

## HISPANIC REGGAETON IS RADIO MARKET BRIGHT SPOT

### Radio Groups Flip Stations to Hot Latin Hip-Hop Format

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NEW YORK (AdAge.com) -- Marketers trying to reach Latino youth should get to know Daddy Yankee, Don Omar or Tego Calderón, stars of the hot new Reggaeton format that's become a major ratings driver.



Photo: Ana Martinez

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#### Most influential

Reggaeton is arguably the most influential radio format of the past year behind only, perhaps, the DJ-free, all-purpose Jack. And while Reggaeton, a kind of Latin hip-hop, isn't confined to Hispanic-targeted stations -- listeners are just as likely to find Daddy Yankee on a top 40 station -- it has opened up a whole new demographic for Hispanic radio advertisers.

Hispanic radio represents one of the category's few bright spots. Hispanic radio revenue growth outpaced the general market in 2005, and that momentum is expected to carry through 2006. Plus, radio comprises a much larger share of Hispanic ad spending than it does in the general market -- 21.5% vs. just under 5%, based on data from HispanTelligence.

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Reggaeton was born in Puerto Rico but migrated stateside two years ago and has become a major radio ratings driver. Its sound is a hybrid of several Latin American influences -- bomba and plena -- with Jamaican reggae and hip-hop and rap. In 2004, Reggaeton drove Latin record sales, making Latin the only music category to register growth, according to Nielsen SoundScan and the Recording Industry Association of America.

#### Ratings driver

When Spanish Broadcasting System flipped its KXOL-FM in Los Angeles last spring from Spanish contemporary to a bilingual mix of Reggaeton and hip-hop (coining the rather clumsy moniker "Hurban"), it didn't have much to lose. In fall 2004, the underperforming station managed a meager 1.5 share for persons 12-plus, according to Arbitron, good for 19th place in the market. But the experiment couldn't have been more successful. By summer 2005, KXOL had catapulted into a tie for second most popular station in the market.

As Reggaeton has grown in popularity among Latin youth, it's ignited what is practically an arms race among radio groups - who can flip a station first? Clear Channel Communications has flipped stations in Houston, Miami and Denver; Infinity Broadcasting Corp. blew up a D.C. rock stalwart into youth-oriented El Zol; and Univision's La Kalle (The Street) lives in eight markets, including Chicago, San Francisco, San Antonio and Dallas. Now, radio networks are expanding into the genre, creating national programs to help fuel the stations across the country.

#### Artists get own shows

Reggaeton artists are even getting their own shows. ABC Radio Networks is launching a Daddy Yankee show in February. And Miami-based Latino Broadcasting Co. is producing "The Frankie Needles Top 20 Latin-Urban Countdown."

"Syndicating Spanish-language music content has been very difficult until the reggaeton explosion," says Tony Hernandez, president-CEO of Latino Broadcasting, which also syndicates Spanish-language Major League Baseball, National Football League and Mexican soccer. "The East Coast has preferred tropical, Merengue and salsa, while the West Coast was more Mexican regional ... most Spanish-language stations, with the exception of La Mega in New York, weren't targeting the lucrative teen and 20s market."

And that market is a valuable one. The median age for Hispanics is 26.7, compared with 35.9 for the overall U.S. population, according to the U.S. Census Bureau.

What rock 'n' roll did for the 1950s generation and what hip-hop did for an entire African-American segment, Reggaeton is doing for Latino youth, Mr. Hernandez says.

### **ABC Radio Networks**

ABC Radio Networks is banking on the genre's biggest star with the "Daddy Yankee en Fuego Radio Show," a weekly 2-hour syndicated program aimed at the adult 18-34 demo. ABC saw Reggaeton as "a tremendous opportunity to grow the network pie," says Carlos San Jose, director-Hispanic sales for ABC Radio Networks.

There's been criticism that Daddy Yankee, like many hip-hop stars, is too controversial. But Mr. San Jose discounts that and says the artist has a wide circle of friends in the industry.

The format has also come under fire for not having enough talent in the pipeline, but there are signs that's improving as people follow the money. This year will be a big one for the music as artists such as Don Omar have come up with wild variations on the traditional Reggaeton beat and mainstream hip-hop artists seek collaborations with Reggaeton stars. Sean "Diddy" Combs, for example, has come out with Bad Boy Latino, a Hispanic spinoff from his Bad Boy label, and "is seeking out new talent for it in a big way," Mr. Hernandez says.