

Playing to win: an explorative study of marketing strategies of small ethnic retail entrepreneurs in the UK

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Abstract

The paper is based on an explorative study of small ethnic retail entrepreneurs and their target consumers in the UK. The paper argues that the ethnic entrepreneurs engage in a number of marketing practices that reveal their competency, innovation and networking abilities to successfully compete in a competitive context. In doing so, the paper highlights the ambivalent nature of marketing practices followed by ethnic entrepreneurs revealing their role as bicultural mediators seeking to facilitate negotiations of multiple identities by their multi-ethnic consumers. The paper discusses implications for marketers of mainstream brands who are interested in targeting ethnic minority consumers.

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1. Introduction

The 20th century has witnessed an ever-increasing interdependence and integration throughout the world, giving rise to a florescence of social changes at local, regional, and international levels (Costa and Bamossy, 1995; Penalzoza and Gilly, 1999). This, according to some scholars, has led to a market place that is characterised by market integration as well as persistent ethnic differentiation due to ethnic, racial, religious and national interests (Penalzoza and Gilly, 1999; Rossiter and Chan, 1998). For instance, there is much discussion in the UK today about the costs and benefits of immigration and about public attitudes towards immigration. Cultural diversity sometimes generates conflict as different unwritten rules of social conduct can result in friction due to communication problems or inefficiencies caused by the lack of fit among differing cultures (Gentry et al., 1995). Examples of some stronger ethnic conflict include the Bradford riots of 1990s and the Burnley, Bradford and Oldham riots of summer 2001 in the UK, the Los Angeles riots of the early 1990s in the USA (Hunt, 1996; Min, 1996), and the immigrant versus resident clashes that took place in late 1990s in Western Europe (Drozdiak, 1997). However, as

Penalzoza and Gilly (1999) argued, ethnicity provides a powerful basis for the identity and community of its members. Furthermore, cultural diversity offers benefits to society in terms of stimulating the imagination, the arts and cultural growth. Increasing diversity in the UK is already affecting and shaping many institutions (e.g., the educational institutions have to cope with a multi-cultural student body and staff) and culinary habits (e.g., assimilation of a variety of ethnic foods into British cuisine). Cultural diversity affects businesses as well by opening new domestic markets for a wide variety of goods and services, by creating new challenges in managing a diverse workforce and effectively seeking diverse consumers and by providing domestic firms a special edge in competing in the global marketplace (Doka, 1996; Wilkinson and Cheng, 1999). Increasingly marketing academics such as Barber (1996) are interested in the ways cultural and market forces unite and divide people. According to Penalzoza and Gilly, 1999, ‘the market separates people by distinguishing them on the basis of their socio-demographic characteristics and other consumption patterns. It unifies them by assembling people with similar characteristics, ideas, and behaviours; providing products, services, media, and social spaces that reinforce cultural identities; and promoting the consumption of cultural market artefacts’ (p. 84). Similarly, while discussing the role of different subcultures in a country’s economic development,

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Gentry et al. (1995) argued that cooperation across subcultures of consumers and between cultures and businesses was crucial for the economic development. They cited the examples of developing nation states such as Malaysia and Singapore with significant cultural diversity that actively promote 'unity' to the Malay, Chinese and Tamil subcultures. And as Doka (1996) argued, the ability of companies to transcend cultural differences in a culturally diverse market place is critical to maintain not only profits but also social unity. Therefore, the challenge for marketers in such a context is to promote harmony and consistency by improving co-operation between marketers and consumers of different ethnic backgrounds (Gentry et al., 1995).

The purpose of this research is to explore the marketing strategies of small retail enterprises owned and operated by members of the ethnic minority community (hereby termed as ethnic entrepreneurs) who have grown in significant numbers during the last 20 years in the UK (see for instance, Iyer and Shapiro, 1999; Marlow, 1992; Ram, 1994). This is done with a view to contribute towards theory development by furthering substantive understandings of intercultural market dynamics, knowledge generation and future research among ethnic minority consumers. All the indications are that the main beneficiary of this knowledge is likely to be the marketers of mainstream brands in the sense that it is they who may find findings of this research interesting and a starting point to develop and implement ethnic marketing programmes aimed at ethnic minority consumers who are growing in size and have an increased purchasing power accompanied by heightened political and cultural awareness and ethnic pride (Cui, 1997; Penaloza and Gilly, 1999). The author's many years of experience of dealing with ethnic markets suggests that as the market for ethnic products grows and proves stable and profitable it is going to attract corporate competitors. In the USA, many of the major retailers, grocers, banks and other service providers have already adopted their marketing mix strategies to target ethnic minority consumers leading to an increase in competition for the ethnic entrepreneurs (Edwards, 1994; Gore, 1998; Holliday, 1993; Mummert, 1995). Mainstream marketers in Europe (although hesitant so far) are unlikely to remain ignorant of the impact of rising cultural diversity in the marketplace on their marketing programmes (Clegg, 1996; Burton, 2000; Nwankwo and Lindridge, 1998). Rather they are likely to adapt their marketing strategies to increasingly diverse consumers. In response, ethnic entrepreneurs are likely to expand to serve the needs of mainstream clientele as their products become recognised and assimilated into the larger population.

This research applies an emerging theory building approach (Geertz, 1973; Glaser and Strauss, 1967; Spiggle, 1994) as a way of identifying and exploring

the marketing mix strategies and their contributions towards the positioning of marketers and consumers in traversing multiple cultural spheres (Penaloza and Gilly, 1999). The research presents empirical data from a qualitative research employing observations, in-depth interviews and focus group sessions to support the theoretical framework. The research makes four important contributions to the literature of ethnic entrepreneurship and marketing to ethnic minorities: (1) The research provides empirical evidence to demonstrate the ways in which small ethnic entrepreneurs apply principles and concepts of marketing to develop customer patronage and maintain competitive advantage in an increasingly competitive market; (2) the research, while highlighting various dimensions of their marketing practices, provides empirical evidence which suggests that ethnic entrepreneurs act as bicultural mediators seeking to facilitate the construction and maintenance of identities by their consumers. In doing so the paper highlights the ambivalent nature of their marketing practices; (3) the research outlines clear implications for marketers of mainstream brands interested in targeting ethnic minority consumers; (4) since most of the existing literature is North American in origin and application, the research also contributes by presenting empirical evidence collected in a European context. The remainder of this paper is organised in four sections. The first section discusses the conceptual background, which is followed by a section describing the research method. The third section presents some of the findings while the final section contains a discussion of the findings together with conclusions and implications for marketers.

2. Conceptual background

2.1. Growth and characteristic features of ethnic enterprises

Since the late 1970s, demand for ethnic products has been steadily growing. This is because there has been an increase in the ethnic minority population in the UK, where major ethnic minority groups include South Asians (Indians, Pakistanis and Bangladeshis), Chinese and Black-Caribbean¹. Irrespective of the country of origin, the ethnic minority community (as a whole) has been the fastest growing segment of the total population in the UK (Clegg, 1996, Suzman, 1996). This has provided good entrepreneurial opportunities as well as competitive advantages to those who know and share specific needs of ethnic minority consumers to move into niche areas that require low economies of scales, have

¹Other prominent groups include Irish, Poles, Central European Jews, Cypriots, Turks, Kosovons, and Albanians.

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