

FocusON Cuba

One Step Closer

Leaders of the U.S. and Cuba last week took one more step on the road to full normalization of relations that began in late 2015.

President Barack Obama announced on July 1 that the two countries will open embassies in each other's capitals for the first time in nearly 50 years. "The progress we make today is another demonstration we don't have to be imprisoned by the past," Obama said.

The embassies in Havana and Washington are set to open their doors on July 20. Secretary of State John Kerry announced from Vienna will travel to Cuba to participate in the formal reopening of the U.S. Embassy, marking the first visit by a U.S. secretary of state since 1945.

The president acknowledged that while there are some shared interests, such as anti-terrorism, there remain "very serious differences" on issues including human rights and freedom of speech. There are also matters including the U.S. embargo, compensation for properties taken from U.S. citizens after the revolution, the U.S. base at Guantanamo, migration policy and the return of U.S. criminals who have been given safe harbor in Cuba.



The U.S. and Cuba held four rounds of talks — two in Havana and two in Washington — to reach agreement on the terms for opening embassies and renewing diplomatic ties after Obama and Cuban leader Raúl Castro jointly announced on December 17 that the two countries planned to work toward normalization.

The U.S. broke off relations with Cuba on January 3, 1961 after the relationship between the two countries had steadily deteriorated following the 1959 Cuban revolution led by Fidel Castro.

"When the U.S. shuttered our embassy

in 1961, I don't think anyone thought it would be more than half a century before it reopened," Obama said during the press conference in the White House Rose Garden.

On the morning of July 1, Jeffrey DeLaurentis, the chief of mission at the U.S. Interests Section in Havana, delivered a note from Obama to Cuban leader Raúl Castro restoring diplomatic ties.

Castro also sent a letter to Obama. "We want to develop a friendship between our two nations that is based on the equality of rights and the people's free will," he wrote in the letter, which was read on state-run TV.

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FocusON Commentary

Hispanics & Retirement Planning: A Marketing Perspective

Felipe Korzenny, Director Emeritus of the Center for Hispanic Marketing Communication at Florida State University

Financial services companies in the U.S. have been lured by the promise of the growing Latino market. Many have tried to engage Hispanic consumers with different financial services offerings. Few have succeeded and it is likely that lack of historical and cultural knowledge have contributed to a patchy track record.

Retirement and the family

According to a 2014 study by [Prudential](#) 53 percent of Hispanics compared with 62 percent of the rest of the US population say that saving for retirement is an important priority. Retirement is a culturally derived concept.

Many Latinos still hold on to the value that retirement is a step in life in which they will be supported by the children they raised with so much care. They expect these children to be there for them. Many anticipate retirement as a part of family life during which they will help take care of grandchildren and enjoy their "golden" years in a family environment.

It would never occur to many Latinos that their kids would place them in an institution. The feeling of reciprocity for all they have done for the children is an important element of family trust. This way of thinking is derived from Latin American tradition. As one gets older

new generations take over and assume responsibility for their elders. Thus retirement is not really a completely separate phase in the life of Latinos but a continuation of a way of life.

As Hispanics have generally helped support their children and many relatives and friends during their productive years, they believe these people will do the same for them in their old age. Some are right but many are not as cultural and social norms evolve in the US.

Retirement and country of origin

Many Hispanics have immigrated to the US with the intention of returning "home" to rejoin family and friends. They save for building a home back "home." Their intentions are to return but the dreams of return often become frustrated by the difficulties back "home," and by their children's integration in their new society. The dream of going back "home" turns out to be a dream after all. Many of these US born children share partly in the love for the country of origin of their parents but feel mostly at home in the US. This is a struggle of generations and of frustrated dreams. Retirement back home is elusive.

Retirement and debt

It is generally known that Latinos are averse to debt. This tendency has deep cultural roots that may trace its origin to the Arabic belief that lending and debt are taboos. The notion of only spending what you have is deeply embedded in the culture. Only buying what you have the money for appears to still be prevalent among many.

This tendency stands in the way of saving for retirement

as many Latinos prefer to spend their current assets as opposed to using them in the future. If these Hispanics believe that buying retirement is an important immediate goal, then they may be willing to accumulate savings for their future retirement. The incentive, however, for saving for retirement is not strong as long as they believe their family and friends will be there for them when they need it.

Retirement and saving behaviors

The Prudential study referred to above documents that pension plans and savings in general are less popular among Hispanics than among the rest of the population. For example 19 percent of Hispanics report having an Individual Retirement Account compared to 39 percent for the rest of the population.

Lack of savings and participation in pension/retirement plans has to do with lack of resources, lack of education and information, and mistrust in these plans and programs. As the affluence of Hispanics increases over time, their participation in savings and retirement related products will increase but they need to be educated and informed about these plans. They must trust the institutions and those who sell the products.

What can marketers do?

As we indicate in our book "[Hispanic Marketing: Connecting with the New Latino Consumer](#)" sales personnel who understand the culture and are proactive in reaching out to Hispanics are likely to succeed. These sales people or agents can have a powerful influence in how future generations of Latino retirees fare in their advanced years.

1. Agents must become aware of the cultural barriers and sincerely involved in the Hispanic community in order to establish trust and engagement. If Hispanic consumers feel they have a true ally they will be willing to listen and purchase a savings product. Not only that but these consumers are likely to spread the word among their friends and relatives about the quality of the agent.
2. Agents need to be more personally involved in establishing relationships, going to homes, spending time with families, listening to needs, and genuinely trying to solve felt problems of their Latino customers.
3. Agents need to spend time understanding the cultural nuances of these consumers and attempting to learn basic concepts in Spanish. While the Spanish language may not be as fundamental for communication now as it was a few years ago, it still has strong emotional connotations that will more readily communicate the importance of savings and how life is changing for Latinos in the US. The agent is as good as s/he can empathize with the Latino consumer.

Overall, there is ample opportunity for marketers of financial services to serve the Hispanic population. The opportunity will only grow. Establishing a foothold in the community is fundamental for future product and brand growth, but more importantly to assist Latinos with their retirement needs. These needs will only grow as the population ages.

The moral of the story is: *Cultural knowledge and trust lead to success.*

FocusON Television

Univision Files for IPO

Univision Holdings, Inc. has filed for an initial public offering of Class A common stock in the U.S.

The number of shares that will be offered as well as the price range for the offered shares has not yet been determined, but the proposed maximum offering size has been announced at \$100 million.

The company, which owns the Spanish-language television networks Univision, Galavisión, UniMás, and the bilingual, millennial-focused Fusion, as well as Univision Radio Network, plans to list its shares on either the New York Stock Exchange or NASDAQ under the ticker, UVN.

Univision, who has exclusive long-term broadcast and digital rights to most of Grupo Televisa's programming within the U.S., has also extended a broadcasting agreement with the company from its current expiration date of 2025 until "at least" 2030.

Under the new agreement, Televisa, one the company's top investors, will hold about 22 percent of the voting rights of Univision's common stock. Univision's list of investors also includes Madison Dearborn Partners, Providence Equity Partners, Texas Pacific Group, Thomas H. Lee Partners, and Saban Capital Group.

Morgan Stanley, Goldman Sachs, and Deutsche Bank Securities are among the underwriters of the IPO, Univision said recently in a filing with the U.S.



Robyn Beck/ AFP/Getty Images

Securities and Exchange Commission.

At this moment, Univision finds itself in a feud with Donald Trump, the presidential candidate and former business partner of Univision who depicted Mexican immigrants as "rapists" and "drug-dealers" in a recent speech. Univision CEO Randy Falco cut ties with Trump in an effort to continue to "proudly serve as the voice of Hispanics."

While other television networks are struggling to keep their audiences from switching over to online-TV streaming services, Univision's financial state continues steadily. The company generated \$2.9 billion in full-year fiscal 2014 revenue, an increase from \$2.6 billion in 2013 and \$2.4 billion in 2012.

Additionally, studies on Hispanic population growth report that these numbers could soar even higher. Currently, there are more than 57 million Hispanics in the U.S., comprising 17 percent of the U.S. population. By 2030, those numbers are expected to jump to 77 million and 22 percent, respectively.

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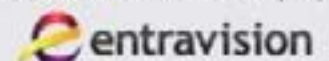
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Companies Continue To Dump Trump

Republican presidential candidate Donald Trump has experienced quite a backlash following the inflammatory remarks he made about Mexican immigrants a couple weeks ago.

The real-estate mogul has lost multiple partnerships with companies who have decided to distance themselves from Trump in response to his derogatory statements.

The first company to sever business ties with Trump was Univision, the largest Spanish-language television network in the U.S., who was unimpressed by Trump's remarks and canceled its planned broadcasts of the Miss USA and Miss Universe pageants, which Trump co-owns. Both originally scheduled co-hosts, Roselyn Sánchez and Cristián de la Fuente, and Columbian pop singer J Balvin also cancelled their appearances at the pageant, upset that, "such an important institution as Miss USA is now in the hands of a clown."

Trump responded to Univision with a multi-million dollar lawsuit, suing the network for \$500 million, calling Univision's cancellation of the pageants "a politically motivated attempt to suppress [his] freedom of speech under the First Amendment as he begins to campaign for the nation's presidency." Trump also banned all Univision employees from using his golf courses in Miami, Florida, where Univision is headquartered.

Univision, however, labeled these lawsuit claims as, "both factually false and legally ridiculous" and states that the company, "will not only vigorously defend the case but will continue to fight against Mr. Trump's ongoing efforts to run away from the derogatory comments he made Our decision to

USA or Miss Universe pageants, and that although they will continue their running of the show The Apprentice, Trump will not be hosting, a role that he has played for more than a decade. "Respect and dignity for all people are cornerstones of our values." NBC executives said in a statement.



Steve Sands/Getty Images

Trump, who has now lost business partnerships with not one but two major television networks, responded by saying that, "If NBC is so weak and so foolish to not understand the serious illegal immigration problem in the U.S., coupled with the horrendous and unfair trade deals we are making with Mexico, then their contract violating closure of Miss Universe/Miss USA will be determined in court."

The presidential candidate's troubles do not end there, however. Grupo Televisa SAB, one of the world's largest Spanish-language media companies, and Ora TV, a network controlled by Mexican billionaire Carlos Slim, have hopped on the Trump-shaming bandwagon as well.

"Mr. Trump hasn't demonstrated understanding or respect toward

Mexican migrants and has offended the entire Mexican population," Televisa said in a statement. Additionally, the company, which owns the Mexican pageant that works with Miss Universe, said it would not be sending a Miss Mexico contestant this year.

Ora TV's chairman Arturo Elías Ayub, who recognized

end our business with Trump was influenced solely by our responsibility to speak up for the community we serve."

Following Univision's lead was NBCUniversal, who announced that it will also no longer air the Miss



Trump's close-mindedness, states that, "Trump's comments are racist. At Grupo Carso, (Slim's holding company) we are 100 percent inclusive, we respect all people, we respect all sexes, races, religions and nationalities. Trump does not think this way. It is difficult to work with a person that does not share our values."

The latest company to dump Trump is Macy's, which sold items from the Donald J. Trump Collection in its stores. The U.S. department store chain's announcement followed a MoveOn.org petition urging Macy's to "Stop doing business with Donald Trump, [an open, public bigot] NOW!" that collected close to a million signatures.

Following the company's decision to cease carrying Trump's collection of men's clothing and jewelry, as well as his line of bottled water and Empire by Trump fragrances, Trump urged a boycott of Macy's, tweeting, "For all of those who want to #MakeAmericaGreatAgain, boycott @Macys. They are weak on border security & stopping illegal immigration."

Despite the ongoing feud, Trump defends his actions. "Nothing that I have stated was different from what I had been saying for many years," he said in a statement posted to Instagram. "I want strong borders, and I do not support or condone illegal immigration. There is a high level of crime occurring in this country due to unchecked illegal immigration."

New Initiatives from El Rey

Latino-focused cable channel El Rey Network last week unveiled The People's Network, a new digital platform for aspiring directors, writers, and creators to showcase their talents.

Partly owned by filmmaker Robert Rodríguez, El Rey is an English-language network based in Austin, Texas that targets Hispanic audiences, The People's Network targets all U.S. viewers.

With the ultimate goal of bringing unrecognized creators to TV, The People's Network is beginning with the "Epic Summer Movie" poster contest. A partnership with Corona Extra, this contest asks fans to design, "the ultimate movie poster, reflecting how they embrace summer in the most epic way."

As a filmmaker who knows the struggles and hard work it takes to get a "big break" in Hollywood, Rodríguez says that he is, "honored to be able to provide such an incredible platform for makers and jumpstart their careers with such an innovative challenge. When I started out, I didn't have this kind of support and by mentoring artists through 'The People's Network,' I have a chance to give back."

The deadline to enter the contest is August 9; submissions can be turned in at www.elreynetwork.com. The winning artist, who will be featured in an original vignette both on-air and online and receive a trip for two to Cancun, Mexico, will be announced in late summer, 2015.



Kurt Volk, El Rey Network's creative director, states that the long-term goal of The People's Network is, "to be able to tap into this emerging talent and bring them on-board and collaborate with us on our original content – content that goes on the air. It's talent development, you could call it that... We want to reach people who aren't in the middle of Texas."

El Rey Network is jointly owned by Rodríguez and FactoryMade Ventures, with a minority stake held by Univision Communications. The network distributes reality, scripted and animated series, movies, documentaries, news, music, comedy, and sports programming, and frequently features Hispanic producers, celebrities, and public figures.

FOX DEPORTES DELIVERS A STELLAR MLS RETURN



SEASON OPENERS

TOTAL VIEWERS

+233%

VS 2011

P18-49

+291%

VS 2011



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

FocusON Digital

MiTú Network Partners With Discovery U.S. Hispanic

The MiTú Network, a media company providing digital content to U.S. Latino audiences, is expanding its relationship with Discovery Communications' U.S. Hispanic division.

This new multiplatform deal allows MiTú to deliver "culturally-relevant" content in both English and Spanish to Latino millennials via the social platforms they prefer such as YouTube, Instagram, Facebook, Snapchat, Vine, and Pinterest, among others.



"We are thrilled to team up with MiTú and build on their incredible success with millennial Latinos in the digital space and bring their widely followed talent to our networks," says, vice president of content for Discovery Networks U.S. Hispanic, Angela Recio Sondón. "This development agreement allows us to jointly super-serve our multi-screen audiences with relatable and high quality content and storytelling and offers our clients innovative solutions for branded entertainment stemming from our combined expertise and creativity."

Following the success of the two series MiTú produced for Discovery Familia in 2014, *Gurús de Belleza* and *Casa Linda*, the deal includes programming that will premiere on Discovery en Español as well as Discovery Familia.

"Partnering with such a respected brand as Discovery is a great example of MiTú's ongoing mission to provide our audience with compelling, culturally relevant content wherever they are," says Beatriz Acevedo, president and co-founder of MiTú. "We develop our digital content based on data and insights and are excited to roll out these new formats featuring MiTú talent that has been previously incubated on our MiTú platform."

Arriba/Abajo

Lisette Rodríguez resigned her post as senior vice president of public relations and marketing firm DeVries Global to launch her own U.S. Hispanic public relations agency, **Chic Influence**.

"Hispanics are leading the charge when it comes to spending power and influence, so let's challenge the status quo and put U.S. Hispanic consumers first when developing strategic marketing plans for our new diverse marketplace," says Rodríguez. "We also want to bridge that gap with 'general market' media and have our clients featured beyond Hispanic media."

Headquartered in New York, Chic Influence opened its doors with two clients already on board - Being Latino, a social media marketing company that targets Hispanic millennials, and Gabriel Samru, a celebrity hairstylist and makeup artist.

"There are amazing brands and personalities with Hispanic roots who are influencing mainstream consumers and deserve to be a part of the larger American media landscape," says Rodríguez, who has more than 10 years of experience in the U.S. Hispanic market within the beauty, lifestyle, retail, finance, gaming, and non-profit industries.

She points out that diverse audiences are now influential trendsetters in the mainstream market, yet there is still a broad gap when it comes to seeing culturally-diverse experts, businesses and celebrities in those media outlets.

Prior to establishing Chic Influence, Rodríguez started DeVries multicultural practice, and previously held positions at The Axis Agency and República.

FocusON Agencies

Burson-Marsteller Focuses On Cuba

Burson-Marsteller is preparing to launch the Burson-Marsteller Cuba Specialty Team.

The new U.S.-based venture will provide clients with strategic counsel on the political and economic environments in both the U.S. and Cuba. Experts will also offer advice and guidance in planning for and communicating effectively about an eventual Cuba market entry.

"The Obama administration's decision to reinstate diplomatic ties with Cuba, and the evolving regulatory situation, make clear there will be significant opportunities for many enterprises in Cuba," said Donald Baer, Burson-Marsteller's CEO. "To take advantage of those opportunities successfully, organizations will require counsel that provides comprehensive expertise about this evolving

market."

The Burson-Marsteller Cuba Specialty Team provides a varied portfolio of services including real-time analysis of U.S. government policy developments and strategic communications planning and execution, including digital and social media outreach.

Ramiro Prudencio, CEO of Burson-Marsteller Latin America, will lead the Cuba Specialty Team. Headquartered in Miami, it will include professionals from various Burson-Marsteller affiliated firms. This includes grass-roots communications firm Direct Impact and public-opinion research firm Penn Schoen Berland (PSB).

"Burson-Marsteller has a long history of supporting clients on complex, cross-border issues in Latin America and across the world," said Prudencio. "This new team will apply a multi-disciplinary approach to help clients plan and execute effectively for what is a unique opportunity to build business in Cuba, consistent with US regulations."



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