



## TELEVISION

# Coming, a new force in Hispanic TV

## *Estrella TV is about to challenge Univision and Telemundo*

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Univision and Telemundo have had a lock on the Spanish-language television market for decades, with few serious competitors to challenge them for either viewers or a piece of what's become a \$4 billion ad market.

But the two networks are about to face their most serious threat in years.

On July 1, Estrella TV will launch in about 70 percent of Hispanic homes in most of the 20 largest Hispanic markets. And it's launching in time to participate in this summer's \$1.6 billion Spanish-language upfront ad market.

Estrella TV isn't just another upstart.

The network is being launched by Liberman Broadcasting in Los Angeles, an established player in Spanish-language radio since the 1970s and television since the 1980s. It's already a formidable TV competitor to Univision and Telemundo stations in five markets, including L.A., San Diego, Houston and Dallas.

Estrella TV will broadcast programs geared to all Hispanics, with an emphasis on the 18-49 demographic, airing news and original entertainment programming, including comedies and variety shows. It will not air the novelas that are the backbone of Univision and Telemundo programming.

The network is already airing a newscast in local markets.

"It all comes down to programming," says Lenard Liberman, executive vice president of Estrella TV. "The media landscape is very competitive. But we have market-by-market data that shows we're very competitive. We are getting very high ratings, and we've had year-to-year growth for the past five years."

Last month, Estrella TV signed up four affiliates in Texas and earlier this month it purchased a low-power station in New York, WASA channel 25.

Liberman says more are coming. "We're expecting to have 70 percent of the Hispanic market covered, based on the stations we're talking to," he says. "It's potentially more than that. There's a station in virtually every top 20 market that is either already signed or is in the final stages of being signed."

Analysts say the network has a good shot at succeeding.

“Estrella isn’t going to do well because the economy is good or bad,” says Julio Rumbaut, a media consultant in Miami. “They’ll do well if they can replicate the ratings that they have in a few of the top 10 markets. If they can do that in other markets, they will do very well.”

A big plus is that the company is already a familiar player with media buyers with whom it will be negotiating upfront deals in a matter of months.

And while the economy is sinking--ad revenue on Spanish-language TV is stagnant after years of growth--that may just benefit Estrella. It will presumably offer rock-bottom prices to media buyers looking for deals, making it an attractive third option after Univision and Telemundo.

Also working in Estrella TV's favor is the continued growth of the Hispanic population. Hispanics account for 15 percent of the population but Spanish-language TV accounts for a small percentage of TV ad dollars.

That gap represents an opportunity for all Spanish-language networks, including newcomers like Estrella TV, says David Joyce, an analyst at Miller Tabak in New York.

“It is a crowded marketplace,” he says. “But the growth in the Hispanic population is far outpacing advertising expenditures. There’s a still quite a disparity or gap between population and advertising.”