



VIVA Telecompras Set to Tap into \$870 Billion Dollar Market

International Monetary's newest strategic advisory client is Home Shopping Latino Inc. (Pink Sheets: HSPG). The company is in the developmental stage, getting ready to launch a Spanish-language TV network VIVA Telecompras.

Is there a need for a Spanish-language TV shopping network?

Not only Spanish is the second most widely spoken language in the US, the Hispanic population is highly dynamic. Its purchasing power is growing faster than that of any other group, at twice the average national rate. In 2008 the US Hispanics purchasing power leaped to \$870 billion. In 2015 it is projected to reach \$1.3 trillion. This means approximately 12 out of every 100 purchases made in the US in 2015 will be made by Spanish-speaking households.

In itself, this is hardly the news. Businesses in the US have been aware of the demands and power of the Hispanic market for a few years. As a result, companies scrambled to develop Spanish-language sales and customer support options.

Still, many businesses were missing the point that to successfully market a product to a Spanish-speaking audience, they had to market it in Spanish in the first place. Research showed that even second-generation Spanish speakers, who might even be more fluent in English than in Spanish, retained preference for Spanish-language messages.

Put it simply, it wasn't just the parents or grandparents that preferred Spanish-language ads, but the children and grandchildren. And a Spanish-language TV network and e-commerce site present the best way to deliver marketing messages to this audience.

But why VIVA Telecompras?

Niche Market - VIVA Telecompras and its parent company Home Shopping Latino Television Network are niche networks that plan on selling gemstones and jewelry, vitamins, beauty care products, household items, computers, and other items comparable to those offered on HSN and QVC for the English-speaking audiences.

Exclusive Sourcing Ensures High Profit Margins - Home Shopping Latino is concentrating on developing exclusive relationships with the suppliers resulting in better values for VIVA Telecompras' customers and higher profit margins for VIVA Telecompras itself.

Efficiency Through Outsourcing - VIVA Telecompras' parent company, Home Shopping Latino, Inc. plans on outsourcing all non-core processes, including merchandizing, fulfillment, credit card processing, etc to third-party vendors to maintain streamlined and highly efficient operations and further increase company's profit margins. Home Shopping Latino plans to use a core staff to supervise the day-to-day production. Management plans to rent all other production crews and production equipment from third-party companies. This way the company's efforts and resources will remain concentrated on expanding its market via airtime and website broadcasts.

Variety of Payment Methods - Home Shopping Latino is currently developing new payment methods to meet marketing demands. Plans include generating Home Shopping Latino-branded credit cards for making HSL purchases. Easy-Pay options will allow breakdown of larger payments into monthly installments. The company will also provide overseas delivery option via UPS for US-based customers buying gifts for the loved ones outside the country.

Marketing Strategy Based on Specifics of the U.S. Latino Market - the company's goal for the U.S. Latino market is to penetrate the top 25 Latino TV HH markets. Between the two tiers of the U.S. Latino television markets, Home Shopping Latino plans to have the ability to reach more than 85 percent of the total U.S. Latino TV HHs. Another part of the strategy will be to get airtime at a number of low-power television stations (LPTV) in a number of key markets.

The company has already employed effective distribution strategies to quickly ramp up to cover the top U.S. Latino markets, albeit primarily through LPTV. Through a series of one- to three-year deals, the company intends to sign broadcasters in a number of the target Latino markets. Several of the major multi-station operators (MSOs such as Adelphia, AT&T, Cablevision, Comcast, etc) have already offered digital tier cable carriage to Home Shopping Latino.

HSL also plans on leveraging through a "retransmission" deal, to be negotiated with FACE, a group of approximately 150 stations representing 25 million cable homes, predominately non-owned FOX affiliates which are looking to "monetize" their retransmission rights. Home Shopping Latino believes it can gain access to between 3.5 and 6.0 million Latino subscribers through the retransmission deal alone.

Celebrity Representatives - HSL will be using notable Latino celebrities to build trust and loyalty of the market.

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