Ethnic marketing practice and research at the intersection of market and social development: A macro study of the past and present, with a look to the future

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ARTICLE INFO

Keywords:
Ethnic marketing
Minority marketing
Ethnic marketing research
Ethnic minority-majority relations

ABSTRACT

This paper utilizes historical and ethnographic research methods in formulating a framework that tracks ethnic minority marketing pertaining to Latinos/as in the U.S. as it has developed in response to changing social relations over time. Discussion then develops a series of propositions regarding the distinct effects in ethnic marketing in enabling and validating ethnic minority consumers’ production of identity and community, de-centering and destabilizing ethnic majority people, and contributing to social fragmentation and multiculturalization. Theoretical contributions update the definitions of ethnic marketing and ethnic marketing research to be consistent with the framework. The paper closes with recommendations for practitioners, limitations of the present work, and suggestions for future research. By situating ethnic minority marketing in relation to changing social relations, practitioners and researchers are better able to develop effective strategy and enhance firms’ relations to ethnic minority and majority consumers.

“As long as one’s sense of self or well-being is identified with an external object, individual or group, one is vulnerable to the forces associated with it/them for self and well-being.”

Brugh Joy, Avalanche (1990, p. 39)

1. Introduction

Since its inception, the discourse of ethnic marketing has advanced the benefits to firms of segmenting markets and targeting ethnic minority groups in advancing business activity (Cui, 2001). Pires and Stanton (2015) adapted the definition of marketing from the American Marketing Association (2013) in defining ethnic marketing as “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for ethnic identified customers, clients, partners and communities, and for society at large” (p. 9, italics added). Importantly, Pires and Stanton’s definition emphasizes the importance of ethnic identification and community habitus and is in sync with the trend in the field of marketing to consider the value of marketing activity to society at large. Much recent work falls within the scope of this definition in seeking to leverage elements of minority ethnicity in developing markets while benefiting ethnic minority people and societies (Jamal, Peñaloza, & Laroche, 2015).

This research is part of an emerging stream that seeks to broaden the field by taking a macro perspective and considering social changes in ethnicity over time. Despandé described researchers advancing this stream (in Pires & Stanton, 2015, 348) as having a ‘nose for problems at the group level, rather than at the individual level.’ As examples, Visconti et al. (2014) directed attention to contemporary multiple ethnic identification, and Luedicke (2011) studied ethnic majority people, with both works calling for conceptual clarity and attention to social context, including minority-majority ethnic social relations.

In synch with this emerging stream, this paper employs historical and ethnographic research methods in developing a framework tracing ethnic marketing activity as it has resulted from and changed social relations over time. The paper then develops propositions regarding the effects of ethnic marketing on ethnic minorities, ethnic majorities, and on society, and offers updated definitions of ethnic marketing practice and research that more comprehensively encompass the ethnic minority marketing evolution forming the framework. The paper closes with recommendations for practitioners, limitations of the present work, and suggestions for future research.

2. Methods

This research employs historical and ethnographic methods in tracking firm efforts targeting Latinos/as in the U.S., with some

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http://dx.doi.org/10.1016/j.jbusres.2017.06.024
Received 1 January 2016; Accepted 1 June 2017
0148-2963/ © 2017 Published by Elsevier Inc.

Please cite this article as: Peñaloza, L., Journal of Business Research (2017), http://dx.doi.org/10.1016/j.jbusres.2017.06.024
comparisons to ethnic majority Whites and to ethnic minority African Americans there. As the largest ethnic minority in the U.S. and with a dramatic transition from market exclusion to inclusion, Latinos/as provide a living laboratory for ethnic minority marketing research. Historical methods (Bevir & Trentmann, 2004) highlight retailing and advertising activities as the means by which firms contact and address Latino/a consumers. Ethnographic methods feature introspection, an increasingly valued marketing research technique that employs a first person writing style in presenting personal experience as the means of generating theoretical insights (Gould, 2012).

I begin by situating myself as author and then relay a few personal experiences that preview key themes developed in this study. A baby boomer with light brown hair and green eyes who grew up in one of three Mexican American families in a small Texas town, my first cultural memory was in 1968, when my two sisters came home crying because the neighborhood girls refused play with them because we were Mexican. In the mid-1970s, at the home of a high school friend after we both had applied for summer jobs in a federal government program, her father discouraged this ‘waste of time’ because “everyone knows that only Mexicans and Niggers get those jobs.” I turned away, embarrassed, as my friend stumbled over the words, “Daddy, Lisa’s Mexican.” His response was quick, “You’re different.” In the middle 1980s, I received an affirmative action scholarship for ethnic/racial minorities to study for a Ph.D. at the University of California, Irvine, and completed a thesis on the consumer acculturation of Mexican immigrants in the U.S. (Peñaloza, 1994). At this time large firms were ‘discovering’ the Latino/a market in the nation, even as politicians and voters were legislating English as the official language in many of its states. In the mid-1990s, as faculty at the University of Colorado, Boulder, I was told by two colleagues that I’d only gotten the job because I was a minority. Not having seen this on my contract, I asked our associate Dean of Faculty and learned that mine was a regular position. These incidents and others that I dealt with as chair of the diversity committee for CU’s College of Business, have informed my work on diversity challenges in organizations. For this paper such introspective data previews the dynamic and contested social significance of ethnicity so relevant to ethnic marketing.

3. Findings: a framework for ethnic marketing as social-market co-development

Read from left to right, the upper part of the framework begins with the earliest forms of ethnic minority marketing in small, localized Latino/a owned businesses and continues with their growth and that of ethnic minority media and advertising agencies as they reach national scale. See Fig. 1. The framework proceeds with the ‘discovery’ of the Latino market by large, ethnic majority White-owned businesses and continues with the aggregation of diasporic ethnic market segments globally by multinational firms that are fueled by government neoliberal market policies and that compete with the small businesses.

In turn, from left to right, the bottom of the figure begins with segregation in periods of colonization and continues with ethnic community growth following emancipation. An economizing sensibility characterizes early ethnic minority consumption, which later is joined by hedonistic leisure and entertainment as buying power evolves with economic growth. At the bottom middle of the figure governmental designations of personhood with emancipation, Civil Rights, and desegregation laws are featured in shaping ethnic community, as are immigration and birth rates, postwar middle class growth, social movement activism, and the suburban flight of ethnic majority White people. Social development culminates at the bottom far right of the figure with the present emergence of pan-ethnic diaspora as the result of neoliberal market expansion and technological diffusion.

Horizontally, the middle of the figure lists norms structuring ethnic minority marketing activities over time. It proceeds from early segregation and emancipation, to assimilation and ethnic activism, to desegregation, fragmentation, and affirmative action, and to contemporary multicultural integration and resistance backlashes.

3.1. Segregated ethnic marketing in apartheid societies

Early market exclusions in the U.S. can be traced to Medieval European sumptuary laws strictly regulating commerce with the effect of preserving social hierarchies (Hunt, 1996). As an example, Scott (2005) details the disdain of upper class White women directed to ethnic minority immigrant and resident working class women for using cosmetics.

The segregation characterizing the early period through the 19th century in the U.S. was brought about by a complex web of socioeconomic conditions and activities including colonization, slavery, immigration and settlement. As examples, White people bought and sold African and African-American slaves as property (Hirschman & Hill, 1999); considered Native Americans to be savages and an inconvenience to their God-given rights to Manifest Destiny (Churchill, 1994); and shifted land ownership from 2/3 Mexican-owned to 2/3 Anglo-owned in the aftermath of the Mexican American war via a combination of violence and local government taxes (Acuña, 1988).

Historical work in the U.S. traces the roots of marketing to mainstream distribution providing basic foodstuffs, clothing, housing and furnishings (Bartels, 1965). Although strict norms and laws prohibited inter-racial marriage through the 1800s–mid1900s, ethnic minority consumers made some contact with ethnic majority persons in commercial urban centers (Garza-Falcón, 1998) and rural mercantile stores and cantines (Limerick, 1987).

Formed partly in response to segregation, small Latino/a owned businesses and media were an integral part of early Latino/a communities (Boyle, 2000). Wilson and Gutiérrez (1985) documented over 200 Spanish language newspapers at the turn of the 19th century in the Southwest U.S., some of which dated to Spanish colonization and Mexican territory. By the late 19th century print technology also is important in allowing ethnic minority consumers to sidestep segregation in ethnic majority White-owned stores. An example is the Sears and Roebuck catalogue that initially circulated in 1888 with jewelry and expanded to sewing machines, bicycles and clothing (http://www.searsarchives.com/catalogs/chronology.htm).

3.2. Ethnic markets flourish with ethnic community growth and activism

From the early 20th century through the 1960s ethnic minority businesses and media grow in tandem with their communities. In an interview journalist Amparo Ortiz dates the first Spanish language radio show in San Antonio, Texas, to the 1940s and its first Spanish language television station to the 1950s (Peñaloza, 2006). Post WWII birth and immigration rates fueled the growth of the Latino/a community at this time. Similarly, African American media expanded, supporting a growing cadre Black models (Brown, 2011).

Glazer and Moynihan’s (1963) work mapping immigrant assimilation and social mobility deals largely with this period. While their research focused on immigrants, as has much ethnic marketing scholarship to date, over time resident ethnic/racial minorities tend to surpass the number of immigrants in their respective communities and they tend to evidence lower rates of entrepreneurship (Light & Gold, 2000).

By the 20th century novelty and department stores and catalogs offer a growing range of low priced, manufactured products to the expanding urban working classes, including ethnic minority consumers. Decorative store windows and displays in U.S. cities combine with price discounting in slowly shifting consumption from the predominant economizing sensibility of provisioning to include an ethic of leisure and entertainment (Leach, 1993). However, despite formal governmental decrees of emancipation decades earlier, ethnic/racial separation continues in businesses. As an example, Sister María Elena Vasquez tearfully recalled a humiliating episode in the 1940s in being refused an
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