

Political dollars reach the \$3 billion mark!

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Reaching record levels, political advertising dollars and activations from candidates as well as PACs are estimated to top the \$3 billion mark. And Latino-focused media, particularly television, posted solid gains during the 2012 election cycle.

Media analysts from Kantar Media and Wells Fargo have estimated political advertising spending will be more than \$3.3-billion this year, topping the 2008 estimate of \$2.5-billion. Some Spanish-language media executives anticipate political dollars will be in the \$16 million range; others are forecast to reach at least \$40 million.

"We have seen a huge increase since 2008," says Marcelo Gaete-Tapia, vice president, public and government affairs at Entravision Communications. "Politicians now realize the importance of this growing electorate as well as the role of Spanish-language media and the relationships we have with voters."

For the most part, dollars were allocated to particular states and local markets, especially the coveted "swing states" including Colorado, Florida, Nevada and Virginia, all of which have vital Hispanic populations crucial to presidential and congressional battles.

"The Hispanic vote mattered more than ever in the swing states and candidates are just learning how to have a conversation with Hispanics," says Andy Barnet, Telemundo's vice president, local sales. He adds that the volume of political advertising in the 2012 election was "significantly up" from 2008, with more dollars allocated to more markets.

And the numbers prove it.

At Univision Communications, political advertising neared the \$42 million mark one week before the November 6th election, CFO Andy Hobson noted during the presentation of the company's third-quarter financials. Executives forecast the investment will deliver between \$42 million and \$43 million in gross revenue.

Joe DelGrosso, managing director of Univision's political and advocacy group, points out that campaigns and candidates at every level – from the presidential race down through federal and all the way to the local level - candidates, parties, independent organizations and Super PACs spent more money, in more places, and earlier in the cycle than in any other presidential election in history.

"Total political spending across Univision platforms has nearly doubled over the last presidential cycle in 2008," says DelGrosso, adding that activations extended across Univision's broadcast and cable networks as

well as radio, internet and mobile platforms. "Campaigns are highly focused on the election Hispanic voter like never before."

Entravision executives have seen a 107-percent incremental growth in political revenue this year versus 2008. The company expects to generate \$16 million in political dollars across its television and radio properties in 2012, up from \$8.1 million four years ago, CEO Walter Ulloa told analysts during Entravision's third-quarter presentation.

"The Hispanic voter base is growing in every cycle and there's incontrovertible evidence indicating that Hispanics are deciding the outcome of elections at all levels – national, state, local or municipal," says Chris Roman, senior vice president, integrated marketing solutions, for Entravision in Las Vegas. "Many candidates have either had an epiphany or are coming out of denial that they don't need the Hispanic vote."

But is it enough?

While the volume of spending and advertising activity has surprised many, most agree that there is still much work to be done when it comes to targeting Hispanic voters, now firmly entrenched as key decision-makers in the political landscape.

"The fact is that there is an historical gap that needs to be closed," insists DelGrosso. "Past campaigns have truly underserved Hispanics, and as encouraging as the current trend lines are, it's going to be important for campaigns on both sides of the aisle to recognize the growing importance of the Hispanic vote and to adjust their strategies and media spending accordingly."

Today, Latinos represent 12 percent of the U.S. voting population. Based on that figure, the consensus is that they should represent at least 10 percent of the total political spending nationwide. And rather than segmented, they must be included in a campaign's strategic planning process as part of the total market.

"Political commentators from both sides of the aisle have said repeatedly that 2012 is 'The year of the Hispanic voter,'" Javier Palomarez, president of the U.S. Hispanic Chamber of Commerce, told the Los Angeles Times. "But while political advertising spending records are being shattered, neither political party is investing a comparable percentage of their advertising dollars to reach these voters."

A study conducted by Kantar Media's Campaign Media Analysis Group on behalf of the USHCC examined political spending from April through September in Arizona, California, Colorado, Florida, Illinois, Nevada, New Mexico, New York, Texas and Virginia. Dollars for local, state and national elections accounted for \$358.9 million. Of the total, \$16.4 million, roughly 4.57 percent, was invested in Spanish-language advertising – 10 percent by the Obama campaign and 4 percent by Romney's.

"Both major parties should be prioritizing Hispanic voters and dedicating real resources to reaching those voters," said Palomarez.

What Are They Saying?

Asked by HMW to describe in one word the amount of ads and dollars spent on Hispanic outreach... here's what some executives responded:

- "Progress" - Andy Barnet, Telemundo
- "Astonishing" – Chris Roman, Entravision – Las Vegas