

HOW THE CENSUS WILL CHANGE YOUR BUSINESS:

A Q&A With Telemundo's Don Browne

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The 2010 Census will confirm what Telemundo President Don Browne has known all along—the Latin community is an economic force to be reckoned with.

By Marisa Guthrie -- Broadcasting & Cable, 6/21/2010 12:01:00 AM

The 2010 Census is expected to reveal that the Hispanic population in the U.S. is now nearly 50 million, which represents a startling increase of 14 million—or about 40%—in the last decade. That number will put an official stamp on what executives at Spanish-language networks, including top-rated Univision and NBC Universal's Telemundo, have known for a long time: that the Hispanic market is a vital economic constituency.

Don Browne, president of Telemundo Communications Group—which includes the flagship network, 16 O&Os, Telemundo Studios, news and sports, as well as digital and international assets—talks to B&C Programming Editor Marisa Guthrie about the impact of the Census results on Telemundo's business, NBCU's new-to-Washington-regulators diversity track record, and what the company expects from Nielsen's post-Census sample adjustment. An edited transcript follows.

The 2010 Census is expected to show that the Hispanic population has grown by 40% in 10 years, accounting for half of the total U.S. population growth during the decade. Those are pretty pronounced

numbers, yet marketing budgets are still overwhelmingly focused on non-Hispanic consumers. When is marketing psychology going to catch up with the numbers?

The fact is that a lot of people have been talking about this for a long time. But a lot of people have not been acting on this almost \$1.3 billion of economic power that is about to explode. But I think that for the first time in a really manifested way, we're seeing a consciousness about this at a level that we've never seen before. In the upfront process and in client development meetings that we're having, there is much more awareness, much more of a commitment, much more of an understanding that things are changing now. And post-2010 Census, they will be moving very quickly.

Probably the single fastest way to grow any business is to understand and embrace this growth. And if you don't, it's at your own peril. So, we're seeing enlightened, smart decision-makers beginning to understand and jump on board. And I think it bodes really well if you're in the Hispanic business. But I think it also bodes really well for the general market also becoming much more aware of the need to be speaking to this audience.

How have the Census and the presumed realignment of the Nielsen sample affected your upfront?

There's a very clear understanding. Every agency that we've talked to is probably more aware of the opportunity than they've ever been before. And not only are they aware, but they're willing to act on it. This also comes at a time when we're seeing a real clear indication of an economic recovery. So, three things are converging: the best, most focused awareness of this opportunity; the willingness to act on it; and economics that are favorable for acting on it. It's one thing to understand the opportunity, but it's quite another to have a budget to take advantage of it.

Is the market still subscribing to the

anachronistic notion that Hispanic households are not affluent?

Part of the reason it's not going faster is there is a lingering misperception of the vitality and power of this economic group. I think that's where the sea change is taking place. I think that the opportunity is becoming so compelling that it is removing the reluctance or the misinformation about what a powerful opportunity this is. It's just good business. If business leaders can demonstrate growth in their businesses, they're going to be successful. And I think what people are realizing is that the single fastest way to grow any business in the next two to five years is understanding, embracing and acting on the Hispanic marketplace.

How important is Nielsen's realignment of the household sample? Have you had conversations with them? And what do you expect the impact on Spanish-language television ratings will be?

It's obviously inevitable that there are going to be more meters placed where the growth areas are. And the greatest area of growth will undoubtedly be Hispanics. I think it bodes very well for national growth, but also the local television stations will be seeing that growth because there will be more meters to measure more Hispanics.

There have been long-standing complaints that the Nielsen sample does not properly measure minorities. Are you satisfied with Nielsen?

We'd like to see more resources being dedicated to making an effort to measure that growth accurately, and I think they are well aware that they are going to have to redirect resources. If there's a segment of the population that the Census indicates is growing this dramatically, we should be seeing that reflected [in the] Nielsen [sample]. We're encouraging them to allocate the resources they need to make sure they get into these areas. All we want is an even playing field. And part of that is making sure that as the Hispanic population grows, that they

redirect their resources to make sure these numbers are being reflected. It's something that they want to do. And we're encouraging them to do it quickly because this is going to be a significant part of everyone's business.

Comcast/NBC Universal recently announced a slew of diversity initiatives, including a Latino advisory council, a \$7 million increase in ad spending on minority-owned media, a Spanish language movies-on-demand channel and executive training programs aimed at minorities. I would think that Telemundo and mun2 would be a linchpin in so many of those initiatives. How are your networks involved in that?

I'm glad you brought that up. So, let's talk about diversity, which is one of my favorite subjects. When NBC bought Telemundo, the president, the COO, the CFO, the head of the TV station group, the head of network news, the head of network sales were all non-Hispanic. That's pretty amazing, huh? How does it look post-NBC? In every one of those positions, not only are they all Hispanic, but they're some of the top executives in the country who happen to be Hispanic. So, we're not dealing with remedial programs. These are some of the best people in the world.

In addition to that, when [NBC] bought the company we did not have studios and, of course, the president of our studios is Hispanic. And mun2 is a significant cable property overseen by our COO, Jackie Hernández, who is one of the leading media executives in the world who happens to be Hispanic.

My point is, if you look at Telemundo post-NBC in terms of diversity, the quality of the talent and leadership, it is an entirely different company than it was before the sale. We hardly produced anything before. But now with our studios, we are the second-largest content company in the world. And we are able to fulfill many of the things that Comcast wants to accomplish in serving a larger community. So, we're very excited about the position we're in to support everything that Comcast and