net neutrality war.



## FocusON Leadership

### Latino Leaders Support Bob Menendez



Senator Robert Menendez was indicted last week but a score of leaders in the Latino community and immigrant rights community have come publicly to his defense.

This roundup is not exhaustive

- National Council of La Raza (NCLR)
- Janet Murguia, President and CEO
- Rep. Luis Gutierrez
- Frank Sharry, America's Voice Executive Director
- Rep. Tony Cardenas
- Latino Leaders Network, Mickey Ibarra, Chairman
- Rep. Albio Sires
- League of United Latin American Citizens (LULAC), Brent Wilkes, Executive Director
- United States Hispanic Chamber of Commerce, Javier Palomarez, President
- National Hispanic Foundation of the Arts (NHFA) Felix Sanchez, Chairman
- Hispanic Bar Association of New Jersey (HBA-NJ) Michael J. Plata, President

## FocusON Cuba

### As Cuba Opens Up, Cuban-Americans Weigh In

By *Latinovations Staff*

The Obama Administration's decision in December to normalize relations with Cuba initially sent shockwaves throughout the U.S. and the Cuban-American population that call the States their home, after a half-century hiatus from diplomatic relations. Speculation that the gamble would spur radical outrage has simmered in the face of sensibility, where a slight majority of Cuban-Americans, according to a study presented last week at the University of Pennsylvania's Wharton School of Business, now support a normalization of relations between the two long-standing foes.

The study found that 51 percent now support the diplomatic efforts – up from 44 percent in December. “In the three months since President Obama’s historic announcement, rather than increasing opposition,

the study reveals there is now slight majority support [among] Cuban-Americans for normalization of relations with Cuba,” said Fernand Amandi, principal of Bendixen & Amandi International, a research firm specializing in the Hispanic market and which carried out the poll.

With travel restrictions eased, American companies have already planted a stake in what they see as fertile Cuban soil. Most recently, Airbnb, the popular online lodging service, will now offer over 1,000 properties across the island ready for tourists immediately.



“We believe that Cuba could become one of Airbnb’s biggest markets in Latin America,” said Kay Kuehne, Airbnb’s regional director. “The hosts in Cuba have been doing for decades what we just started doing seven years ago.”

It is precisely business ventures like Airbnb’s that validate the contentious diplomatic decision from the Obama Administration. With the Cuban market ripe for exploration and numbers in support of normalizing relations enjoying an upward trend, the embargo still remains very much in place, but the situation in Cuba, as President Obama had admitted, “no es facil.”

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