

Client report

# The premium content investment report: Hispanic-owned audio

A marketer's guide to investing in premium, diverse-owned and targeted audio content

A Collaboration with  
Spanish Broadcasting System



# Foreword

There is no denying the impact the Hispanic community has on American culture. Look no further than music, where we see an [outsized influence by Latino artists](#). With this growing influence comes higher expectations of brands who want to engage with the Latino community, including intentional investment in Latino-owned media companies.

But investing in minority-owned companies is only part of the equation. **Amplified ROI comes from authentic connections with the Latino audience—via media publishers who sit at the intersection of Hispanic ownership, culturally-relevant Hispanic content and scale.**

At [Spanish Broadcasting System \(SBS\)](#), we sit at that very intersection. We are the largest diverse-owned, operated and NMSDC\*-certified media company in the U.S., wholly committed to the Hispanic community which we serve, with representation and influence across the audio (and media) spectrum. Since our founding nearly four decades ago, our sole purpose has been to provide Latinos with premium, trusted content. What began as one radio station in New York has now grown into a national footprint with 360-degree media capabilities, including audio, digital, TV and live music events. Our growth has been fueled by loyal listeners who are committed to and trust SBS because, as a Hispanic-owned media company, embracing Hispanic culture has been seamlessly built into every part of our business from day one. For advertisers who want to reach an engaged, loyal audience at scale within a minority media-owned portfolio SBS, is ready to move the conversation forward.

We are proud to bring you this report featuring a first-ever analysis demonstrating the outsized value of **premium investing**—defined as investing in Hispanic-owned media that deliver targeted and authentic Latino content. Let's take a closer look at the power of that investment and how advertisers can win with Latino audiences.



**Albert Rodriguez**

President & Chief Operating Officer, SBS  
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\* National Minority Supplier Development Council



# Investing in premium content

In 2020, as people began to call for [action and advocacy](#) from the brands they spend their dollars with, advertisers and agencies made a commitment to invest in minority-owned media outlets by building equity into their portfolios. [Investing in diverse-owned media](#) is now a priority, and for good reason. Momentum from the social justice movement, paired with [more equitable insights and analysis](#), has set the stage for a deeper understanding of the importance of investing in minority-owned media companies. The media investment community is also starting to appreciate the untapped value of diverse media audiences and needs to know [how best to reach them](#) using a multi-channel marketing approach. Not only is investing in minority-owned media good for the social contract that binds us together, it also makes sound business sense because it [helps advertisers win](#) for the long term.

But to see those wins, the advertising dollars have to flow through the system in a meaningful way to the right suppliers who reach the right audiences. [Investing in diverse-owned media](#) has been a highly visible trend, but more can be done. And when you consider the effectiveness of using Hispanic-owned premium audio content\* to reach Hispanic consumers, advertisers who aren't doing this are missing a significant opportunity.



**“With SBS, 1+1=3. Investing at the intersection of minority ownership and premium minority-targeted content makes good business sense. Advertisers get maximum value with unparalleled quality reach, and at the same time, their investment supports equitable spending.”**

**Raúl Alarcón**  
CEO, Chairman of SBS

\*For the purposes of this report, we define premium content as being both Hispanic-owned (at the station ownership level) and Hispanic-targeted (at the radio format level), reaching significant portions of the population for advertisers.

## Latinos are a supergroup

The U.S. Hispanic population reached 62.1 million in 2020, accounting for 19% of the population and making it the nation's largest minority group, according to the [U.S. Census Bureau](#). In fact, Hispanics make up one of the fastest-growing groups in America. Between 2010 and 2020, the country's Hispanic population grew 23%—and it is projected to nearly double by 2060, at which point Hispanics will make up 28% of the U.S. population.

Latino collective buying power rose by nearly 90% between 2010 and 2020, and is currently estimated at almost \$2 trillion. More importantly, it is projected to rise to \$2.6 trillion in just the next few years. By then, according to a study by the Selig Center for Economic Growth, Hispanics will [account for 12% of all U.S. buying power](#). Based on these facts, no marketer can develop a robust and comprehensive advertising or growth strategy in the U.S. today without considering the value of the Hispanic consumer.

## Hispanics make up the largest ethnic group in the U.S.



Latino buying power is projected to be



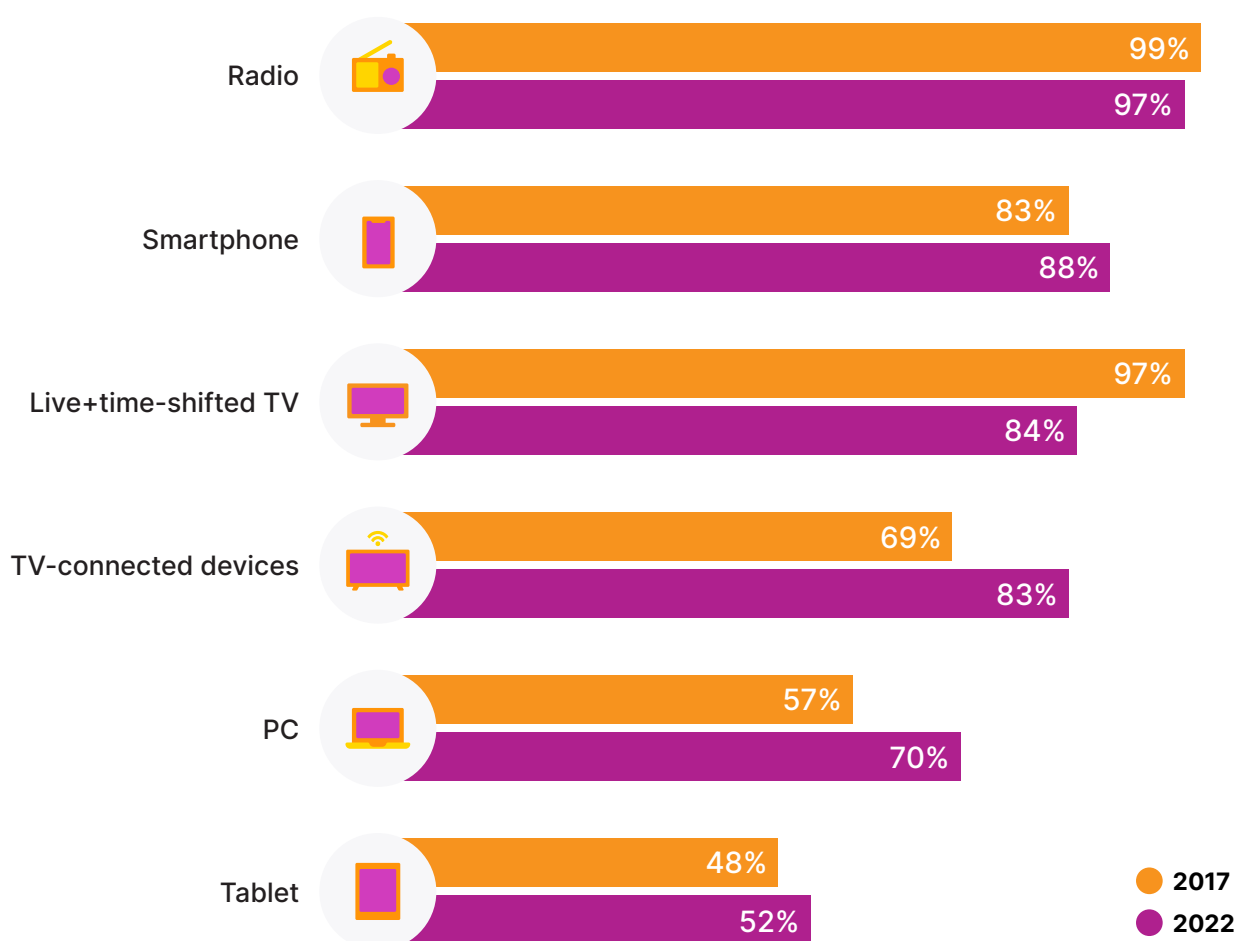
Source: 2020 American Community Survey; 2020 Selig Center for Economic Growth



The next set of facts to consider is which media platforms to use when developing a multi-channel approach to reach Hispanic consumers. **Broadcast radio leads all other platforms in reaching Latino audiences on a monthly basis.** Between 2017 and 2022, 98% of U.S. Hispanics were tuning into radio each month while over the same period, the reach of live and time-shifted TV declined from 97% to 84% among Hispanic viewers. Smartphone and TV-connected device engagement grew as streaming, digital and mobile consumption surged. But through this all, audio—and specifically radio—remained a top way to reach Hispanic consumers, despite receiving a smaller share of the total ad dollars than it deserves based on its reach and influence.

## Hispanics are drawn to radio—comparing monthly reach

U.S. monthly reach | Percent of the population—Hispanic 18+



Source: Nielsen NPOWER, Nielsen RADAR, Nielsen Total Media Fusion - Q2 2017 and 2022

Despite the advantages of investing in media publishers that sit at the intersection of diverse ownership and diverse-targeted content, Nielsen's [Ad Intel](#) data over a five-year period reveals that advertising investments are NOT keeping up with the significant growth of the Latino community. **Of the billions spent on local radio on a yearly basis, less than 10% is going to Hispanic-targeted\* stations, even though Hispanics now make up 20% of our population, have \$2 trillion in spending power, and use radio more than any other group.** This is an enormous disparity and, at the same time, an enormous opportunity for brands looking to connect with the largest minority group in the U.S.

## Total local radio ad spend (44 markets)

	2017	2018	2019	2020	2021
All Radio	\$4.7B	\$4.5B	\$4.2B	\$3.4B	\$4.3B
Hispanic-targeted	\$416.5M	\$431.2M	\$398.8M	\$325.6M	\$417.8M
Hispanic-owned	\$92.4M	\$103.5M	\$96.0M	\$75.7M	\$102.5M
Hispanic-owned and Hispanic-targeted	\$53.9M	\$61.8M	\$56.9M	\$46.0M	\$71.3M

Source: Nielsen Ad Intel, 44 local radio markets




**2021 saw significant radio investment from Facebook, Amazon, Google and Netflix in Hispanic-owned and Hispanic-targeted stations.**

\*Throughout this report, Hispanic-targeted stations refer to radio stations airing Spanish language formats, such as Spanish Contemporary, Spanish Tropical or Mexican Regional.

## Percent of local radio ad dollars spent on Hispanic-targeted stations

Local radio ad spending	2017 through 2021
Hispanic-targeted	9%
Hispanic-owned	2%
Hispanic-owned and Hispanic-targeted	1%

Source: Nielsen Ad Intel, 44 local radio markets

**37%**   
of all Hispanic radio  
impressions are from  
Hispanic-targeted  
stations.

Despite the significant growth in both Hispanic population and buying power...

- From 2017-2021, only **9% of ad spend** on local radio was on Hispanic-targeted stations, regardless of station ownership. This is in spite of the fact that Hispanics listening to those stations generated nearly 40% of the total radio impressions.
- At the same time, just **2% of ad spend** on local radio was on Hispanic-owned stations.
- And from 2017-2021, a meager **1% of ad spend** on local radio was on Hispanic-owned AND Hispanic-targeted stations.



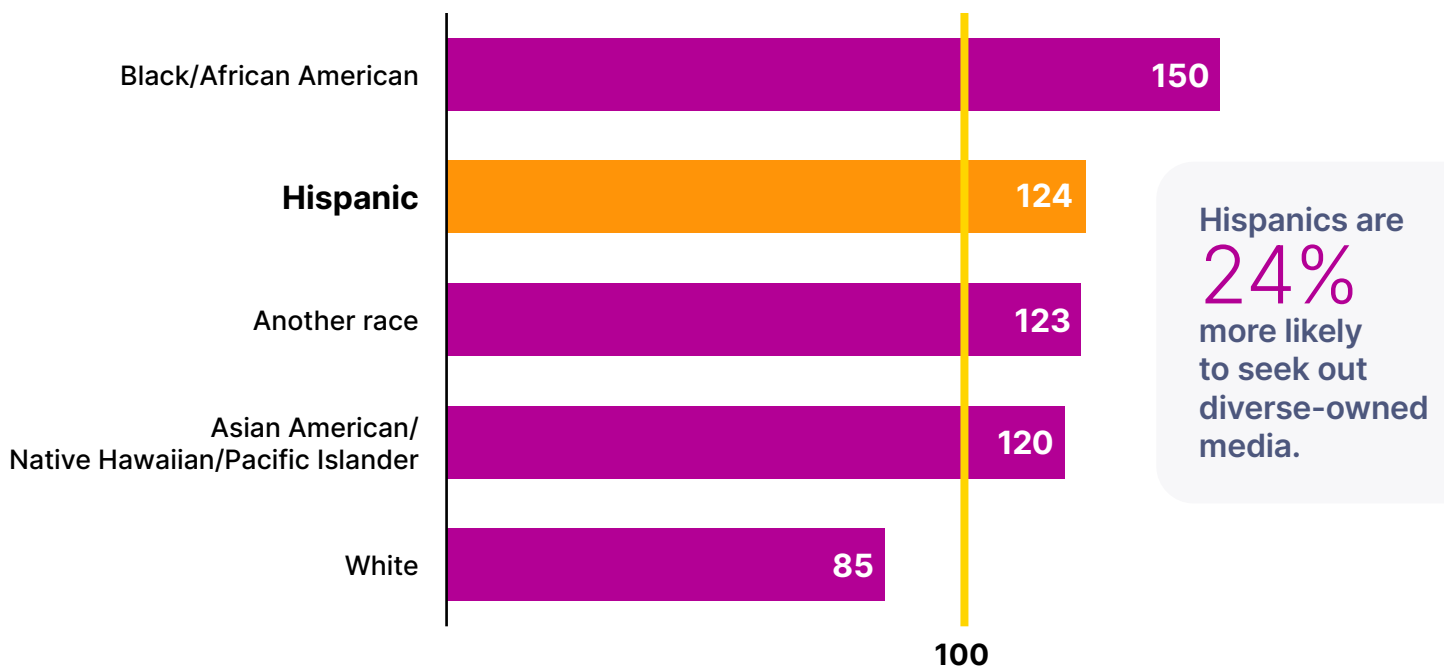


# Ownership matters to audiences

Hispanic consumers seeking a deeper sense of connection are increasingly turning to Hispanic- or diverse-owned media outlets. These broadcasters, networks and publishers deliver an impressive reach for Latino audiences.

## Preference for content from diverse-owned outlets

How likely are audiences to seek out diverse-owned media?



Read as: Hispanic audiences are 24% more likely than the general population (benchmark of 100) to seek out diverse-owned media  
Source: Nielsen Attitudes on Representation on TV Study, April 2022

## Hispanic audiences are more likely to...



Seek out content in their preferred language

89%



Seek out diverse-owned media

69% (24% more likely than the general population)



Seek out diverse-owned businesses

71% (compared to 53% of White people)



Buy from brands that give back to the community

52%



Trust diverse-owned programming and perspectives

50% (26% more likely than the general population)



Buy from brands that advertise in inclusive content

49%

Source: Nielsen Attitudes on Representation on TV Study (% of Hispanic respondents), April 2022; Nielsen Scarborough USA+ 2022 Release 1, Consumer POV

Today, Hispanic consumers are seeking to engage with Latino-owned businesses more than ever as an indicator of authenticity. The same is true for media. **Brands that wish to earn Latino engagement and their dollars must consider partnering with and delivering their message through Latino-owned media.** For brands, this can illustrate an actionable commitment to diversity, equity and inclusion, especially for Hispanic communities who feel left out of the equity conversation.

Hispanic-owned radio in Miami, for example, is more than two-and-half-times more likely to attract Hispanic audiences. But even with a monthly reach of nearly 1 million Hispanic listeners in Q2 2022, Hispanic-owned radio has not always been a part of the media plans designed to reach Latino consumers. **Brands and advertisers can change these disparities by proactively seeking out partnerships with Hispanic-owned outlets,** championing Latino perspectives and investing in media that matters to the Hispanic community.



## Boosting marketing performance

Data shows that most brands are under-investing in Hispanic-owned and Hispanic-targeted radio, which raises the question: What would marketing performance look like if brands invested in radio outlets that are both Hispanic-owned and Hispanic-targeted? With [Nielsen Compass](#) (an outcomes database of approximately 25,000 marketing effectiveness metrics covering 100 categories and 50 countries), we are able to estimate the return on ad dollars spent and how marketers are leaving money on the table when they don't target their current and potential customers in the right places with the right media owners.

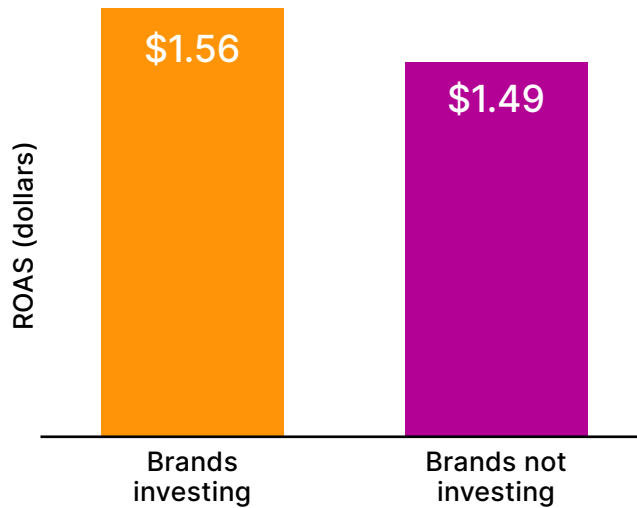
To see if spending dollars on Hispanic-owned and Hispanic-targeted stations has a meaningful outcome for advertisers, we calculated the return on advertising spend (ROAS; the incremental dollar revenue divided by spend in radio advertising) for all available brands in the American consumer packaged goods (CPG) sector.





## CPG brands and Spanish-language radio

Local radio: Spanish-language formats



CPG brands investing in Spanish-language radio see larger ROAS.

Nielsen Compass Planner, Local Radio 2017-2021

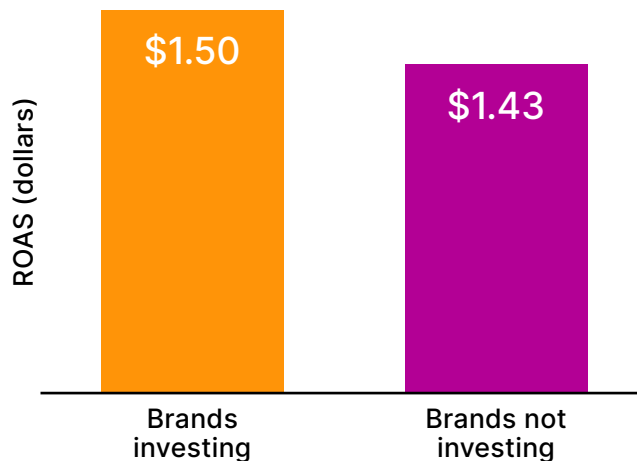
CPG brands that advertised on Hispanic-targeted radio stations between 2017 and 2021 had, on average, a **5% higher ROAS** than brands that did not spend on Hispanic-targeted radio.

Not only was that the case for Hispanic-targeted radio stations, but it also was the case for all Hispanic-owned radio stations.



## Investing in Hispanic-owned radio by CPG brands

Hispanic-owned radio: all formats



CPG brands that advertise on Hispanic-owned radio stations in the 2017-2021 period had, on average, a **5% higher ROAS** than brands that did not.

How to read: These charts detail the ROAS amounts for every dollar spent on these stations.  
Nielsen Compass Planner, Local Radio 2017-2021

When we drill down into the health, beauty and personal care categories, the impact is even more pronounced.

## Health and beauty brands that advertised in premium content radio delivered outsized ROI

Here, brands that were consistently active in advertising on Hispanic-owned and Hispanic-targeted radio stations in the 2017-2021 period had, on average, a 12% higher ROAS than brands that did not spend on those stations: \$1.28 vs. \$1.14 for every \$1 spent.

SBS stations reach

 **35%**  
of all Latinas on a monthly basis.

This analysis clearly illustrates that **advertisers who commit to consistently investing in media companies at the intersection of Hispanic-ownership and Hispanic-targeted radio stations enjoy significantly higher returns on their investments.**

## Diverse investing at scale with high impact

There are added benefits for advertisers who have committed to consistent investment in Hispanic-owned outlets that are also Hispanic-targeted. Outlets that sit at the intersection of Hispanic-owned and Hispanic-targeted are concentrated in the largest markets in the country, offering advertisers efficient and effective ROI. These stations reach **a quarter** of the entire Latino population in the 25 largest markets alone. This presents an unparalleled opportunity to move the needle for both social justice and marketing efficiency.

Hispanic-owned stations reach more than

 **9 million**

Latino consumers each month.



Source: Nielsen National Regional Database - Q2 2022

## Hispanic-owned AND Hispanic-targeted at scale, with engagement

SBS is the leading\* Hispanic-owned audio platform in the U.S.

### Powerful national reach

- **AIRE Radio Networks: Reach nearly a quarter (22%) of all Hispanic consumers each month** across more than 300 affiliates. NMSDC certified.
- **AIRE Radio Networks amplify Latino-created content.** With signature local and network content (Alex Sensation, El Terri, DJ influencers) the Latino creator economy uses this important outlet to bring fans and artists together.



### Local market influence

- **Home to the most streamed station on the planet: Mega 97.9 New York.** Mega brings advertisers Hispanic marketing at scale both online and offline. It not only has the second largest monthly audience of any Spanish-language radio station in the country, it has the largest internet streaming audience *regardless of language or format*, and is **70% larger** than the No. 2 streaming station.
- **Authority in the largest Hispanic markets:** In Los Angeles (the largest Hispanic market in the U.S.), SBS delivers **more than double** the amount of gross impressions than any other Hispanic-owned and Hispanic-targeted media company. In Miami, SBS reaches more Hispanic consumers than any other Hispanic-owned or Hispanic-targeted operator. **SBS delivers 5X more** gross impressions than the next Hispanic-owned and Hispanic-targeted operator.
- **And a growing footprint in others:** SBS's new acquisition in Orlando, WPYO-FM, has doubled its monthly audience among Hispanics 18-49 in only a few months since going on air in May 2022. The station has also risen to No. 1 in audience share as of October 2022.

The morning show—El Despelote—is resonating in a big way with Hispanic consumers in the market. Currently ranked No. 1 in audience share, the show has increased its monthly audience 2X over the summer.

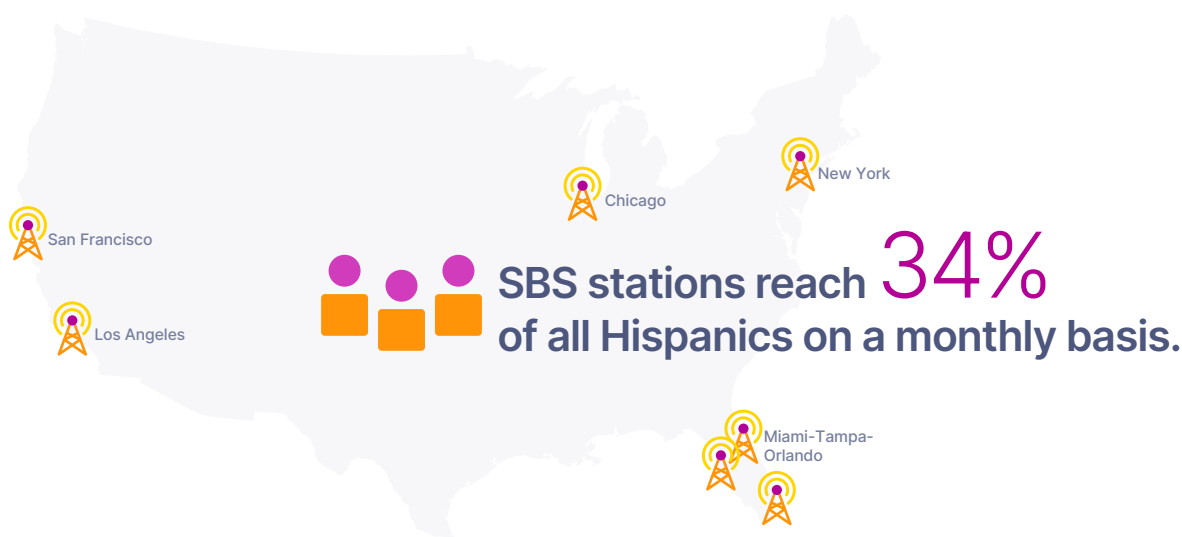
\*Based on monthly reach compared to other Hispanic-owned operators  
Source: Nielsen National Regional Database - Q2 2022



## Investing with purpose

To have the most significant impact in those largest markets, Nielsen data shows that the intersection of Hispanic-ownership AND Hispanic-targeted content is where advertising is most effective. SBS, the largest minority-owned media company in the U.S., operates Hispanic-targeted stations in New York, Los Angeles, Chicago, San Francisco and Miami, with new stations coming online recently in Tampa and Orlando. In those first five markets alone, SBS stations reach 34% of all Hispanics on a monthly basis.

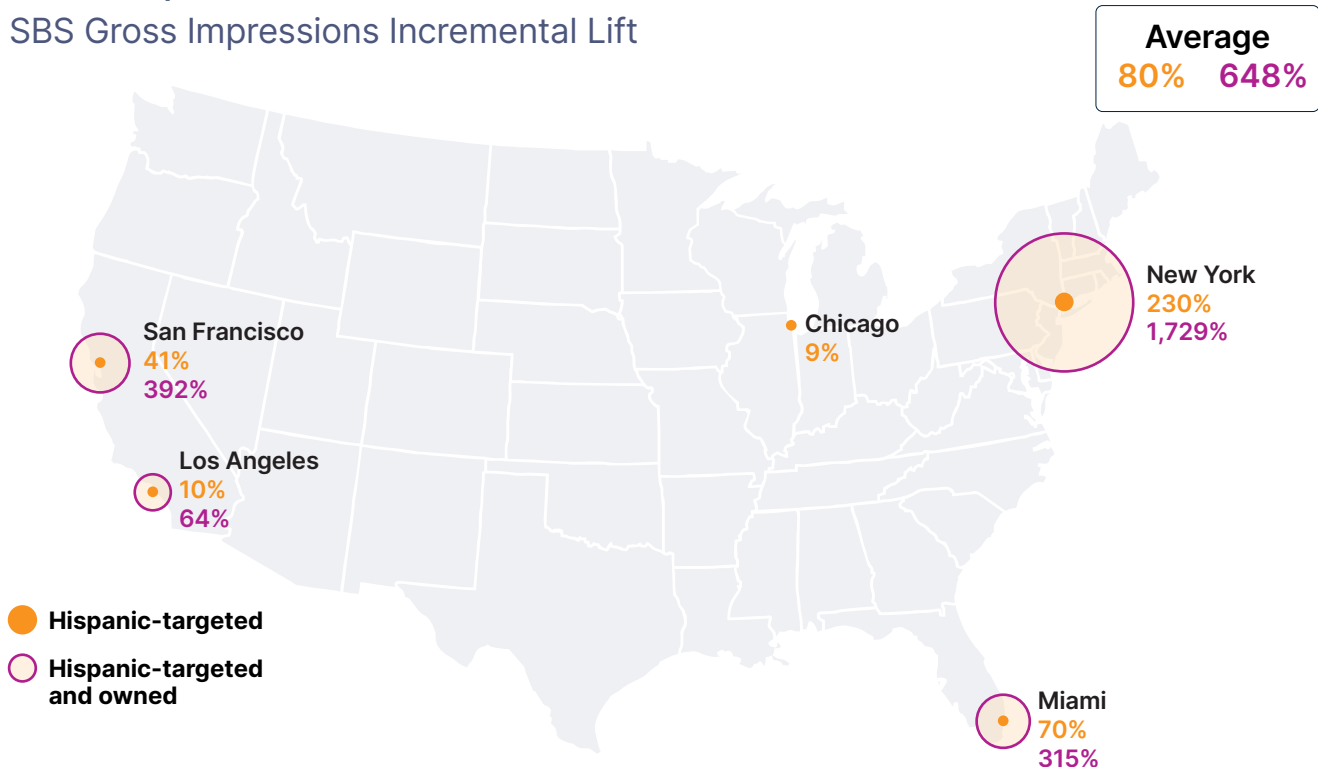
- Compared with other Hispanic-targeted stations in those markets, **SBS delivers 80% more gross impressions and 30% more incremental monthly reach than other operators.**
- Compared with other stations that are both Hispanic-owned AND targeted in those markets, SBS has a significant advantage, being the largest Hispanic-owned and targeted group: It **delivers 600% more gross impressions and 900% more incremental monthly reach** than other operators.



Source: Nielsen National Regional Database - Q2 2022

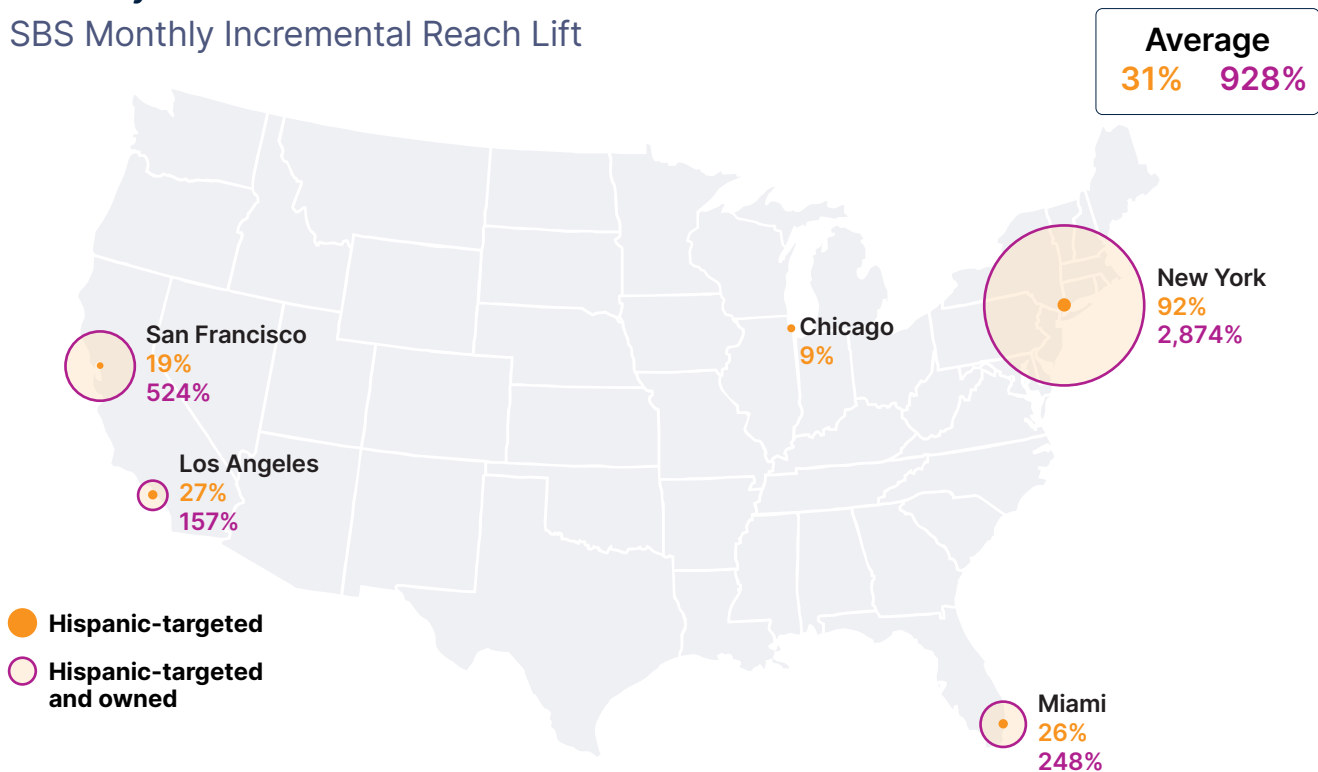
## Gross Impressions

SBS Gross Impressions Incremental Lift



## Monthly Reach

SBS Monthly Incremental Reach Lift



Source: Nielsen Radio PPM Local Market Data - Q2 2022

# Closing

As America continues to diversify, Latinos are having an outsized impact, making up more than 50% of the population growth in the U.S. over the past 10 years. As these impacts ripple out into the workforce and the economy, advertisers seeking growth must rethink how they engage with them.

Equitable investment in the Hispanic community is only partly about the amount of ad dollars targeted to Latinos. The other parts are the cultural nuance in the message and where those dollars are placed. Marketers must consider the authenticity of the content and the media platform ownership where their ads air. Specifically, the ecosystem for the advertising must be culturally attuned, deliver content that connects for increased ROAS, and be placed with a Latino-owned media company for maximum value. The Latino community is holding brands to a higher standard, and there is an expectation that brands will value not just the audience but invest in the community as well. Culture and authenticity matter more than ever, and the environment in which advertising is placed has never been more important.

Research shows that Latinos respond to Hispanic-targeted, in-language content but also feel that the content, when delivered via a Hispanic-owned outlet, has a cultural value that can be absent when Hispanic ownership is not part of the process. **Premium Hispanic audio content works**; it yields a higher ROI and brings marketers more incremental revenue by meeting their reach and impression goals while satisfying their diverse investment initiatives. Without taking premium content into account, advertisers are leaving valuable dollars on the table with a group that now represents \$2.8 trillion in GDP.\*

For more information on investing at the intersection of diverse ownership and diverse-targeted content—and to reach the Latino community with effective and efficient plans—reach out to the SBS team.

\* Latino Donor Collaborative, 2022



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## About Nielsen

Nielsen shapes the world's media and content as a global leader in audience measurement, data and analytics. Through our understanding of people and their behaviors across all channels and platforms, we empower our clients with independent and actionable intelligence so they can connect and engage with their audiences—now and into the future. Nielsen operates around the world in more than 55 countries. Learn more at [www.nielsen.com](http://www.nielsen.com) and connect with us on social media.

**Audience Is Everything®**



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## About Spanish Broadcasting System, Inc.

Spanish Broadcasting System, Inc. (SBS) owns and operates radio stations located in the top U.S. Hispanic markets of Los Angeles, New York, Puerto Rico, Chicago, Miami, San Francisco, Orlando, and Tampa, airing the Tropical, Regional Mexican, Spanish Adult Contemporary, Top 40 and Urbano format genres. SBS also operates AIRE Radio Networks, a national radio platform of over 290 affiliated stations reaching 95% of the U.S. Hispanic audience. SBS also owns MegaTV, a network television operation with over-the-air, cable, and satellite distribution and affiliates throughout the U.S. and Puerto Rico, produces a nationwide roster of live concerts and events, and owns a stable of digital properties, including LaMusica, a mobile app providing Latino-focused audio and video streaming content and HitzMaker, a new-talent destination for aspiring artists. For more information, visit us online at [www.spanishbroadcasting.com](http://www.spanishbroadcasting.com).

