

THE EVOLUTION OF HISPANIC MARKETING

ahaa at

10

Celebrating
Our Past,
Present & Future:
Taking Our
Industry to
New Heights

CONGRATULATIONS

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on ten years of growing,
strengthening, and
protecting the Hispanic Marketing
and Advertising industry.



UNIVISION

Una Decada

Time—measured in seconds, minutes, hours, days, months, years. Regardless of how we quantify a sequence of events and the intervals in between them, most would agree that time seems to pass all too quickly. And the visionaries in U.S. Hispanic marketing who 10 years ago gathered to discuss how collectively agencies could enumerate the Hispanic market potential to corporate marketers, feed the professional needs of emerging talent and create a community of sharing to enable the industry to flourish, would agree.

It seems like just yesterday that the Association of Hispanic Advertising Agencies was born out of that passion that took root 10 years ago and today has grown to 100 agencies strong representing 98% of the Hispanic marketing firms in the U.S. and more than \$5 billion in Hispanic advertising spending. The narratives that follow capture the dedication and zeal of industry pioneers, as well as the commitment of current and future leaders to the expansion and evolution of a respected trade. In this special section, AHAA celebrates significant industry milestones through the contributions of many and salutes the allegiance of those to come who pledge continued excellence.

These pages chronicle highlights of the last decade, as well as showcase AHAA members and leaders who were influential in shaping Hispanic marketing during that era. It's a reflection of the past that will help guide the future. But Hispanic marketing is steeped in a rich history spanning more than 80 years and, to ensure that industry history lives on in the hearts and minds of each generation, a repository of donated memorabilia, ads, documents and interviews is being established in the AHAA Archives of Hispanic Marketing housed at the Library of American Broadcasting, University of Maryland.

What will the next 10 years bring about in U.S. Hispanic marketing and AHAA? Time will tell. But the power of the U.S. Hispanic consumer is undeniable, and the nearly \$1 trillion in U.S. Hispanic spending will lure corporate marketers to explore opportunities to connect with this complex and sophisticated market segment. U.S. Hispanic marketing is thriving and delivering unprecedented shareholder value. For marketers waiting to invest in Hispanic consumers, time is ticking. For AHAA and its community of members, there is no time like the present.

AHAA extends its gratitude to everyone who made this special section possible, including the many advertisers and supporters of AHAA. Thanks to everyone for a prosperous first 10 years, and cheers to decades of success on the horizon.

¡Enhorabuena!

Association of Hispanic Advertising Agencies

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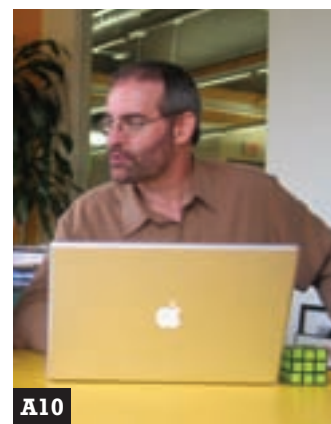
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Left: Jessica Pantanini; middle: (front, left to right) Jackie Bird, Rochelle Newman-Carrasco, Daisy Expósito-Ulla, Laura Marella, Patricia Gaitán; (back, left to right) Alex López Negrete, Carl Kravetz,

AHAAA AT 10: BUILDING FOR THE FUTURE

When the Association of Hispanic Advertising Agencies was born, Hispanic marketing was fragmented, with companies unsure how to reach this key audience. Today, through the efforts of AHAA and its members, the industry is thriving—and growing stronger all the time.



Ingrid Otero-Smart, José López Varela, Manuel Machado, Horacio Gomes; and right: Luis Miguel Messianu.

EDUARDO CABALLERO HAD BEEN RECRUITED to encourage his Hispanic agency colleagues to find a better way to work together on behalf of the Hispanic market.

Time after time, he found the same problem: Hispanic agency chiefs were so competitive and protective of their accounts that they were reluctant to sit together in the same room. Mr. Caballero, then CEO of the country's largest Spanish-language radio rep firm, realized the bigger dilemma: "We needed an organization to work for the betterment of the industry, to do something that would promote the value of the Hispanic market."

In 1996, Mr. Caballero organized a meeting in Dallas. "I sent all the Hispanic agency presidents a letter and told them they needed to come to this meeting," he says. When the agency heads didn't respond, he began phoning them.

Faced with Mr. Caballero's persistence, the executives capitulated, and 40 of them showed up in Dallas in May 1996. By the end of the day, the Association of Hispanic Advertising Agencies was born. Its first chairman was Héctor Orcí, chairman of La Agencia de Orcí & Asociados, Los Angeles.

Today, as it wraps up its first decade, AHAA has undergone tremendous growth, from the dozen or so agencies represented at that organizational meeting in Dallas to 100 agency members, increasingly diversified by ownership and specialization.

At the same time, AHAA has seen an amazing change in its market:

- Hispanics, foreign- and native-born, made up 14.5% of the U.S. population in 2005, according to the Pew Hispanic Center and the U.S. Census. In just five years, from 2000 to 2005, the Hispanic population grew an amazing 21.5%.

- Of the 42 million Hispanics in the U.S. today, 60%, or 25 million, are U.S.-born Latinos, according to the Pew Center, with an average age of 13.

- The U.S. population hit 300 million late last year. Of the 100 million Americans added in the past 30 years, the largest segment, 36%, is of Hispanic origin, Pew estimates.

- Hispanic agency billings have zoomed from \$500 million when AHAA was started to more than \$5 billion today. 2006 billings in Spanish media totaled \$4.9 billion, up 16% from 2005, according to TNS Media Intelligence.

While the 2000 U.S. Census data on Hispanic population growth got everyone's attention, by then AHAA had already been working successfully for five years on its primary mission: to raise awareness of the size, importance and potential of the Hispanic marketplace among U.S. advertisers.

"Ten years ago, everyone was quoting a different source on the Hispanic

population and the population growth. Within client companies, the discussion of this market had not gotten as high as the chief marketing officer, let alone the CEO," says Alex López Negrete, president-CEO of López Negrete Communications, Houston, and a former chairman of AHAA. "We had to put ourselves on the map, not just as an association but as a segment—to prove that Hispanic marketing was for real. Our job was broad; we had to unify the industry."

Over the past 10 years, AHAA has used a variety of initiatives to do all three things: establish its association, promote the Hispanic market and unify its agency membership.

For example, AHAA has tried to be a clearinghouse and an advocate for much-needed research on the U.S. Hispanic market. When AHAA board member Rochelle Newman-Carrasco started in Hispanic marketing in the early 1980s alongside industry pioneer Pedro Font, she recalls physically taking clients into Hispanic neighborhoods to show them the potential market. "There was no research, there were no numbers," she says. "We had to show them what we were talking about."

AHAA routinely surveys its own membership on Hispanic marketing numbers and trends. It also works with leading research companies to procure better numbers on the Latino population. As part of its current Latino Identity Project, for instance, AHAA is working with leading consumer research firms, including Simmons Market Research, to make sure Latino identifiers are included in its surveys.

Uniting the industry

Calling Hispanic agencies to work together on public service initiatives such as the 2000 "VOTO" campaign unified the industry and drew attention to the importance of the Hispanic voter in America.

"'VOTO' was a way to show the power of our industry and that, with good strategic messages, you could motivate Hispanics' behavior," says Daisy Expósito-Ulla, partner and chairman of d expósito & partners, New York, who made public service campaigns a focus of her AHAA chairmanship. "Public service campaigns like 'VOTO' and 'FuturaMente' were a great way for AHAA to show the power of the marketplace. Now look at the number of political candidates who employ a strategy to reach Hispanic voters."

Promoting creativity is another important goal. Partnering with Crain Communications Inc. eight years ago for the *Advertising Age* Hispanic Creative Advertising Awards focused attention on the increasingly sophisti-

THE LATINO IDENTITY PROJECT: UNDERSTANDING A MARKET

By Julie Liesse

When explaining the nuances of Hispanic marketing to his clients, Gustavo De Mello of Chicago-based Lápiz USA sometimes gets personal. He profiles one of his friends.

She speaks Spanish at home, goes to Mexico three times a year, wants to marry a Latino, goes to church every Sunday and watches novelas, or Spanish-language soap operas. Clearly, she fits the description of what Mr. De Mello, VP-director of strategic planning at Lápiz, calls "an unacculturated Hispanic" individual.

Mr. De Mello continues by describing a Hispanic who fits the definition of "acculturated," someone who is fully "American": She is fluent in English, makes more than \$100,000 a year, has a graduate degree and is a woman living alone.

The punch line? Both examples are the same woman.

Mr. De Mello's example illuminates the changing nature of the Hispanic population in the U.S. and speaks to what the Association of Hispanic Advertising Agencies calls the emerging Latino identity of that population: complex, multifaceted and perhaps as fragmented as the general market.

AHAA's new hypothesis is that Latino cultural identity is not confined to language and acculturation. Those factors have a role, but it is only a supporting role. Rather, at the heart of Latino identity is a set of complex, adaptable, intricate and interrelated values that changes through time according to the environment and external stimuli.

It used to be that, *continued on page A8*



Clockwise from top: Gary Bonilla; top right: (left to right) Joe Zubizarreta, Michelle Zubizarreta, Gene Bryan and Tere Zubizarreta; lower right: Jackie Bird; lower left: Carlos Carrasco (left) and Alex López Negrete,

ated work being done all over the country. "AHAA has accomplished something very important: for people to recognize that the market is there and it can be very well-served by highly professional people," says Mr. Caballero. "The creative part of the Hispanic ad agency industry is magnificent. We don't have to accept dubbed commercials anymore. We don't have to accept advertising that is culturally wrong."

A byproduct of that increased respect for Hispanic creative has been new consideration from young Latinos making career decisions.

"There are Latino kids here who said they didn't want to work in Hispanic marketing," says Ms. Newman-Carrasco, co-chairwoman-president of Enlace Communications, Brentwood, Calif. "If your last name is Gonzalez, you don't want to be forced into working in the Hispanic market. But there also was a stigma because the work was starting to get a bit hokey; our creative product didn't evolve with the market.

"But now that is changing. The work our agencies produce is world-class, the use of music is better, and the agencies are run by cool people with contemporary credentials. Young Hispanics are into being Hispanic."

AHAA also has taken a public stand on issues key to U.S. Hispanics,

agencies continue to work on Latino campaigns no matter what the language, another part is helping clients realize that in many areas of the U.S., the Latino market is the general market—and that Hispanic agencies should be considered for general-market assignments as well.

Creative Civilization is the agency of record for the National Basketball Association's San Antonio Spurs. "We are not the Hispanic agency of record—we are the agency of record," says Al Aguilar, chairman of the San Antonio, Texas, agency. "One day the dust will settle. Hispanics will emerge as natural leaders of the total market. Why not start now?"

Many of the original members of AHAA take pride in watching their protégés move into leadership positions throughout the U.S. marketing and advertising business.

"Hispanic marketing is no longer a test strategy, it's a must. AHAA's role is to make sure that business imperative is clear and understandable."

whether it be the current immigration debate or the ongoing discussion of the role of English and Spanish in the lives of U.S. Latinos.

"Leadership is one thing I am so proud of AHAA for over the past 10 years," Mr. López Negrete says. "We always are tackling the tough stuff—and, in the process, helping to grow and defend our industry and position our industry with the people with the budgets."

Latino Identity Project

AHAA's Latino Identity Project, launched in September under the leadership of current Chairman Carl Kravetz, chairman-chief strategic officer of cruz/kravetz:IDEAS, Los Angeles, may be its most critical initiative to date. Its goal is to address the changing demographics of the U.S. Hispanic population by examining the emerging Latino identity of young U.S.-born Hispanics, who are largely bilingual. Its position is that this new Latino consumer needs to be addressed by executives who understand the market—whether the advertising is in Spanish or in English.

"Hispanic marketing is no longer a test strategy, it's a must," says José López Varela, vice-chairman of AHAA and CEO of AND Communications, Coral Gables, Fla. "AHAA's role is to make sure that business imperative is clear and undeniable: The future of your business depends on a successful relationship with this Latino consumer. That means you need to understand Latino identity. But a corporation has to have a commitment to Hispanic marketing at the very top level. The CEO has to see it as part of the agenda for his corporation. And it has to be a money conversation, not just a politically correct conversation."

While part of AHAA's current focus is making sure that Hispanic ad

"One of the biggest legacies I have are the people who came through the doors of The Bravo Group," says Ms. Expósito-Ulla, who ran WPP Group's The Bravo Group for more than 20 years. "I now look, and people who were account people or creatives in our agency are in brand management at the biggest client companies in the world, like Unilever, Verizon, Wrigley. Some have started their own businesses.

"Now more than ever, clients realize because there is a new America in which Hispanics are playing a much bigger role, there is a need for smart professionals who bring that Hispanic cultural insight."

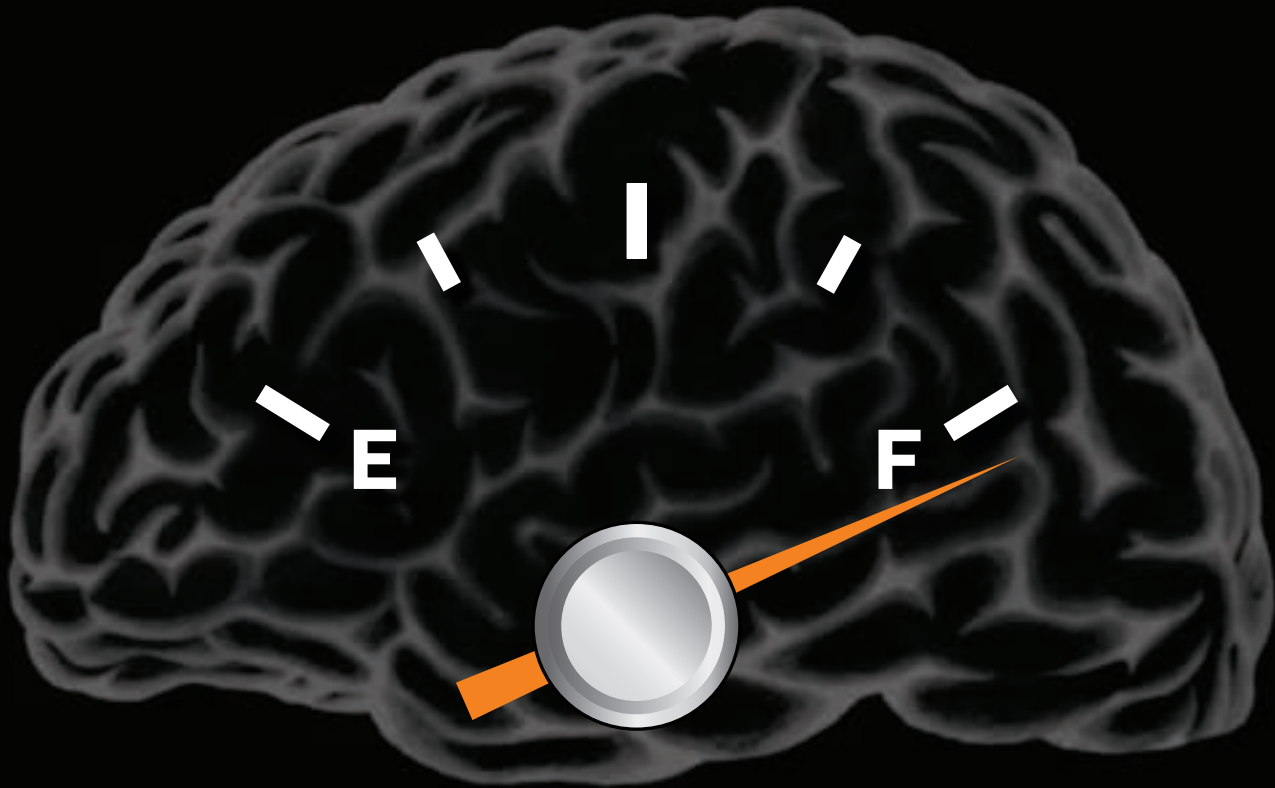
As its leaders look forward to the next 10 years, AHAA's initial *raison d'être* remains unchanged. Says Laura Marella, AHAA treasurer and senior VP-chief growth officer, Casanova Pendrill, Costa Mesa, Calif., "The real benefits of AHAA come from our elevating the discussion of Hispanic marketing to the boardroom. That is our job: to continually tell clients to give us a seat at the table."

Incoming AHAA Chairwoman Jackie Bird, president-CEO of Winglatino, New York, says that in addition to providing basic member services such as professional development and networking opportunities, "The role of the association will always be, in the broadest terms, to stimulate the growth and dynamics of the Hispanic ad agencies and community.

"As the Hispanic market continues to grow, within that we have a very clear strategic plan to ensure that the industry continues to look at us as the leaders in thinking and business development of the Hispanic market—that clients know our agencies are the sources of the most dedicated understanding of this market and of what makes a campaign work or not." ■

TIME LINE

- 1996:** At Eduardo Caballero's invitation, agency heads meet and form AHAA.
- 1997:** First meeting takes place in Cancún, Mexico.
- 1998:** Héctor Orcí becomes first AHAA chairman.
- 1998:** Eduardo Caballero receives first AHAA Lifetime Achievement Award.
- 1999:** "VOTO" pro bono campaign launches.
- 1999:** First *Advertising Age* Hispanic Creative Advertising Awards Gala.
- 2000:** First edition of the "Standard Directory of Hispanic Advertising Agencies."
- 2000:** Membership reaches 50 agencies.
- 2001:** "FuturaMente" pro bono campaign launches.
- 2002:** AHAA releases landmark "Right Spend Study," first look at America's corporate spending trends in the Hispanic market.
- 2002:** AHAA debuts first Media University.
- 2003:** Aggregated member agency billings reach \$3 billion.
- 2004:** Membership reaches 75 agencies.
- 2005:** U.S. Hispanic population reaches 40 million.
- 2005:** AHAA releases "2004 Hispanic Media Spend Study."
- 2005:** Aggregated member agency billings reach \$5 billion.
- 2006:** AHAA holds 20th semiannual conference in Los Angeles with more than 550 Hispanic advertising executives in attendance.
- 2006:** AHAA initiates fund to finance industry-wide research.
- 2006:** AHAA holds the Immigration Forum in Washington.
- 2006:** Carl Kravetz becomes 10th chairman of AHAA.
- 2006:** Latino Identity Project is unveiled.
- 2007:** Membership reaches 100 agencies.



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Contact: Carl Kravetz, Chairman • 310.312.3630 • jefe@ckideas.com

continued from page A5 when devising marketing strategies to reach Latino consumers, the primary and most important filters agencies and marketers used were language preference, level of acculturation and country of origin. AHAA Chairman Carl Kravetz, who is also chairman-chief strategic officer of cruz/kravetz:IDEAS, Los Angeles, likes to refer to this approach as marketing to the "safe Hispanic": a largely immigrant, Spanish-language-dominant, conservative, blue-collar, family-oriented Hispanic who is brand loyal, lives on novelas and 'Sabado Gigante,' and doesn't read or use coupons."

Today, Mr. Kravetz says, the "safe Hispanic" has been revealed for what it really was: "a simplistic and not very enlightened archetype."

AHAA commissioned its Latino Identity Project to re-examine the who, what and, most significantly, the why of Latino consumers so that Hispanic advertising agencies can help clients establish more opportune connections. An AHAA task force comprised of account planners from some of the leading Latino ad agencies in the country—including Casanova Pendrill, Lápiz USA, Vidal Partnership, Winglatino and Zubi Advertising—and academics from Florida International University, New York University and Stanford University, asked the question, "If you take language out of the equation, what makes a Latino 'Latino'?" The Latino Identity Project analyzed nearly 40 years of academic literature on issues of identity and culture, digging deeply

into anthropology, the arts, education, health-care, linguistics, management, psychology and sociology.

"What was fascinating is that all the academic research and the depth of expertise and insight provided by our group of planners reached essentially the same set of conclusions," says Gary Bonilla, VP-strategic services at Winglatino and a leader of AHAA's Latino Identity Project.

The first conclusion is that neither language nor acculturation on its own is the true marker of Latino identity. They may be the consistent measures that have been available to marketers up to now, but their simple presence is not what makes a Latino Latino.

The second conclusion is that while there are qualities of Latino cultural identity that may be familiar to marketers—things such as collectivism, *familismo* or *simpatía*—it's the interconnectedness, not the simple presence of these attributes, that challenges the conventional view of what makes a Latino.

Finally, additional factors such as acculturation, ethnic pride, language preference and socioeconomic level previously believed to have defined Latino cultural identity are, in fact, contextual factors in AHAA's new hypothesis of Latino identity.

"These conclusions represent a much deeper, more nuanced and more comprehensive way of understanding Latinos than any prior approach or model available to us," says Andrew

Speyer, VP-account planning at Zubi Advertising and a member of the Latino Identity task force.

The AHAA project points to four cultural dimensions at the heart of that identity: interpersonal orientation, which drives how Latinos relate to other people; time and space perception; spirituality; and gender perception.

The recognition of this new Latino identity has ramifications for Hispanic agencies, which built their business on creating Spanish-language marketing campaigns. "Today, defining our work in terms of the Spanish language boxes us into a corner," says Mr. De Mello, who also served on the task force. "As we communicate with this new, more complex market, we want to become known as an agency doing good work, not just an agency doing good work in Spanish. Our goal is to move the business of the client, not just the Hispanic business."

Broadening the scope of what makes a Latino Latino will inevitably double the size of the market Hispanic agencies are hired to reach, says Jackie Bird, president-CEO of Winglatino, New York, and incoming AHAA chairwoman. "What the Latino Identity Project clearly points out is that Latinos do not stop being Latino because we may have a preference for English or have been in this country for several generations. We are not morphing into general-market consumers. If our clients understand this, they can seize a greater opportunity. It is very simple."

The Latino Identity Project's findings of a

strong, unique and persistent identity among U.S. Latinos bolsters that argument. "One would not define all American consumers across the nation with a one- or two-dimensional segmentation model, so why should it be acceptable to do so for Latino consumers?" asks Mr. Bonilla. "By going beyond traditional cultural insights and into the individual or personal insights that lie beneath the cultural veneer, the stage is set for a much deeper connection with our consumer."

For Mr. De Mello, the Latino Identity Project also helps to ensure that marketing to Hispanics does not merely become something a brand marketer feels obliged to do. "The Hispanic market was starting to go in that direction, where companies felt they needed to do campaigns for political and not business reasons," he says.

In advancing the project, AHAA has taken the next step by talking to leading consumer research companies about incorporating the findings of the Latino Identity Project into their consumer models so that these new dimensions of Latino identity can be better identified and targeted. At AHAA's upcoming spring conference, the association will discuss how Latino identity affects media habits among Latinos.

Says Mr. Kravetz, "The work of the Latino Identity Project has resulted in a profound shift in the way we look at the things that make us us. As a result, we are also redefining the way in which marketers must reach out to Latino consumers. It is compelling and exciting work!" ■



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AHAA Chairman Carl Kravetz sees a new landscape for marketers that want to reach Hispanic consumers.

A Call to Arms

Over its 10 years, AHAA has seen the Hispanic marketplace grow beyond its wildest dreams. Today, says Chairman Carl Kravetz, the association and its membership face a very different set of challenges—and opportunities

Carl Kravetz has the honor of being the 10th chairman of the Association of Hispanic Advertising Agencies.

Mr. Kravetz, chairman-chief strategic officer for cruz/kravetz:IDEAS, Los Angeles, is a U.S. native who grew up in Mexico City and has spent more than 20 years in Hispanic marketing in the Los Angeles area.

During his tenure, which ends in April, a key focus has been public presentation of the association's Latino Identity Project. Mr. Kravetz discussed the Hispanic marketplace, the changing role of AHAA and the "new" Latino consumer in a recent interview with writer Julie Liesse. An edited transcript of their conversation follows.

Advertising Age: You were at the first organizing meeting for AHAA 10 years ago. So you have an interesting perspective on the whole history of the association, where it's gone and how it's changed. When you think back to that first organizational meeting, what do you remember about the atmosphere?

Mr. Kravetz: There had been a couple of efforts before [to organize the Hispanic agencies], and I think one of the critical things was that there were a lot of second-generation people in that meeting. That first generation of Cuban agency owners were larger-than-life personalities who had a hard time sitting in a room together and agreeing. They were very proud, very competitive and very focused, not on an industry but on their own businesses. It was critical that there were some second-generation people who maybe had had some experience already in being part of associations in Mexico, for example, and had a sense that yes, there were individual issues, but there were also issues that we could only take on as a group—for example, really selling the incredible value of this marketplace.

The first thing that happened is that we all realized that we had so much in common that we actually liked each other, and I think that was an important first step.

Ad Age: What did you expect?

Mr. Kravetz: I think we had expected to be suspicious of each other. We had expected to be competitive with each other. So one of the things that was so stunning to me over the first three meetings was this kind of emotional feeling of belonging to something and not being alone. And the amount of talking that was going on was just incredible, from people who really didn't see each other very much and didn't spend very much time together. There was an incredible outpouring. We all realized that you can be friends and you can like each other a great deal and still compete very hard against each other.

One of the things that was so amazing at those meetings was the warmth and yet a very, very, very rapid realization that we were all kind of facing and dealing with the same problems on a day-to-day basis. So it didn't take very long for the agenda to come together.

Ad Age: When you look at the membership of AHAA now vs. 10 years ago, how has the membership changed?

Mr. Kravetz: We were all smaller, no question. We were pretty much independent, that original group of 24 or 25 agencies.

When I think of the world of Hispanic advertising, I really see three generations. I see the first generation of basically Cuban agencies that started in the 1960s. Then I see a significant influx of Mexican advertising professionals from the mid-'70s through the '80s and into the '90s. And now there is the third wave coming in: young Latinos, many of whom are South American and some of whom grew up in the U.S.

Ten years ago, most of us were still first and second generation. When I look at us today, probably about half of our membership now is owned by holding companies, half is independent. There's a significant number of agencies that didn't even exist 10 years ago. We've seen continuous growth in the

Congratulations on 10 years of making sure that the *h* is not silent.



Ten years of progress fueled by AHAA and its member agencies have given our market the voice it deserves. Congratulations.



The Vidal Partnership

number of new independent agencies. We have a lot of third-generation agencies now, too. There's this whole new generation of advertising people who've moved into the business. So the membership of AHAA is definitely different.

Ad Age: Looking back at the past 10 years, what do you think AHAA has contributed to the advertising and marketing industry?

Mr. Kravetz: I think probably the biggest thing that AHAA has contributed over time is a really dramatically increased awareness of the Hispanic segment and its potential to American marketers.

If I go back to that first meeting when we talked about Hispanic advertising, at that time it was about a \$500 million business [in media expenditures]. In our first pass at a strategic plan for the organization, we talked about the need to grow that substantially, and at that point in our wildest dreams we were talking about growing the business to a \$1 billion business.

Ad Age: Which wouldn't have been bad—that's doubling the industry.

Mr. Kravetz: It wouldn't have been bad, but here we are 10 years later and it's a \$5 billion industry. Our dreams were obviously too, too small. One of the significant things that we did in those early meetings was to say, look, public outreach needs to be our No. 1 priority right now. So we spent a significant amount of time and effort on public relations, on getting stories into the media, on doing research studies, which were then publicized. So really, the first eight or nine years of the association were really spent primarily promoting the value of the Hispanic market.

Ad Age: But in the past couple of years, that focus has shifted somewhat.

Mr. Kravetz: We went into a new strategic planning process two years ago. We started it when Manny Machado was chair of AHAA. By that time I had joined the board. At my second board meeting, we started talking about how it was time to shift. That in the broad sense, that first mission had been accomplished and that basically most marketers throughout the country—most consumer marketers at least—understood that the Hispanic market was important and that it was going to have to play some role in their marketing efforts. It was probably time to shift direction and start talking about the value of working with a specialized Hispanic agency, as opposed to operating under a general market strategy that was kind of retrofitted to the Hispanics.

The plan was finally consolidated under [my predecessor as] AHAA chairman, Alex López Negrete, and approved by the membership at his last board meeting. It was really up to me to start to implement it, and the first thing that we did was launch the Latino Identity Project.

A big part of the Latino Identity Project is to say that Hispanic marketing in the U.S. has grown up. We are no longer about a segment—kind of an oversimplified segment where everyone was the same. As we're fast approaching 50 million consumers, we recognize the need to segment the segment. And this is in line with what's going on in the world of advertising and marketing in general, where we're becoming so much less about mass and so much more about trying to find ways to engage people on a one-on-one individual basis.

Ad Age: Partly this also is a call to arms to the Hispanic agencies as well as Hispanic media.

Mr. Kravetz: Absolutely. There's a very well-established group of companies that do exceedingly well in the Spanish-language media, led by Univision, which is very clear and very focused in its mission to be the dominant provider of Spanish-language information and entertainment in the country. But it is a call to all their competitors to say, "Look, don't try to be the same as Univision. Don't try to compete with them by being what they are. There's this other broad audience which we're having a hard time reaching right now because there aren't enough of you doing something different."

So part of it definitely is a call to the media to expand available options so that we're better able to target some of the sub-segments and in doing so, able to grow budgets. And a part of it, too, is a call to our membership to get better at segmentation and to get better at all of the different kinds of tactics that you need to be able to reach out to them. We're looking forward to the day when we have creative departments which have creative directors from Buenos Aires working side by side with young copywriters who grew up in the Bronx or in East Los Angeles, and who are more comfortable in English than they are in Spanish.

Ad Age: A lot of the most successful recent media ventures have been things that are more targeted, whether it's ESPN and sports programming or news programming.

Mr. Kravetz: You're absolutely right. We're just a little bit behind the general market. I turn on my cable here and have 400 options in English and now I have about 22 or 23 options in Spanish, but there's still a very big difference between the two.

Ad Age: As you look ahead, what do you think the landscape will look like 10 years from now?

Mr. Kravetz: Looking at what's going on in the general market, I think that, to some extent, we're going to be less reliant on broadcast to reach Hispanic consumers.

As this young group of U.S.-born Latinos, which is now of an average age of 13, grows up and gets into their 20s, we're going to start seeing a lot more tools to reach them interactively and to be able



4 años —

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our market grow in the last 10 years.

3 años —

2 años —

1 año —

to build two-way relationships with them. That's a huge thing that's going to happen as we move into the future.

Second, we're going to have a significant growth of options to reach Latinos from a lifestyle perspective in English. We're going to see a lot of that—online, print, broadcast. All of those will happen.

And yet, as I say this, I think that we're also going to see more dollars going into Spanish, for the simple reason that although Spanish speakers will continuously represent a smaller percentage of the Hispanics in the country, the actual number continues to grow. We're still getting a half a million immigrants a year. So I wouldn't be surprised if Univision doubles its sales over the next 10 years.

And we'll see, on an ongoing basis, the birth and death of Spanish-language media. We'll see more newspapers, we'll see more radio stations, we'll see formats in radio coming in and going out. So I expect Spanish-language media to continue to grow, but I think the real boom time, because we're



Carl Kravetz (second left) works with cruz/kravetz:IDEAS team members Rene Saldaña (seated), Javier San Miguel and partner Maite D'Amico.

starting from almost zero, is going to be in the growth of English-language media to target these young U.S.-born Latino consumers.

Ad Age: Reaching this new market will be a tricky thing. You will be butting heads with general-market agencies, because it's not as clear cut that Hispanic agencies should be handling that particular business.

Mr. Kravetz: Absolutely, and that really is what the Latino Identity Project is about. If there is such a thing as Latino identity, then there's an incredible role for us as we move into the future because it's not just what we do, it's who we are.

If there is no such thing as Latino identity, and if Hispanics blend into the population as previous waves of immigrants have throughout history, well, then something different will happen. Then, hopefully, young Latinos will be running the J. Walter Thompsons and the McCann Ericksons of this world.

Ad Age: What do you think about Hispanic creative these days?

Mr. Kravetz: I'm torn. When you look at it from a global perspective, and you look at global awards and the way things are going, it has improved dramatically. On the other hand, I think that we are relying a little bit too much on importing creative talent from other countries, who perhaps have not really grown up and experienced what it means to be Latino in the U.S. So I think that's somewhat of a danger.

Ad Age: If the premise is correct and there is a Latino identity born, and growing and taking root in the U.S., you don't necessarily want that copywriter from Latin America.

Mr. Kravetz: That's why I have mixed feelings. There's a tendency in the creative community to compare themselves to what's going on in Latin America, or Europe or in the general market here, and to want to win the Lions at Cannes and to do all that sort of stuff. But that needs to be tempered with a very, very strong effort to create creatives within the U.S. who have grown up Latino in the U.S., who are really part of this identity and who are going to expand our ability to talk to other segments and to grow our agencies. The ideal is to have a creative department in which Latin Americans work side-by-side with U.S.-born Latinos.

So whereas it's better quality from an international point of view, I'm not sure that it's always more perceptive about what's going on here, and that's one of the big challenges that our agencies and our membership are facing in the future. It's one of the great challenges that the Latino Identity Project throws to our own membership: to nurture a homegrown creative community here.

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Ad Age: How did you get started in marketing and where?

Mr. Kravetz: I actually started in Mexico. I was part of that second wave. I grew up in Mexico City. My parents are American and my dad was shipped down to work in Mexico when I was less than a year old.

I was 11 months old when we moved to Mexico, so I grew up kind of the flip side of what we're seeing with Latino kids here. I grew up speaking English at home and Spanish with everybody else, with my friends and at school. I went to college at Boston University, School of Communications. Then I drove cross country in a battered old little Saab to UCLA, where I did an MBA, and then went back to Mexico City and worked in advertising agencies in Mexico. I came back to L.A. in 1985. In 1991, I joined up with Tony Cruz, who at that time was the creative director of J. Walter Thompson's Hispanic division, which was called Hispania, and we went off on our own and started cruz/kravetz:IDEAS.

Ad Age: When you look back, what do Hispanic agency owners and operators deal with today that they didn't have to deal with 10 years ago?

Mr. Kravetz: Ten years ago, we spent an awful lot more time trying to convince clients just that they ought to do it. There's a huge community now of clients out there who are on their second and third Hispanic agencies at this point, so they know how to do it.

So what's different? I think the clients are much more demanding, and rightly so. The other thing we face is that there's a heck of a lot more competition because when it was a half-billion dollar business, it wasn't all that interesting to some of the holding companies. Now that it's a \$5 billion business, it's interesting to everybody. So we have an increase of competition both among ourselves, but also among others who claim to be able to do what we do. And that's quite different.

Ad Age: Looking at the flip side of that question, there are things that you don't have to deal with now that you might have back then.

Mr. Kravetz: Right. The door is definitely open. We definitely don't have to struggle as much with the majority of our clients to convince them that this is the right thing to do and that it's going to be a benefit to them. It's become more about how do you do it than if you should do it.

Ad Age: Why does a client choose a Hispanic marketing agency instead of a general-market agency to handle its business these days? What are they looking for when they're making that decision?

Mr. Kravetz: I think it's a progression. I think a lot of clients start by looking at the market and saying, "Oh, that's interesting," and asking their own agency to do something. It's just about constantly drilling down and wanting better results, and that eventually they will move from having their general

agency doing things to having a specialist agency doing it. Now, that specialist agency may be a sister company of their general agency. But I think as clients become more sophisticated, learn the market a little better, get their feet wet, they really do start wanting someone who specializes as opposed to someone who dabbles. They want an agency which *is* Hispanic not which merely *does* Hispanic.

Ad Age: As you look ahead to the next 10 years, the role of AHAA is going to change as well. It's not those 40 people gathered around the table down in Texas anymore. How do you see the association evolving?

Mr. Kravetz: We're definitely going through a major change now, and focusing much more on not only promoting the value of our membership but of creating more value for our membership. I think you're going to see an awful lot more focus in providing our members with tools and skills to be better agencies—for instance, professional development and research. We'll continue to have a role as a spokesperson for our industry—in front of advertisers, in front of government—but you're going to see a lot more focus on how do we help our members become better at everything that they do on a day-to-day basis.

Ad Age: When you look back 10 years ago, did you envision the market and the association and the advertising agency industry growing the way it has?

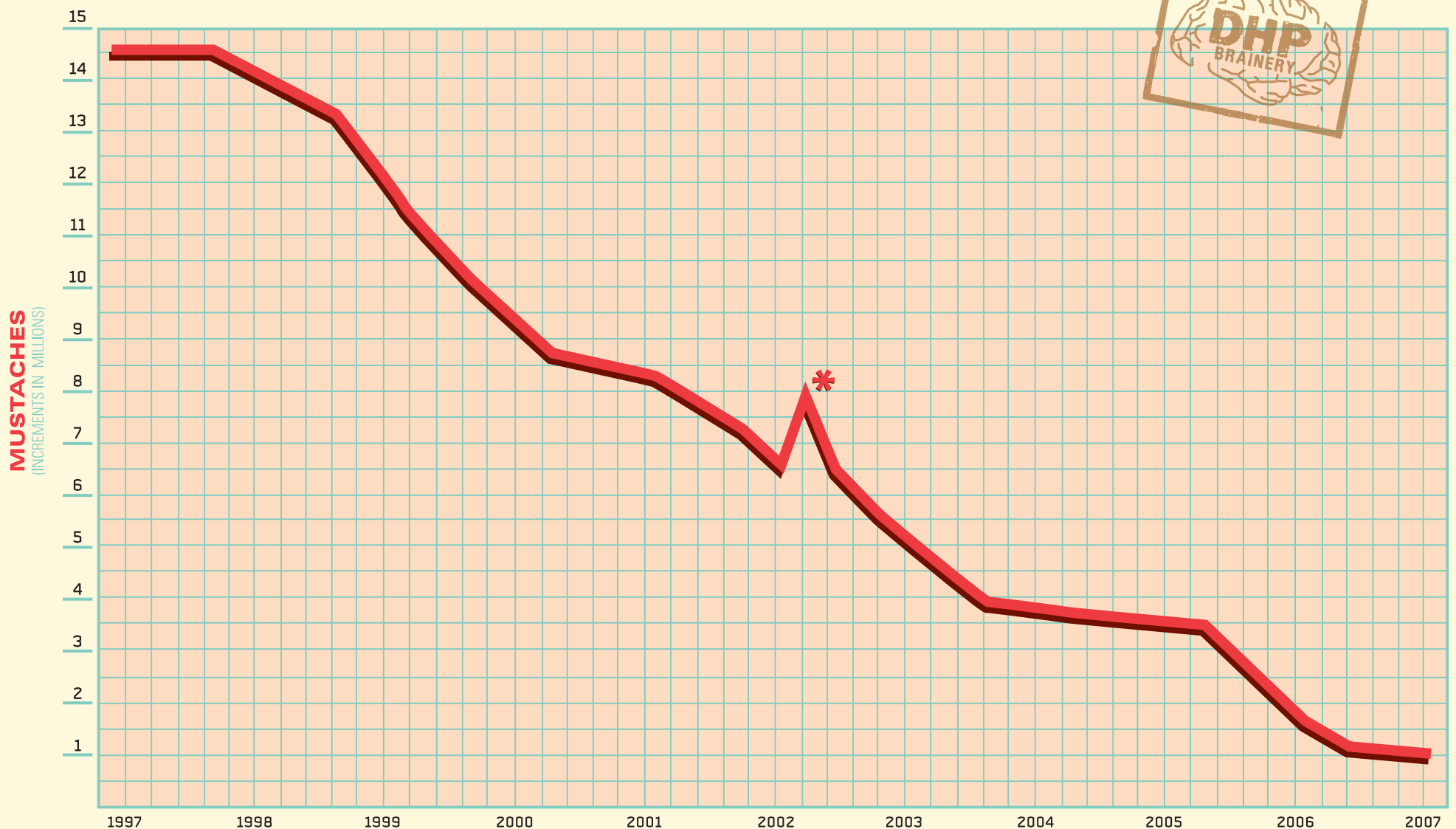
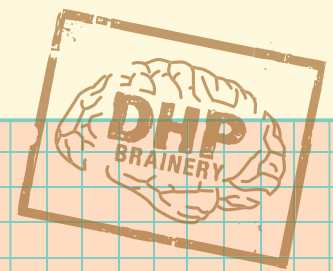
Mr. Kravetz: No, our dreams fell far short of the reality. Looking now at close to \$5 billion in spending in the U.S., looking at a hundred Hispanic agencies ... these are all things that were really beyond the reach of our dreams in those days.

Our agencies are at an interesting time because there are massive changes taking place in the advertising industry at large. Opportunities for everyone, new ways of reaching out to consumers, new challenges. And yet, at the same time, our own niche is changing, and we have to carve our own original Latino path through all of the changes that are taking place in this country. There are things that we can do together to make it easier for us to be better at what we do, and there are things that we need to do as individuals. We need to use all of our wits, and all of our creativity and then all of our skills to carve individual pathways while we try to build a future together.

And I think that's the important thing to remember as Hispanic agencies. We can't lose our entrepreneurial spirit, even as we think of ourselves as part of a community. It has become clearer and clearer to me over the course of the last year as I've thought about Latino identity that Hispanic marketing isn't just what we do. It really is who we are. That's our own Latino identity, and it's what sets us apart from those others who say they can do what we do. Because it's not just the doing of it, it's the being it which is so critical. ■



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View From the Top

Since its earliest days, AHAA has been led by visionaries in the Hispanic marketing industry. Here, its leaders look at the evolution of this advertising market, how the association has shaped it and what's in store for the future

When it comes to knowing the Hispanic market inside and out, the people who have led the Association of Hispanic Advertising Agencies over its 10 years are also the ones who have been instrumental in creating this dynamic arena. To get a sense of the market—past, present and future—we asked these men and women for their perspectives. Here's what they had to say:



Héctor Orcí
Chairman
La Agencia de Orcí
& Asociados
Los Angeles
AHAA chairman
1997-98

How did you get started in Hispanic marketing?

I was born in Mexico but came to the U.S. for high school and then college. My first marketing job was for Procter & Gamble in Cincinnati,

working on Duncan Hines products. After a couple of years there, and another year at Alberto-Culver, I got an invitation from McCann-Erickson to join their office in Puerto Rico. That was my first excursion into Hispanic marketing. Eventually, in 1982, McCann asked me and my wife, Norma, to run their Hispanic office in Los Angeles. In some ways Hispanic marketing is the same as it always has been—we still need to prove that what we do for clients puts something back in the bottom line. We continue to need to prove our reason for being.

How would you assess the current state of Hispanic marketing and the agencies involved in it?

AHAA started 10 years ago with a very small number of agency members—and we represented 90% of the billings in the Hispanic marketplace. Today the association represents more than 100 full-service agencies. In those 100 agencies we have some extraordinarily good organiza-

tions. What we have in common is the obsession to put something back in the client's bottom line.

The other thing important is that Hispanic agencies are very close to their target market, and we know how diverse it is. It is still too small a percentage of the *Fortune* 500 companies that are actively engaged in talking to Hispanic consumers. There are still lots of client companies that don't understand Hispanic marketing, certainly not from the profit perspective.

What do you think the most important developments will be in the Hispanic marketing business over the next 10 years?

Initially, going into the Hispanic market, for a client, was a way to get what was nicely called incremental sales. Lo and behold, those sales are not incremental anymore. It's no longer a nice thing to do; it's a necessary thing to do. There are a number of non-Hispanic agencies gearing up to serve this market. At the same time, our ability to measure how our work affects what hap-

pens in the marketplace is improving so much; we can much better track how the client's spending affects revenue.

But the biggest change, I think, is how to define our market. For instance, here in Los Angeles, where half the population is Latino, any medium you choose is reaching a lot of Latinos. Then you have to ask: What is the "general market"? The Hispanic market can no longer be defined by the very narrow terms we used to use.



Ana María Fernández Haar
Chairman
AMF Holdings,
Miami
AHAA chairwoman
1998-99

How did you get started in Hispanic marketing?

I started my company, Inter-American Commu-



nications [later known as IAC], in 1978, in order to take advantage of what I saw as a tremendous business opportunity. My start in the business was largely focused on incoming Latin Americans to whom we marketed everything from fine jewelry to luxury real estate, superpremium spirits and top-of-the-line hotels. It was a heady period that came to a halt in 1984 with the Venezuelan [financial crisis]. It was then that I decided to focus on the domestic market and leave the international business as a secondary specialization.

When I came to the advertising industry I had never been even remotely associated with the profession. When I started IAC—through the good graces of an angel investor whom I subsequently bought out—I was in debt, without hands-on knowledge of the industry, but with four industry professionals. What I *did* have was extraordinary training in economic sector and industry analysis. This knowledge formed the backbone of sophisticated marketing planning and performance projections focusing on ROI issues and the bottom line. That was rare for small Hispanic agencies at the time, and it became our strongest [Unique Selling Proposition], as clients would repeatedly confirm.

How would you assess the current state of Hispanic marketing and the agencies involved in it?

Now that I am out of the business for all practical purposes, I have much more discernment. My admiration, respect and appreciation for the

agencies, their staffs and extraordinary work have taken quantum leaps. I feel proud to know them and continue to be a coach, cheerleader and mentor to a number of younger folks.

Hispanic agencies are facing the same challenges as mainstream agencies, plus the added stress of having to adapt to more fluid markets and the most significant demographic and cultural shifts in modern times. Undoubtedly there is more competition now, but there are also hundreds of new advertisers entering the marketplace. Creative and management talent from Mexico, Argentina, Venezuela, Chile and a host of other Spanish-speaking countries are very keen on making it in the U.S. Globalization and consolidation affect everyone, and there is no sign of it slowing down.

What do you think the most important developments will be in the Hispanic marketing business over the next 10 years?

Hispanic marketing businesses are not only affected by the same factors that impact marketing in general (such as fragmentation of media, alternative media, interactive media and media yet to be launched) but also by those factors that relate particularly to the category—such as language proficiency, acculturation, immigration, the development of multiculturalism, political risk, media and communications options, connectivity, etc.

In his book, “The World Is Flat,” Thomas Friedman writes, “The more you have a culture

that naturally globalizes—that is, the more your culture easily absorbs foreign ideas and best practices and melds those with its own traditions—the greater advantage you will have in a flat world.” Hispanic marketers have been doing just that for decades. They are poised for megagrowth in the near future—at last, an overnight success 45 years in the making!

I would venture to predict that in the next five to 10 years it will be difficult to recognize the industry as we know it today. In fact, it is practically unrecognizable from what it was 27 years ago. Yet regardless of change, there are two constants that will always characterize the industry: cutting-edge creativity and efficient and responsible stewardship of client assets. These will remain at the core irrespective of external conditions.



Al Aguilar
Chairman-CEO
Creative
Civilization
San Antonio, Texas
AHAA chairman
1999-2000

How did you get started in Hispanic marketing?

I got started in Hispanic marketing by making a full circle to finally land at the right place at the right time, allowing me to enjoy an extraordinary experience in the world of Hispanic marketing.

Upon completing my advertising education at

the University of Texas at Austin in the mid-'70s, I found myself back at home in San Antonio better prepared and better educated in marketing and advertising than most of the advertising establishment. One problem: I did not fit the mold of the advertising agency establishment at that time. Simply put, there were no Latinos in advertising agencies at that time and there were no Hispanic advertising agencies, at least not in south Texas, at that time.

Fast-forward to the mid-'80s: I'm now working for Scott Paper Co. in Chicago when the phone began ringing. I first reluctantly turned down an offer from Anheuser-Busch to become a part of a new Hispanic marketing team and then a few months later accepted an offer from Coca-Cola USA to be a part of the first Hispanic marketing department for the company. It was an exciting time, pioneering Hispanic marketing within the corporation and the vast bottler network throughout the country.

In search of a promotional agency, I met and shortly thereafter formed a partnership with Lionel Sosa and Ernest Bromley. My Coca-Cola experience gave us the edge to bring the national Hispanic account to San Antonio, and three years later clients like Anheuser-Busch, American Airlines, Burger King and numerous others made Sosa, Bromley, Aguilar & Associates the largest Hispanic advertising agency in the U.S.

Today I pioneer new ground with my partner and wife, Gisela Girard, and our agency, Creative Civilization. It is our passion and belief that it is

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How would you assess the current state of Hispanic marketing and the agencies involved in it?

The Hispanic marketing industry and the Hispanic advertising agency business are in a state of flux. On the one hand, you have the powerhouse Hispanic agencies owned by the major holding companies striving to exercise their independent thinking but, at the same time, following their corporate mandates to unbundle the Hispanic media at the holding company's media division. Then you have the Hispanic independents that don't fall into the alignment of a global brand's global agency.

Most of the time Hispanic agencies are defending their Hispanic turf from the general market agencies, now that the budgets have become large and attractive. I say: Stop playing defense and start playing offense. Hispanic agencies of parent companies can't do that, but independents can. So we are.

I also believe that the pendulum will swing back to an industry approach that puts Hispanic media back in the hands of those who know it and live it better than a ratings analysis.

What do you think the most important developments will be in the Hispanic marketing business over the next 10 years?

I foresee a wave of new philosophies and approaches emerging that will redefine the role of Hispanic advertising agencies and dedicated Hispanic marketing professionals. At Creative Civilization we champion the "mainstreaming" of Hispanics in advertising in America.

The cross-pollination of America, where Hispanics are being Americanized and America is being Hispanicized, will have a profound effect on the future. Check that. It is already having a profound effect. And it's not just occurring in the advertising industry. Everything from food, entertainment, media, music, fashion and so on is blending as part of the new mainstream.



Daisy Expósito-Ulla
 Chairman-CEO
 d expósito & partners
 New York
 AHAA chairwoman
 2000-01

How did you get started in Hispanic marketing?

I started as an associate producer at PBS on the first national bilingual television program. I then went to the pioneering Conill Advertising. They had just won the McDonald's account and I was hired as a creative/producer by Alicia Conill. That is where my passion for the U.S. Hispanic market began.

In 1985, I moved to Young & Rubicam/NY as the creative director of Y&R/Bravo, a tiny department Y&RNY had started to address the Hispanic consumer for some of their New York clients, but basically to solve issues of translation. This turned out to be a match made in heaven. My vision for the market, my Hispanic consumer insights and my entrepreneurial spirit coupled with Y&R's resources helped transform this small department into the leading Hispanic agency in the market, what became The Bravo Group.

As the market evolved, The Bravo Group became the cornerstone for my creation of a coalition of multicultural advertising and marketing services under one roof at Young & Rubicam, where I served as chairman until the end of my tenure in 2004.

Today I still hold a deep passion for Hispanic marketing and my entrepreneurial spirit continues to soar as I set out with my new venture, d expósito & partners.

How would you assess the current state of Hispanic marketing and the agencies involved in it?

The industry is a continuum of growth and has become increasingly more sophisticated and complex over the 30 years since I started as a very young creative in the field. It used to be a small community of agencies that focused on creating campaigns for Spanish-language consumers. Now we are bringing in top-notch creative talent from Latin America, we are competing in global shows. The kind of creative that is being done doesn't need to be as educational as it used to be. Marketing to the second- and third-generation Hispanic Americans, most of them bilingual and reared in this country, makes for a new kind of dialogue. It allows for more creativity. We need to market to these young consumers in a different way. In many markets, Hispanics are no longer the minority, and recognizing the importance of the Hispanic influence in

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America today, we, as a Hispanic agency, have redefined ourselves as the "New American Agency."

What do you think the most important developments will be in the Hispanic marketing business over the next 10 years?

I think there will always be a segment of the market that will be Spanish-dominant because immigration will continue. Plus, [there's] a large number who enjoy the use of Spanish as well as English. V-me, the new TV network, is a good example. We're doing work for McDonald's in English and Spanglish—besides Spanish! There will always be a need for Spanish-language communications. But as people go through the acculturation process, these people will be able to be reached in English, too. And at the same time, America is becoming more Hispanic in an ampler cultural sense. Look at a show like "Ugly Betty"—a show about the Latino experience. It's fabulous. We need to reach the full spectrum of Hispanics in America through their culture. It will be more complex but not impossible. I always felt that understanding the market from a cultural standpoint has been a key to my success, and I believe that will be the case in the future.



Horacio Gomes
President-CEO
HeadQuarters
Advertising,
San Francisco
AHAA chairman
2001-02

How did you get started in Hispanic marketing?

I had worked in Venezuela and after doing my master's at the University of San Francisco, I worked temporarily for a couple of ad agencies locally. In 1987, I decided that the time was right to go out on my own at the age of 27, and I never looked back. My agency was the first [California] Hispanic agency north of Los Angeles. In those days, companies were looking at the Hispanic market with a sense of novelty. In those days, it was a true discovery.

How would you assess the current state of Hispanic marketing and the agencies involved in it?

There is no doubt that the market keeps evolving. With the help of their agencies, companies are much smarter about how to tackle the Hispanic market. In the first days, a lot of things were done by instinct; now, research has given companies a better understanding of how to approach this market and be successful. The evolution in creative is tremendous, and we need to be proud of that but not satisfied.

What do you think the most important developments will be in the Hispanic marketing business over the next 10 years?

The key development will be to continue identifying the subsegments of our market. We cannot reach this market with one single stroke. We need to look at the young people, the children, the elderly—the 50-plus Hispanics. There will be a true segmentation of this market, as the general market has gone. The media is doing a good job, with new print publications coming out almost weekly—for the young Latina, the elderly Hispanic.

But there should be a lot more of that from the media companies.



Ingrid Otero-Smart
President
Anita Santiago
Advertising
Santa Monica,
Calif.
AHAA chairwoman
2002-03

How did you get started in Hispanic marketing?

I started in Hispanic marketing in 1987, after having worked in my native Puerto Rico for over seven years at McCann-Erickson. I came to work at Mendoza Dillon. The market was "hot," and there were not many agencies. Mendoza Dillon had been one of the pioneers in offering clients the same disciplines they were used to from their so-called general-market agencies. We used to get calls and get new business without even pitching. I was on the road almost all the time, as most of our clients were on the East Coast. It was an exciting time. We were selling, but had few tools at our disposal.

Most agencies were independently owned, and resources were tight. Mendoza Dillon was acquired by WPP in late 1987, and that started the trend for multinationals to invest in our agencies. It took some time, though; [WPP's] Martin Sorrell was a visionary, and saw the potential before any other holding company did.

How would you assess the current state of Hispanic marketing and the agencies involved in it?

The market continues to evolve and mature. There is great quality in the agencies, and we all continue to look for ways to push the envelope and do better and better work. At Anita Santiago, we are constantly looking for creative ways to use media to reach our evolving target. We are still having fun and know that the potential growth is almost limitless. Competition is stiff and growing.

What do you think the most important developments will be in the Hispanic marketing business over the next 10 years?

The most important development has to be that the clients finally step up to the plate and invest significantly in the market. There are some clients investing a fair share, but they are a minority. There will also be further segmentation of media vehicles and more ways to reach our customer.



Aida Levitan
President-CEO
Levitan & Palencia,
Miami
AHAA chairwoman
2003-04

How did you get started in Hispanic marketing?

My involvement with Hispanic marketing started in 1983 when I created Aida Levitan & Associates, with the City of Miami government as my client. Soon after, I acquired the Coors PR account for a Hispanic PR campaign. In 1986, when I joined forces with Fausto Sánchez, I was able to add advertising capabilities by creating a new agency, Sánchez & Levitan.

At that time, it was still quite difficult to convince corporate leaders that it was indispensable to invest appropriate sums of money in Hispanic advertising and marketing. We had strong competitors in South Florida, and they were already doing Hispanic advertising. But as the market grew and advertisers took notice of our agency, we were able to attract major clients such as the Florida Lottery, NCNB National Bank [now Bank of America], BellSouth, Chivas Regal, Crown Royal, Coca-Cola USA and TJX Cos.

The Hispanic agency business at that time required creativity (as always), tremendous dedication, optimism and a great capacity for hard work. We won several national and local Addys, and that helped to separate us from competitors. We also won the PRSA Multicultural Excellence Award, which gave us an edge because many of the other agencies did not have PR capabilities.

How would you assess the current state of Hispanic marketing and the agencies involved in it?

Hispanic marketing has become much more competitive for the agencies, with new Hispanic agencies opening every day and with non-Hispanic global agencies also getting into the business. Media planning and buying continues to fall into the hands of giant media agencies instead of Hispanic agencies. Hispanic agencies have begun to penetrate the English-language advertising arena by convincing clients that there

There are still too many corporations out there that just don't get it...and they will continue to lose market share because of their indifference.

are Hispanics who need to be addressed in English, but with culturally relevant advertising.

Since Hispanic advertising in Spanish continues to be very important, the larger share of the work of Hispanic agencies is in Spanish-language advertising, but integrated marketing capabilities are becoming essential. There is room for growth for agencies such as Levitan & Palencia, because we provide strategic marketing communication programs that are focused on the consumer and the channels of communication that are most effective in influencing Hispanics.

We have seen the acquisition by global holding companies of many independent Hispanic agencies, such as Sánchez & Levitan [acquired by Publicis Groupe between 2001 and 2003], and we will continue to see these acquisitions in the

future. However, there has been growth and success among independent agencies as well, and we hope this trend will continue.

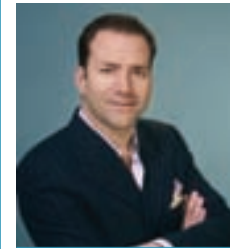
Although Hispanic advertising expenditures have grown, there still are too many corporations out there that just don't get it, that don't invest appropriately or at all in the market, and they will continue to lose market share to competitors because of their indifference or inertia.

What do you think the most important developments will be in the Hispanic marketing business over the next 10 years?

Hispanic marketing will become more complex and sophisticated, requiring that clients select truly capable Hispanic agencies. Hispanic agencies will be selected by clients to develop campaigns not only in Spanish but also in English, in a way that deeply connects with Hispanic consumers of various acculturation levels. There will be more acquisitions of Hispanic agencies by global holding companies, but independent agencies will continue to grow.

Hispanic agencies will have to become even more versatile in addressing consumers through the Internet in English and Spanish, through event marketing, promotions, cause marketing, community relations and public relations, not just through advertising. The media market will become even more fragmented and, therefore, communication with the Hispanic consumer will require a very strategic focus.

Advertising in Spanish will continue to grow as millions of new Hispanics arrive in this country, in spite of fences and other obstacles. They will refresh the Hispanic roots and language use in the top 20 Hispanic markets. However, the growth of English-language use by U.S.-born Hispanics who are very proud of their Hispanic heritage will require targeted, culturally sensitive campaigns in English to connect with these consumers.



Manuel Machado
Co-chairman-CEO
Machado/
García-Serra
Communications
Coral Gables, Fla.
AHAA chairman
2004-05

How did you get started in Hispanic marketing?

My profession within Hispanic marketing began nearly two decades ago when I worked at Univision as the commercial producer for "Sabado Gigante," the No. 1-rated Hispanic TV show at the time, and later became director of special projects, where I liasoned between sales and production to incorporate program sponsors into the network specials (*i.e.*, "Nuestra Belleza" and "Premio Encuentro").

At the time, the Hispanic market was emerg-



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Thanks, **AHAA**, for 10 years of working together.

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DE ORCI & ASOCIADOS

ing, and advertising media were relatively limited. In addition to traditional advertising avenues, ad agencies catering to this new market utilized what are now considered nontraditional approaches to reach the Hispanic consumer, such as grassroots programming. Today, Univision is one of the top-rated television networks. Its local programming periodically outperforms all broadcast stations in markets such as Los Angeles, Houston, Dallas, Miami and Phoenix, among others. As the market has grown, Hispanic marketing has matured with various platforms to reach the diverse assimilation levels of U.S. Hispanic consumers.

How would you assess the current state of Hispanic marketing and the agencies involved in it?

We continue on a path of accelerated growth, with new avenues to reach the market. For example, in terms of Internet media, a relatively new outlet for Hispanics, the market is over-indexing on Internet usage growth, yet [Hispanics] do not have the options available to their English-language counterparts, although this is changing. Univision.com is a leader in entertainment news among other areas, and now Telemundo, in conjunction with Yahoo!, along with MSN, Terra and Batanga, are bringing more options. We see much potential, specifically when companies are making big efforts in creating Spanish-bilingual sites.

In addition, we can approach the market very strategically...with the new plethora of consumer- and category-driven research data available. This allows for better strategic applications to understand category maturity, key attitudinal shifts/drivers influencing consumer values, behavior and overall brand assessment.

What do you think the most important developments will be in the Hispanic marketing business over the next 10 years?

Hispanic marketing will continue to evolve, mirroring the growth and advancement of the Hispanic consumer. We predict many new developments in the coming decade as the face of America continues to change. As an example, we see the transformation of what is considered the stereotypical Hispanic household, where they assimilate to the U.S culture, yet stay true to their heritage and cultural values.

Among youth, we are seeing an emergence of empowered single Hispanic women, postponing marriage and family. And among the maturing Hispanic population, these upwardly mobiles will have an even stronger voice with the impetus to choose and create self-sustaining wealth. We'll also continue to have an influx of newcomers [from] Latin America.

In addition, we see a two-way interchange stabilizing, with a newfound appeal for Hispanic America's melting pot, which will influence new sounds, aromas and style.



Alex López Negrete

President-CEO
López Negrete
Communications,
Houston
AHAA chairman
2005-06

How did you get started in Hispanic marketing?

I was born in Houston, but I was raised in Mexico City. I came to the U.S. for college. I started in media and moved to the agency side on the media side. Then I moved to a small retail agency where I did everything—creative, media planning, etc. The industry was nascent in the mid-'80s. It was clear to me that this was going to be enormous.

Did I have a few handfuls of people saying, "How many of you are there?" "You're going to be doing what?" Absolutely. But there was no question this was a vibrant, growing community. I am Latino, and I know and knew that I'm one of millions. We saw how few companies were marketing to Latinos. Imagine being at the ground level of something you know is going to grow.

How would you assess the current state of Hispanic marketing and the agencies involved in it?

The work is light-years ahead of where it was. Hispanic agencies are better, with better-trained people, better planners, better production values and bigger budgets. When you come up with a really solid brief, clients have more trust in you. And that means we are able to get out of the box a lot better. We have earned ourselves the way to better work. As a whole, we've come a long, long way, and I'm proud of it. Honestly, the ratio of great work has really improved.

But we still are frustrated that we have to answer the golden question. We bring a great idea to a client, and they always ask, "What is Hispanic

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about it?” That’s the question that drives us to drink. What has to be Hispanic is the strategy and the actionable insights. The work just has to be good. Don’t force me to put a mustache on the actor or put a grandma in the corner to make it “Hispanic.”

What do you think the most important developments will be in the Hispanic marketing business over the next 10 years?

The challenges have morphed over time. There was a time when corporate America wanted to put everything under the “multicultural” umbrella. For a while that was a real threat; we had to push back.

The threats in the future continue to be the general-market agencies that think they can do Hispanic. I’m sorry; they can’t. We have a deep base of experience, knowledge and research that our agencies bring to the table.

Second, a threat is the consolidation of media at general-market agencies. That threat is as real to the holding company-owned Hispanic agency as [it is] to the independent. At the end of the day, though, it is the client that gets hurt. Media buying has to look beyond efficiencies to effectiveness.

The other challenge is more subtle and difficult to tackle. It’s the English vs. Spanish thing. Even in our own industry, every time we try to say that it’s not about Spanish *or* English, it’s Spanish *and* English...all the Spanish-language

media raise their arms. As an industry, though, we can’t just market to Spanish-language-dominant Latinos. We won’t deliver the full spectrum of results for our clients.



Jackie Bird
President & CEO
Winglatino,
New York
Incoming AHAA
chairwoman
2007-08

How did you get started in Hispanic marketing?

I worked for the Grey Worldwide office in Puerto Rico, where I am from. I am fifth-generation Puerto Rican on my father’s side and my mother was born in New Orleans. But as my friends and colleagues say, the audio and the heart are most certainly and undoubtedly Latina.

Grey asked me to come to New York to help solve some service issues with a key client. It became very clear to Grey’s management and to me that we were facing a huge business opportunity: developing the agency’s position in the thriving U.S. Hispanic market by refocusing the way we serviced our clients.

How would you assess the current state of Hispanic marketing and the agencies involved in it?

The industry is at its best. We see a thriving marketplace with new agencies, more media options and extraordinary sophistication in services, all growing and making a huge contribution to the advertising industry in general and to our national economy.

Hispanic agencies are delivering world-class quality in a highly specialized field. The creative product coming out of our agencies is excellent. AHAA member agencies are competing and winning in major global forums such as Cannes, FIAP and San Sebastián.

More recently and at a very accelerated pace, we’ve seen the growth of brand planning in our agencies. Planning is of utmost importance in our space given that Latino consumers are very unique and different from the mainstream Anglo consumer, and not all Latinos are alike, either. Latinos live and breathe in two cultures, and what we are seeing in their value mix, lifestyles and behavior is a layering of influences that results in a completely different set of consumer insights and values.

It’s a beautiful challenge in communicating and connecting with the Latino consumer because if we believe that insights must drive the brand message, and I believe we all do, then we need to believe that the message targeting this consumer needs to be specifically relevant. To deliver relevance in the context of the personality and character of a brand that exists in a larger space shared with non-Latino consumers is a

huge enterprise that requires knowledge, understanding and skill.

What do you think the most important developments will be in the Hispanic marketing business over the next 10 years?

I see more and more CMOs coming to the realization that their customers are increasingly Latino and that they need the help of specialized agencies to stay competitive.

I also see headlines that tout Latino agencies winning “general market” client assignments. Already we are seeing many campaigns that were originally created for the Hispanic market by Latino agencies being aired in the general market: last year’s Toyota ad by Conill that ran in the Super Bowl; Citibank’s “Superman” ad by La Comunidad and Winglatino’s own “Hokaido’s Fish & Socks” campaign for P&G’s Febreze.

By default and design, our agencies are skilled in addressing a culturally diverse consumer, and diversity is what we know today as “the new face of America.”

Further, while the general-market ad and communications industries have been largely siloed by specialized individual marketing disciplines, *i.e.*, advertising or media or interactive, by size and scale Latino agencies have historically been forced to integrate and this is now a more viable platform for “total” or “360” communication. The walls are coming down and here we are, ready to rumble. ■

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A Good Cause

Hispanic advertising executives see pro bono work as an effective way to give back to the community—it's also an essential part of who they are and how they define themselves **By Nancy Giges**



1. March of Dimes, :30 Segundos
2. Niños Seguros, Arvizu Advertising & Promotions
3. AIDS Foundation of Chicago, Lápiz
4. Hispanic Christian Churches Association, San Jose Group
5. Texas Department of State Health Services, Interlex
6. Mayte Prida Foundation, La Agencia de Orci & Asociados
7. California Wellness Foundation, cruz/kravetz:IDEAS
8. Humane Society of Bexar County, K. Fernandez & Associates
9. ED Bosques Clinic, Dieste Harmel & Partners
10. Voices for Children Foundation Gala, Machado/García Serra
11. Centers for Disease Control and Prevention, Garcia 360°

For the Association of Hispanic Advertising Agencies and its members, pro bono work has always been a high priority. Every year, members volunteer their time and resources to help many worthy causes, raising awareness about everything from birth defects to drug use, animal cruelty to spirituality, obesity to driving safety and the environment to child safety.

Even as a new organization, giving back to the community was so important to AHAA that only a few years after the association was formed in 1996, it embarked on its first pro bono effort. Al Aguilar, chairman-CEO, Creative Civilization, San Antonio, says when he was chairman of AHAA in 1999-2000, a time when the organization was still getting organized and trying to bring attention to the importance of the Hispanic market in the U.S., pro bono was already high on his list of things to do.

“What better way [to focus on the Hispanic market] than doing something to give back to the community,” Mr. Aguilar says. The organization chose voter registration in 1999 to make a strong statement.

The campaign received more than \$30 million worth of contributed media and “created a groundswell of support even outside the organization. ... VOTO was indeed an unprecedented effort that benefited the Hispanic community,” he says. The effort was credited with helping grow Hispanic voter registration and participation to the highest level ever.

The following year, under the leadership of AHAA Chairwoman Daisy Expósito-Ulla, the organization launched FuturaMente, the first major campaign designed to help advance education in America

and help “close the achievement gap” between Hispanics and non-Hispanics. The campaign received more than \$50 million in media commitments and was considered a success by any measure, says Ms. Expósito-Ulla, who is chairman-CEO, d expósito & partners, New York. The spots, created as evergreen commercials, are still requested, she adds.

Today, a significant number of members do pro bono campaigns at their respective agencies, but that doesn't rule out the organization again embarking on another industrywide effort. Says José López-Varela, AHAA vice chairman and on track to become its chairman in 2008, “It's definitely something we will continue to explore going forward and do as much as we can if it's an area where we can make a difference. We have had that pro bono spirit from Day 1.” Mr. López-Varela is also CEO, ADN Communications, Coral Gables, Fla.

As part of its commitment to pro bono campaigns, the association last year showcased the pro bono work of individual agencies during its semiannual conference in Los Angeles. A total of 16 agencies were recognized for more than 15 media campaigns valued at more than \$12.1 million. Among the organizations the agencies worked with were the AIDS Foundation of Chicago, Big Brothers/Big Sisters, Centers for Disease Control & Prevention, March of Dimes and United Way.

The majority of those recognized say they have been donating their time and resources since they opened their agencies' doors. “We feel it's something we need to do,” says Aldo Quevedo, president-chief creative officer, Dieste Harmel & Partners, Dallas.

One recent program that his agency has undertaken is working with the Mexican consulate in Dallas to educate Mexicans in the U.S. about health, including information about diabetes. The agency also has a long history of collaborating with the Partnership for a Drug-Free America.

“Pro bono work has been an essential component of our commitment to turning public policy ini-



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tiatives into social action," says Rudy Ruíz, president, Interlex, San Antonio. His agency is committed to issues that affect multicultural communities in a disproportionate manner, such as health, poverty, nutrition and the environment. Cultural arts are also important because "they are a vital way of uplifting and enriching cultural and intellectual dialogue, which leads to greater understanding between diverse audiences and communities," he says.

The agency recently developed and helped execute a highly successful campaign for National Free Night of Theater, a program to attract new audiences to live theater that involves giving away 32,000 free tickets to performances in 387 theaters across the country.

Says Laurence Klinger, senior VP-chief creative officer, Lápiz, Chicago: "Agencies feel good when, for a change, they can use their skills to really help other people and the planet, rather than just helping the superrich get even richer. It makes your job that more meaningful."

Ray Arvizu, president-CEO, Arvizu Advertising & Promotions, Phoenix, sees pro bono work as a good training and development opportunity for junior associates as well as a way to enhance the image of the agency in the local business community and the public sector.

There are other benefits too, agency leaders say. "A significant part of our mission is to empower the Latino community to live healthier, more prosperous, more fulfilling lives," says Carl J. Kravetz, chairman-chief strategic officer, cruz/kravetz:IDEAS, Los Angeles, and current AHAA chairman, noting that all of the agencies' successes depend upon a strong Hispanic community.

Luis García, president, García 360°, San Antonio, says that the media have as much power to shape public opinion as the country's highest leaders. "As part of the group that strives to communicate to the public, it is our job as marketers to educate on issues that need attention, especially among ethnic populations that have long been overlooked. The Latino market in particular faces burgeoning problems

that we can help shed light on. A lot of us are second-generation Hispanics. These issues are not something that happened a long time ago. These are our fathers, sisters—today."

The ways agencies choose the organizations they work with vary greatly. For some, like Ana María Boitel, managing director, Fusión Multicultural, Arlington, Va., it's something that "pulls at my heart," while for others it's where they feel they can have the most impact on issues that affect multicultural communities.

One of those areas that pulls at Ms. Boitel's heart is the Spanish Education Development Center, the first accredited bilingual preschool in the District of Columbia, started so that Hispanic immigrant parents could go to work knowing their children would be in a safe place. For Karla Fernandez Parker, president, K. Fernandez & Associates, San Antonio, the Humane Society of Bexar County and the Friends of Government Canyon captured her heart.

Regardless of what organizations they choose, they all feel a strong sense of accomplishment. "We have been able to change behavior, improve quality of life, save lives and even some souls as well," says George L. San José, president-chief operating officer, The San Jose Group, Chicago, whose reference to saving souls relates to the agency's pro bono work with the Hispanic Christian Churches Association, a nonprofit organization that unites nondenominational churches that serve Hispanic communities throughout the U.S. and Latin America. His agency also works with the American Cancer Society and Child Abuse Prevention Illinois.

Manuel E. Machado, co-chairman-CEO, Machado/García-Serra Communications, Coral Gables, sums up the feelings of many: "At the end of the day, we are helping others, educating ourselves about our neighbors, igniting corporate citizenship and establishing life habits of public service. I strongly feel we have the responsibility of helping to strengthen our communities." ■

The Pioneers

With hard work and determination, a handful of media, agency and marketing groundbreakers turned a neglected community into today's \$5 billion-plus Hispanic marketing powerhouse

The pioneers of Hispanic media and marketing remember how tough it was in the early days, but they also recall a wonderful time of breakthroughs, camaraderie and tackling goals with a missionary zeal.

"These passionate trailblazers battled misperceptions, small budgets and prejudice at times to achieve the impossible," says Carl Kravetz, chairman of the Association of Hispanic Advertising Agencies and chairman-chief strategic officer of cruz/kravetz:IDEAS, Los Angeles. "Overcoming seemingly insurmountable problems, they established themselves in the U.S. marketing and media industry and, in the process, created what is today a \$5 billion-plus industry segment."

Recalls Alicia Conill, 70, "Hispanic marketing was a very tough sell in the early days." Mrs. Conill and her late husband, Rafael M. Conill, who ran a major ad agency in his native Cuba, opened Conill Advertising in New York in January 1968 with one account. The Conills took Hispanic marketing to a new level, working only on national accounts, never acting as consultants to bigger ad agencies, hiring only bilingual employees and seeking to parallel their clients' English-language ads with their own creative ideas.

At a time when misunderstandings in communicating with Hispanics were common, John Dix, former VP-marketing at Armour Dial, says he put his confidence in the Conills' ability to translate Dial's message accurately. "A lot of people in those days made terrible mistakes in using idioms," Mr. Dix says. "Some were in very bad taste. We did a lot of research, focus groups and testing copy to make sure we were in the right place with the right message."

Mr. Dix recalls starting to advertise in Hispanic media in the early 1970s because the company's research showed that Dial soap was trailing its competitors in the Latino market. The lack of a major product presence in Latin American countries put Armour Dial at a disadvantage when immigrants looked for familiar products in the U.S. "We did product testing and everything indicated we would build market share if we spent money in the [Hispanic] market."

Client pioneers say their companies were emboldened in advertising to the Hispanic market because, when it was done well, it produced spectacular results.

Tere Zubizarreta, known as Tere Zubi, fled Cuba in 1960 and founded Zubi Advertising in Coral Gables, Fla., in 1976. She says she won credibility by refusing to accept the conventional \$1 million budget companies would offer Hispanic agencies to create a national ad campaign, including radio, TV, outdoor and print copy.

Ms. Zubizarreta, 69, started her agency after stints at other ad agencies and as an advertising and public relations director. She quickly won her first client, the Spanish edition of the *Miami Herald*, with a budget of \$60,000.

Procter & Gamble Co. set up a formula to ensure that its brands spent enough money to make their names known in the Hispanic community, according to Neil Comber, president of Comber Consultants, Cincinnati, and P&G's Hispanic marketing manager in 1986. "Hispanic marketing was plugged in as a line item in the brand's overall budgets," he says. These breakthrough steps came despite internal skepticism.

Mr. Comber credits P&G's head of U.S. operations, John Pepper, who later became chairman-CEO, with recognizing the need for the company to gain market share among Hispanics. At that time, P&G's general-market ad agency hired someone to translate its ads and dubbed its spots in Spanish.

Mr. Pepper issued an ultimatum: Either P&G's general ad agencies hire a Hispanic to do unique creative and media plans for the Hispanic market, or P&G would hire its own Hispanic agency to do it. The general-market agencies complied. Today, P&G ranks as the No. 2 advertiser in Hispanic media, spending \$157 million in 2005, according to TNS Media as reported by *Advertising Age*.

For companies such as P&G and McDonald's Corp., it became apparent that growth required reaching new audiences. "Repeat buys were higher in Hispanic communities than in the general market," says Paul D. Schrage, retired CMO of McDonald's Corp., reflecting on his marketing strategy in the 1970s. Connecting with this audience required a different marketing approach, he says, adding, "Advertising in the Hispanic market focused on the importance of family. We found that Latinos were loyal to the McDonald's brand."

Pedro Font, who founded Font & Vaamonde Advertising in New York in 1979, understood that much of Hispanic brand loyalty is based on what's now called buzz marketing or word-of-mouth marketing, and he worked to put promotions in stores where employees would recommend the products with prominent displays.

Mr. Font fled Cuba in April 1950 and set up ad agencies in Madrid, Peru, Ecuador and Hawaii before opening his shop in New York, where he learned that potential clients thought Hispanics were too poor to buy new cars. He says one secret to his success was marketing [to] Hispanics' aspirations and making clients understand Latino desires. "The Hispanic market is made up of hard-working people, some of whom work three jobs," Mr. Font says. "These people, who are getting their first taste of freedom and success in the U.S., want their families to eat well, to be happy and to enjoy life."

Mr. Font, who sold his agency to Grey Advertising in 1993, believes companies should advertise to the Hispanic market as a separate and unique one, apart from the general Anglo market. "Hispanic people's ambition is different, their culture and their product consumption are different," he says.

Castor Fernández, known for creating the Don Q rum character, started Castor Spanish International, a one-man operation, in 1966 in New York. He introduced the philosophy that while all Hispanics speak the same language, there are real differences in their customs, food, music and holidays.

Mr. Fernández recalls how he brazenly called the chairman of Heublein, maker of Don Q rum, the No. 1-selling rum in Puerto Rico, to make a pitch. He won the business, and his first campaign relied on promotions such as inviting people to have drinks paid for by Heublein, bringing a photographer to take their photographs and running the photos as publicity in Spanish-language newspapers *La Prensa* and *El Tiempo*.

American Airlines is another example of a client that went beyond traditional advertising to establish customer experiences that allowed the airline to bond with the Hispanic audience. Peter Dolara, senior VP-Miami, the Caribbean and Latin America for American Airlines, says competition pushed the airlines to do a better job of appealing to Hispanics, and American took bold steps to ensure it was communicating properly with Hispanic customers.

Mr. Dolara pushed American Airlines to get to know Hispanics first-hand in the barrios, at local parades and in stores. "We had a lot of latitude to advertise, hire people who spoke Spanish both in reservations and on the airplanes, and to change the airline food," he says. "The Hispanic people don't eat cold food. It had to be warm, appetizing and familiar." American and other U.S. airlines had previously marketed to Hispanics by translating an ad in English to Spanish, he says, even when the graphics were out of context and the translation crude.

Hiring an agency that understood the intricacies of marketing to different nationalities of Latinos and how to choose graphics, music and emotional appeals that made sense was important, says Mr. Dolara. "You're telling the community, 'We know the difference. We know your home. We know what you eat. We know how you react.'"

Cultural translations

The airlines were not unlike other corporate marketers at that time. Mrs. Conill recounts her experience in attempting to convince Campbell Soup Co. of the Latino consumer opportunity. She donned a black wig and used a hidden tape recorder to interview 500 Hispanic shoppers in supermarkets in major U.S. markets on their opinions about canned soup.

"Their translations were ludicrous," she says. "Celery soup was translated as 'a soup of cereals,' and mushroom soup translated as 'a soup of little umbrellas that grow from the ground.' There were no pictures on the labels showing what the soup looked like inside the can. The shoppers didn't understand how to make the soup. They would mix it with rice."

Mrs. Conill kept taking her findings to Campbell Soup Co. After three years, three months and 19 days of persistence, the agency won the Campbell Soup account in 1971. The win solidified the Conills' reputation for hard work, in-depth research, accurate translations and a deep understanding of the Hispanic market.

"Our business has never been about the language. It's about the culture. If you're not communicating with the Hispanic audience emotionally, you're not going to be effective."

Another of the Hispanic advertising industry's trail-blazing women, Sara Sunshine, says she takes pride in the fact that she resisted simply dubbing English-language ads. Ms. Sunshine grew up in Cuba as Sara Grinberg in a family of Jewish descent.

Luis Díaz Albertini offered her a job in 1962 at his Inter Americas Advertising, which later became Spanish Advertising and Media Services, or SAMS. There she taught "Madge," the manicurist featured in Palmolive dishwashing liquid TV commercials, how to say her lines in Spanish. Ms. Sunshine also introduced as Madge's foil the popular Spanish actress Charytin.

Walter F. Ulloa, chairman-CEO of Entravision Communications Corp., Santa Monica, Calif., says the Anglo community's misunderstandings about advertising to Latinos stemmed from a lack of knowledge about Hispanic culture. "Our business has never been about the language. It's about the culture," says Mr. Ulloa, 58, who started his career in 1976 at KMEX-TV, then the only Spanish-language station in the Los Angeles area. "If you're not communicating with the Hispanic audience emotionally, you're not going to be effective."

Paul Casanova, 57, who founded Hispanic agency Casanova Pendrill in 1984, says he believes today's Spanish-language advertising has returned to the very thing he fought— treating the Hispanic market as a spin-off of a general-market message, rather than giving it its own identity.

Mr. Casanova, who grew up in Mexico City, cites the example of a commercial for Biz detergent that lauded an Anglo housewife for squeezing fresh orange juice for her children. "A Latina would consider the woman lazy for not getting up at 5 a.m. to prepare a full-course breakfast," he says. "That was our biggest fight, to get the client not to adapt to the general market. The Hispanic market includes people who still want a message created just for them."

Says Mr. Comber, "There were stereotypes to get over, such as thinking that Hispanics had crossed the river yesterday and were low income, only looking for value."

Ms. Zubizarreta agrees, noting she still fights perceptions that Hispanics in rural and non-metropolitan areas are all poor, dark-skinned and uneducated. "Unlike today," she says, "the market was basically ignored. We had no sales tools, no demographic data, no Arbitrons, no Nielsens, no nothing."

Richard Tobin, a student of Latin cultures, pioneered research for the Hispanic marketing industry. He started his own company, Meredith & Tobin Research, which he sold to First Research Corp., and in 1971 launched another company called Strategy Research. Hispanic agencies relied on Mr. Tobin's

research to convince companies to advertise in the Hispanic market.

He was an American who spoke the dialects of Latin America and could back up his research with mathematical models and statistics. Yet he met resistance from people who refused to believe that the Hispanic market would grow. His projections were undeniably confirmed with the results of the 2000 U.S. Census, a turning point in the Hispanic marketing industry.

The Census showed that Hispanic Americans numbered 35 million, or nearly 13% of the population, close to a 58% jump from 1990. The Census Bureau projected a Hispanic population of 47.8 million by the end of the decade, meaning that the number of Latinos will grow nearly six times faster than the rest of the population.

Mr. Tobin provided the groundbreaking statistics marketers needed and analyzed the propensity of immigrants to purchase products in the U.S. His Star Ratings system preceded Nielsen and provided agencies and marketers with trend and media consumption data, as well as language preferences in each market.

Ratings resistance

Mr. Tobin says the ratings companies put up a fight for several years before they started measuring the Hispanic market. He explains that media leaders had greater success with The Pulse, a market research company run by Sydney Roslow that conducted door-to-door surveys and used bilingual survey-takers in the late 1960s.

With relatively few measurement tools available, evaluating the return on investment for Hispanic market spending was difficult to quantify until Dick Dillon, co-founder of Mendoza, Dillon & Asociados, introduced a general-market philosophy to the Hispanic market by monitoring and tracking sales results, says Mr. Casanova. Mr. Dillon found huge upticks in purchases of products after they had been advertised in Spanish-language media. "The tremendous results, the magnitude of sales increases, excited me," says Mr. Casanova, and marked his entry into the Hispanic advertising industry.

Herbert Levin, former VP-general manager of Spanish radio station WQBA in Miami, was a big believer in research and depended on market research, his own observations and a belief in building goodwill to sell advertising time on his radio station. Like many Spanish-language media, the station became a voice for the community, encouraging people to become U.S. citizens, to vote and to be active in their schools and communities.

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DUBBED THE GODFATHER OF AHAA, EDUARDO CABALLERO LOOKS BACK ON A LIFETIME OF FIRSTS IN LEADING THE HISPANIC MARKET

Eduardo Caballero can recall vividly how he and his wife, Raquel, then 29-year-old lawyers, helped their clients as long as they could before fleeing to the U.S. in 1961 after Fidel Castro took power in Cuba. The Caballeros' story is remarkably similar to those of a host of others who left their homelands and rose to prominence by establishing the Hispanic marketing and media industry. Mr. Caballero started his career in U.S. Hispanic marketing in 1962 as a salesman at a small Spanish radio station in New York before being hired by Rene Anselmo, the man Mr. Caballero considers "the real pioneer" of Spanish television. He joined the executive team at Spanish International Network, or SIN, a precursor to Univision Network, and in 1973 launched the nation's first and largest Spanish radio rep firm.

It wasn't an easy ride. He remembers, early in his sales career, working for two years to get an appointment with a marketing director—only to be told after eight minutes that he was wasting his time. The marketing director said the company planned its marketing budgets five years in advance and that in five years the Hispanic market would be assimilated and disappear. The year was 1978.

Today, with a long string of "firsts" to his credit, Mr. Caballero is best known as the godfather of the Association of Hispanic Advertising Agencies. A decade after organizing the association, Mr. Caballero, CEO of Miami-based Caballero Television, laughs at the skeptics he encountered along the way. He attended the most recent semiannual AHAA conference in Miami in September, and says, "I was mesmerized. There were more than 700 people there! It was wonderful to see how much the Hispanic market has grown up, in more than one way." Still, despite AHAA's rapid growth, Mr. Caballero continues to push its members to do more. "The AHAA mission hasn't been completely fulfilled," he says.

"I think a still stronger effort can be made to enhance the perception of the professionalism these Hispanic agencies offer. I am a little bit concerned about the fact that a lot of the general-market agencies are taking over the media buying for Hispanic campaigns. Clients need to know that there has to be an absolute relationship between the creative and the media—they have to have people who understand the nuances of this market."

Mr. Caballero's career is the archetype of the American dream, the rags-to-riches tale. Never resting on his laurels or seemingly resting at all, Mr. Caballero last year sold 10 of his 12 broadcast TV network stations targeting young Hispanics to Viacom as part of a new MTV venture. He continues to work as a strategic ad sales consultant to MTV tr3s, sharing his experience and memories with the next generation of Hispanic marketers.

Says Mr. Caballero, "I have felt so happy of things that I have done and of the people who did wonderful things for me."



“Consumers expect to get content on any platform, and that’s important for the Hispanic market because Latinos are the highest per-capita users of high-technology.... Today’s consumer, who happens to be Latino, is on the vanguard of where media is going.”

Power of the media

Carlos Barba, who spearheaded WJTV-TV in New York and introduced to the U.S. talents such as Julio Iglesias and Menudo, says, “Media should remain close to consumers despite consolidation. We understood we would be in the homes of Hispanics. We worked very hard to serve the community, to ask people to share their hopes and problems.”

Mr. Barba went on to establish the Telemundo Group in 1986 by developing TV stations in the six largest markets and is now the owner and CEO of UnoDosTres.com, which he describes as the first Internet TV station.

Hispanic media pioneers were risk takers. Emilio Nicolas, native of Coahuila, Mexico, and son-in-law of Spanish-language TV and radio pioneer Raul Cortez, was one of the investors in a network of TV stations that evolved into Spanish International Network (SIN) and Spanish International Communications Corp., the forerunners of Univision. The TV stations were the first to convert to videotape from film and later were the first to be interconnected via satellite rather than cable.

Mr. Nicolas recalls visiting many banks before convincing one to loan his group money for the satellite hookup that put SIN on the map because it allowed advertisers to buy a spot that would air at the same time nationwide. Those same pioneer owners marvel at the sale last year of Univision, the largest Spanish-language media company in the U.S., to a consortium of private-equity funds in a deal valued at \$13.7 billion.

The power and proliferation of Latino-targeted media has far exceeded the expectations of many, but the next generation of pioneers is no less ambitious than their forerunners. Fernando Espuelas had to use his own credit card to launch the first Internet company for Latinos. In 1996, “No one on Wall Street or in the venture capital world believed that Latinos would use the Internet,” says Mr. Espuelas,

40, now chairman-CEO of digital media company VOY.

After conceiving and launching AT&T’s first online service in Latin America, which was also the first search engine in Spanish and Portuguese, Mr. Espuelas launched StarMedia Network. In 2003, he launched VOY, a way for young Latinos to find, share and enjoy Latin culture and entertainment accessed via iPod, television, computer, cell phone and in theaters.

“Media is going to a completely different place,” Mr. Espuelas says. “Consumers expect to get content on any platform, and that’s important for the Hispanic market because Latinos are the highest per-capita users of high-technology, including broadband and mobile TV.... Today’s consumer, who happens to be Latino, is on the vanguard of where media is going.”

New opportunities

Lionel Sosa, 67, former ad agency owner who is now executive director of the not-for-profit online think tank Mexicans and Americans Thinking Together, or MATT.org, sees the future as one in which the Internet will create careers and opportunities for Hispanics that no one could have dreamed possible. Mr. Sosa, long a beacon in Hispanic marketing, credits his parents with instilling in him American and Hispanic values that helped him succeed as a Hispanic advertising pioneer. “They kept the Spanish language and family-first values very close to the heart,” he says, “and they also believed that with opportunity you have the responsibility to do the best you can.”

Mr. Sosa kept those lessons in mind when he transformed his graphics art studio—then the largest graphics arts studio in Texas—into an ad agency, which ultimately became the largest Hispanic ad agency in the U.S. *Continued on page A34*

In our industry, where everything is *due yesterday*,
thank you for working over the last 10 years *for tomorrow*.

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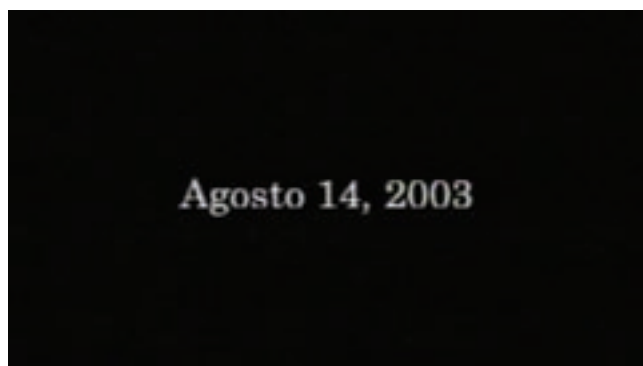


Showcase

Honoring the best in hispanic creative work, *Advertising Age* conducts the annual Hispanic Creative Advertising Awards with the Association of Hispanic Advertising Agencies. Here, we showcase the Best in Show and some Gold winners from throughout the awards' history



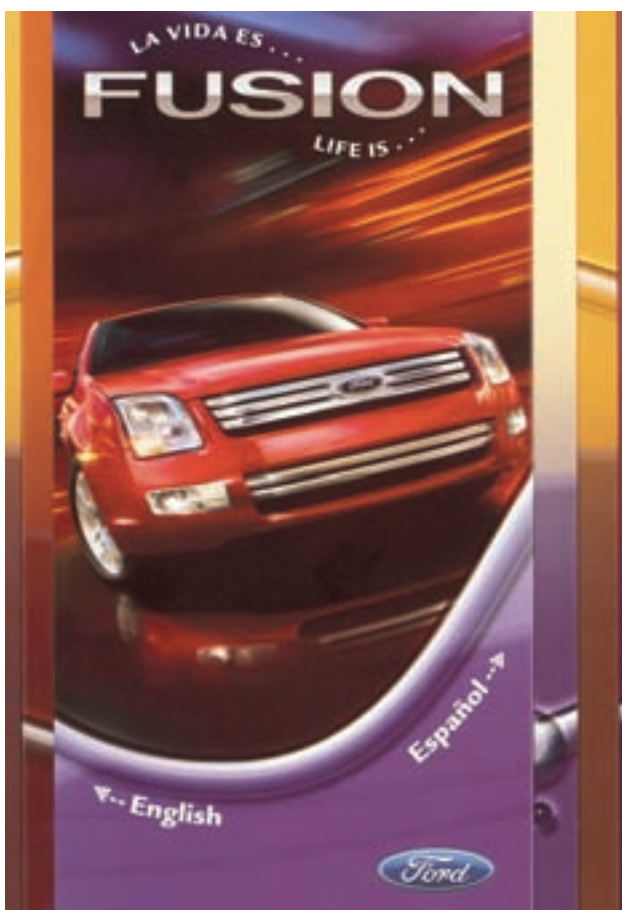
VH1> "Parents Day," created by La Comunidad, Miami, won Best of Show (Broadcast) in 2005. Playing off the cable network's tagline, "Beyond music," the spot used a rock star to show that musicians have a life beyond music, too—bringing home the point that VH1's offerings go beyond just music.



Heineken> Inspired by a massive U.S. blackout on Aug. 14, 2003, this Vidal Partnership, New York, spot showed a black screen accompanied by two voices with unmistakable Dominican accents pondering the situation, debating whether to fill the cooler with milk or Heineken and comparing two blackout-prone cities in the last frame. The spot won Best of Show in 2004.



Adelpia> This 2004 Gold Winner/Direct Marketing uses faked vintage movie posters to promote the cable company's subscriber drive. Agency: Castells & Asociados, Los Angeles.



Ford Fusion> This glossy, bilingual mailer for Ford Fusion won the Silver for direct marketing in 2006. Agency: Zubi Advertising, Coral Gables, Fla.



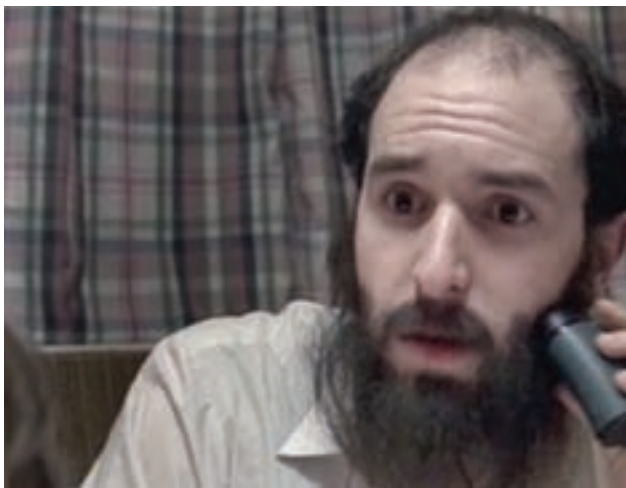
Tide> "Juice," for Procter & Gamble Co.'s Tide No Stain, was the Gold winner in the magazine category in 2005. Agency: Conill, New York.



Kellogg's> This spot for Kellogg's Frosted Mini-Wheats with 25% more fiber won a Gold award in television in 2005. To show the benefits of fiber, the simple visuals mimicked a washing-machine cycle and ran with the tagline "Clean your body inside." Agency: Lápiz Hispanic Marketing, Chicago.



Toyota> Themed "Todo Es Aventura," or "Everything's an Adventure," this Toyota 4Runner campaign took the 2003 Gold in Out-of-Home. Agency: Conill, Torrance, Calif.



Energizer> "Beard," from Grupo Gallegos, Los Angeles, showed a man who needs to constantly shave—and can, thanks to Energizer. The spot won Best of Show in 2006.



Bud Light> The winner of the 2001 Best of Show was "Centerfold" from Dieste Harmel & Partners, Dallas, for Anheuser-Busch's Bud Light.



MetroPCS> The 2003 Best of Show winner from Grupo Gallegos, Los Angeles, played up Latinos' love of talking while promoting MetroPCS' unlimited cellular service.



The Home Depot> "Home Depot Te Ayuda" won the 2004 Gold for interactive-online ads, branding, with its simple but charming banners, propelled by Home Depot's square orange logo. Agency: Garcia 360°, San Antonio.



Burger King> "Casting Call" won the Gold in the TV category for Retail/Fast-food in 2000. Using a cinema verité style, the spot touted the chain's new chicken club sandwich. Agency: Bromley Communications, San Antonio.

AHAA believes that it will provide the foundation for expansion in this realm. **“Part of AHAA’s mission is to foster future generations of pioneers who will explore new territory in Hispanic marketing and chart a new course for our industry.”**

Continued from page A31 Today, he says, the opportunities continue to grow. Already, celebrities such as Jennifer Lopez, Eva Longoria and America Ferrera, the star of the TV series “Ugly Betty,” are part of America’s mainstream, Mr. Sosa says. “We are no longer just people in a Hispanic bubble.”

Monica Lozano, who with her brother José created ImpreMedia, the largest publisher of Spanish-language newspapers in the U.S., says the company has branched out to new channels such as online, podcasting and mobilecasting. Ms. Lozano is the granddaughter of Ignacio Lozano, who fled Mexico during the Revolution and started the first Spanish-language daily newspaper in the U.S., *La Prensa*, in 1913. *La Opinion* was launched in 1926.

She continues to publish *La Opinion* and says the newspaper’s commitment to serve an increasingly diverse Hispanic community remains its top priority. *La Opinion* is the largest and longest-running Spanish-language newspaper in the U.S. with a daily circulation second only to the *Los Angeles Times* in Southern California.

“The biggest obstacle,” says Publisher Christy Haubegger, creator of *Latina* magazine, “is convincing people that Hispanics read rather than always watching TV.” Her greatest accomplishment, she says, is “changing the complexion of the magazine industry.”

Ms. Haubegger, a Mexican-American who was raised by adoptive parents in Houston, says she loved to read magazines as a teenager but never saw people like her in them. Modeled after *Essence*, “a cool magazine that showed positive images of African-American women,” *Latina* was the first magazine showcasing fashion, beauty, lifestyle and empowerment for Hispanic women. In 2001, she launched *Latina Beauty*, a beauty and wellness guidebook, and now works with Creative Artists Agency to promote a Latino presence in music, marketing, movies and TV shows.

The lives of Hispanic media pioneers often influenced their careers, as in the case of Arturo Villar, who

describes his unexpected life as a publisher as the frustrated politician within him, “constantly looking for ways to be of service and searching for things that would be valued as a contribution.” Mr. Villar found his journalism career after fleeing Cuba and moving from Puerto Rico to the U.S. 16 years later. He and two silent partners bought the Latin American Features Syndicate, or ALA, in 1975. He turned it into a publishing company, launching a new magazine, *Revista K*, a Hispanic publication similar to *Parade*. “It was the first Pan-American publication ever, connecting all the different Latin American countries.”

Recognizing the rise in English-dominant Hispanics, Mr. Villar created *Vista* magazine, the first English-language magazine for Latinos who prefer to read, speak and write in English. “That sector of the population in the United States had been totally ignored by publishers, television, radio and advertisers. We sponsored research and knocked on doors to prove the English-dominant Hispanic audience was viable.” *Vista* reached 1 million in paid circulation in 1986, and newspapers were demanding bigger press runs, he says.

In 1997, in pursuit of his goal to become the one-stop source of information about Hispanic media and advertising in the U.S., Mr. Villar launched “Hispanic Market Weekly” as a faxed newsletter with 210 subscribers. It now boasts 1,000 paid recipients and plans to launch two new related newsletters soon.

As the Hispanic advertising industry continues to increase in stature and complexity and the first wave of pioneers passes its legacy onto the next, AHAA believes that it will provide the foundation for expansion in this realm. “Part of AHAA’s mission is to foster future generations of pioneers who will explore new territory in Hispanic marketing and chart a new course for our industry,” Mr. Kravetz says. “Years of hard work, perseverance and dedication have brought us to a place in history most only dreamed about, and it is AHAA’s pledge to continue to make the vision of our fore-runners a reality.” ■



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