New study provides a strong foundation of culture-based knowledge and insights from which to build a cross-cultural marketing platform.

ETHNIC MARKETING RESEARCH

In collaboration with:

geometry global
PART 1

Where Culture Meets Shoppers

By Michael Applebaum

By now, most corporations recognize that one of their primary sources of new growth in the U.S. will come from ethnic groups including Hispanics, African Americans and Asian Americans. These and other multicultural consumers, who comprise 38% of the current U.S. population, are expected to reach a combined majority status by 2044, according to a recent Nielsen report.

Nevertheless, marketers continue to struggle with the question of whether to customize or standardize their multicultural platforms across different target audiences. Too often, companies that lack a clear strategic direction on this issue tend to allow budgetary restrictions to dictate their decisions. In doing so, however, these firms may be leaving billions of dollars on the table. Consider: Multicultural consumers represent more than $3 trillion in combined spending power in the U.S., based on a 2014 report by the Selig Center for Economic Growth.

There is a better alternative. By gaining a deeper understanding of multicultural audiences, marketers will be able to develop more impactful solutions that address the specific needs and desires of individual ethnic groups. Research can help fill this void by providing a stronger foundation of culture-based knowledge and insights from which to build a truly cross-cultural marketing platform.
That is the premise of a new research study of U.S. cultural values by WPP-owned Geometry Global. Commissioned in early 2015, it is the first study to apply a cross-cultural values framework to the purchase-decision journey across the major U.S. multicultural populations. The three-phase survey, which began in April, will assist companies in realizing the full potential of their multicultural marketing strategies by providing in-depth answers to the following questions:
1) What impact does culture have on consumer behavior throughout the purchase-decision journey?
2) Do multicultural consumers share similar or different decision-making patterns as the “mainstream” consumer?
3) Are their behaviors and attitudes driven by similar or different cultural drivers?

“In order to drive relevance through a cross-cultural understanding of a consumer, we need to understand the influence of a country’s cultural values on behavior during each step of the shopping journey,” said Tanya Trejo, executive vice president at Geometry Global. “This study will help marketers better understand how and what cultural values impact the purchase-decision journey across the major U.S. multicultural populations.”

The study measured cultural values across six dimensions: Power Distance Index (PDI), Individualism-Collectivism (IDV), Masculinity-Femininity (MAS), Uncertainty Avoidance Index (UAI), Long vs. Short Term Orientation (LTO), and Indulgence vs. Restraint (IVR). These dimensions help marketers understand how cultural values influence consumer behavior across different stages of the shopping journey.
A Guide to the Shopper Cultural Dimensions

The following terms and definitions for the six original cultural value dimensions are adapted from the book, “Cultures and Organizations: Software of the Mind,” by Geert Hofstede, Gertjan Hofstede and Michael Minkov.

**Power Distance (PDI)**

The degree to which individuals accept and expect that power in society is distributed unequally. In PDI+ cultures, being clear about one’s rightful position in society is important, and all sorts of attributes can contribute to showing one’s status: the right clothes, expensive or foreign drinks or certain brands. Related to family, generations are important. In advertising, more grandparents are shown. Consumers accept more advice from higher-placed persons. Those who score lower have lesser status needs and lesser need to adhere to traditional, hierarchical values.

**Individualism-Collectivism (IDV-COL)**

For collectivists, conforming to the group and interdependence are important, whereas having a unique identity and independence is most important for individualists. Collectivists more frequently consult family members for making a purchase decision. Collectivists want to own the same brands as their friends, a reflection of conformance needs and interdependence. Individualism, according to Hofstede, “has to do with whether people’s self-image is defined in terms of ‘I’ or ‘We.’ In Individualist societies, people are supposed to look after themselves and their direct family only. In Collectivist societies people belong to ‘in groups’ that take care of them in exchange for loyalty.”

**Masculinity versus Femininity (MAS-FEM)**

This dimension points at differences in competitiveness versus quality of life and affiliation needs, as well as variations in male/female role differences. Higher scores suggest a preference in society for achievement, heroism, assertiveness and material rewards for success. In MAS+ cultures, family is viewed as a high priority for women, which points at strong role differentiation. Often trying a new product or brand is related to MAS+, reflecting a certain degree of assertiveness. Owning the same brands as one’s friends relates to MAS-, which reflects affiliation needs. Masculinity is not to be confused with “machismo” (machism).

**Uncertainty Avoidance Index (UAI)**

The degree to which people can cope with ambiguity or unclear situations. It reflects difficulties with acceptance of change. In high UAI cultures, the new and unknown can be viewed as dangerous. Uncertainty avoidance is not the same as risk avoidance. Buying and owning insurances, for example, is not related to this dimension. Rather, it implies a greater need for information before taking a decision. Thus, discussing purchases with others is part of a high score on this dimension as well as consulting family. Also included in high uncertainty avoidance are several traditional values. For example, next to high MAS, high UAI is related to viewing family as a priority for women.

**Long- versus Short-Term Orientation (LTO)**

High scores on this scale point at perseverance, hard work, investment in the future, planning and thrift; low scores point to preservation of past and present, and respect for tradition. Low LTO cultures exhibit small propensity to save (“spend now, pay later”), focus on today and achieving quick results. Low LTO correlates with Hispanics’ “fatalismo” (i.e., fatalism) and tendency for living for today as they believe that future events are predetermined or caused by external forces and that little or nothing can be done to change their course. A key concept of short-term orientation is service to others; the key to long-term orientation is thrift. Visiting friends frequently correlates with short-term orientation, which conforms to the value “service to others” as described by Hofstede. This dimension has an opposite relationship with the following one, IVR, where restraint points at thrift and indulgence at spending.

**Indulgence versus Restraint (IVR)**

The extent to which members of a society try to control their desires and impulses. High scores on this dimension include spending and indulging in the latest gadgets, whereas low scores point at restraint, buying only if needed as well as traditional values. This dimension explains several differences, the degree of happiness people feel in life, enjoying the fun of shopping, often trying new products and preferring home-cooked meals. Owning the same brands as one’s friends is a matter of restraint, not wanting to demonstrate one’s uniqueness.
marketing solution, companies must be able to identify behaviors that represent points of commonalities or divergences across ethnicities,” says John Burn, head of the multicultural practice at Geometry Global. “Our research groups behaviors on their cultural dimensions in a way that makes intuitive sense and drives decision-making toward the growing multicultural opportunity.”

First Study of Its Kind
Geometry built its framework using the six cultural “value dimensions” pioneered in the 1970s by Dutch social science researcher Geert Hofstede. (The Hofstede model is the one most often selected for marketing applications, owing to its simplicity and validation in several global cultural research studies.) By overlaying these cultural dimensions with the results of a Pathfinder mapping study (Geometry’s customizable model for mapping purchase-decision journeys) the report will identify how culture impacts specific attitudes and behaviors along the path to purchase for Hispanics, African Americans, Asian Americans and non-Hispanic whites.

Geometry’s research breaks new ground by bridging the gap between the value dimensions and consumer/shopper behavior. For example, “power distance,” which reflects the level of acceptance of inequality in society, can be used to explain multi-generational shopping behaviors and the influence on shopping decisions by elders in one’s household. Similarly, “individualism or collectivism” may answer questions about the involvement of family in making purchase decisions, as well as shopping-related behaviors such as the preference for dining at restaurants versus eating home-cooked meals. (For the complete list, see guide on page 4.)

Until now, no cultural-values framework (including the Hofstede model) had ever been used to compare ethnic groups within the U.S., and no study has attempted to unlock the cultural drivers of shopping behavior across those same multicultural audiences. According to Burn, this research could provide a new set of tools for marketers to determine which strategies and tactics are most effective to activate against multicultural shoppers throughout the purchase journey.

As they begin to adopt the language of the cultural dimensions, Burn predicts that companies will add a powerful new mode of communication to their growing arsenal – a shorthand, in effect, that could have a profound impact on strategy discussions with internal marketing partners.

“For us, it created a common language between our creative, planning and account teams,” he says. “We’ve developed a greater connectivity between different functions and a process by which we can more easily understand each other. We can jump immediately into solution mode.”

Beneath the Surface
At the heart of Geometry’s research lies the principle that multicultural marketers must probe beneath the surface

Geometry Global gave participants at-home assignments that included the creation of collages and diagrams to illustrate the desired attributes of certain products. These revealed various expectations and concerns that affect the path to purchase in different ways.
of shopper behavior (i.e., the “what”) to truly get at the “why.” Says Burn: “To only consider the behavior itself is looking in a rearview mirror. If you really want to affect behavior, and put yourself ahead of it, you need to be able to connect the dots between the behavior and the motivation.”

While plenty of available data exists on observed shopping behaviors (e.g., consumption, media usage, basket analysis, frequency/trips and missions), very little research has been done to explore the impact of culture on shoppers and the path-to-purchase continuum. Why, for example, does a Hispanic mom bring her entire family to a Sam’s Club or take an extra trip to a Carnicería where her butcher knows her by first name; but it also speaks to her enjoyment of the shopping experience as an element of fun or entertainment (i.e., indulgence).”

For proof of the impact of culture as a driver of consumer behavior, marketers may examine their own geographical sales distributions. Luxury brands like Louis Vuitton and Remy Martin, for example, see some of their highest concentration of sales in relatively poor countries in Asia and Latin America, says Marieke de Mooij, an advisory member of Geometry’s research team and author of “Global Marketing and Advertising: Understanding Cultural Paradoxes.”

In those economically challenged countries, there are mitigating cultural factors that can be explained by...
the value dimensions, says de Mooij. “Most low-income
countries score high on power distance, and wealth is not
distributed equally as compared to low-PDI cultures. In
these countries, status holders have a greater need to
show their power than in low-PDI cultures where equali-
ity is considered of high value.” In addition, countries like
Mexico with high scores in the masculinity dimension
tend to reflect the value they place on success by their
embrace of luxury goods, she says.

**Cultural Dimensions in the U.S.**
Geometry conducted its research over three phases
beginning in April. Phase one generated scores for the
cultural-value dimensions in the U.S., as well as some
correlations between specific shopping behaviors and
those dimensions. In phase two, ethnography tools were
used to observe the attitudes and shopping behaviors
surrounding a recent purchase of a mobile phone or a
better-for-you snack product. (Note: The categories were
chosen to represent high- and low-involvement purchas-
es, respectively; the study was limited to two product
categories to be consistent with the scope of the overall
research project.)

Observations from phase two will be incorporated into
a questionnaire for the final step: A Pathfinder study
that maps out the pathways, including the varying need
states and purchase triggers, for each of the multicultur-
al groups. Ultimately, a portrait will emerge of culturally
driven purchase-decision journeys whose insights should
prove valuable to a broad spectrum of marketers, says
Beniflah. “We are going to help drive effectiveness and
efficiency for CPG companies in virtually every catego-
ry,” he says.

In phase one, the six cultural value dimensions were
measured for each of the study’s major U.S. multicultural
groups: Hispanics, Asian Americans and African Amer-
icans. These were then compared against non-Hispanic
whites. (Chinese Americans were chosen to represent
the overall U.S. Asian population because this group con-
formed best to the rigorous demographic requirements
of the sample.) The survey, which mirrors Hofstede’s
model with its matching questionnaire and comparable
sample of approximately 1,000 online participants, pro-
duced a set of index scores on a zero-to-100 scale. The
results illustrate how the groups rank relative to each
other on each of the dimensions. (See chart on page 3.)

In addition, each of the groups was asked a series of 10
to 15 questions that delved into specific behaviors and atti-
dudes. Correlations between the two sets of data emerged
that began to suggest how cultural values could be related
to specific consumer behavior – a dynamic that will be ex-
plored in much more detail in phase three. Relatively high
power-distance scores, for example, were found among
Chinese Americans, which can explain why a specific cul-
tural group may show a high frequency of shopping, or
doing household chores.

**The Layers of Culture**

Focus on understanding the cultural traits that drive 95%
of shopping behavior
- The WHY vs. WHAT
- Why they behave that way?
Among all multicultural groups in the sample, Chinese Americans adhered most closely to their scores from the original Hofstede model, implying that this group retains stronger ties to its cultural heritage than any of the other groups.

“Chinese citizens all over the world are living closely together. Every big city in every country has a Chinese quarter, which probably contributes to the fact that this group has not assimilated within mainstream population as much as the other ethnic groups have done,” says de Mooij. “The Chinese Americans stood out for several dimensions: high on PDI, low on IDV [meaning higher collectivism]; highest on LTO and lowest on IVR,” notes de Mooij. “LTO is particularly important, as it implies thrift and investment, which is very much in contrast to a mainstream American culture with its ‘Buy now, pay later’ mentality.”

Lines are Blurring Among Hispanics
In stark contrast to the Chinese, the scores among U.S. Hispanics suggest a far greater degree of homogenization to non-Hispanic Whites than one might expect. Also, greater divergences were found when compared against the Mexico National Study conducted by Hofstede. Some of the biggest changes were seen among U.S. Mexican Hispanics, who, for example, scored much lower in power distance and showed a significantly higher degree of individualism than their counterparts in Hofstede’s national study in Mexico. Additional substantial variations within this group were noted across the entire values spectrum. (See chart on page 6.) These scores may be considered representative of the wider Hispanic group. According to the 2012 U.S. Census, Hispanics of Mexican heritage accounted for 64% of the overall U.S. Hispanic population, followed by Hispanics with Puerto Rican background (9.4%), Salvadoran (3.8%), Cuban (3.7%), Dominican (3.1%) and Guatemalan (2.3%).

One explanation for the apparently strong homogenization of Hispanics is that many Hispanics migrated to the U.S. to improve their lives. When they get jobs, these are usually jobs at U.S. companies, where the only way to succeed is by adapting to American ways of interrelating, says de Mooij. “After some time, these U.S. values may be internalized, and reflected in answers to value questionnaires,” she notes.

Previously, cultural researchers have noted the trend toward increasing individualism among U.S. Hispanics. “Latinos tend to find individualism within a collectivist culture – that is, ‘I care about my family, community and culture, but I still have to think about myself,’” observed an Iconoclast study in 2012.

“Hispanics in the U.S. behave in a manner that is collectivistic, but marketers must understand that they also live in an individualistic macro-culture,” observes Burn. “The belief that Hispanics in the U.S. adhere to only one cultural dimension is over-simplistic. For marketers, the key will be to know when a particular cultural value, or values, explains a given behavior, and why.” The above results speak to the contextual nature of culture for bi-cultural Hispanics. They may choose to embrace, disassociate or fuse their Hispanic cultural identity/values with American culture, and vice versa, depending on their different roles and occasions – work, family, friends, shopper.
Mapping the Path to Purchase

In phase two of the research, participants were guided through a weeklong series of activities that helped reconstruct the steps in a recent purchase of a mobile phone or snack product. Each activity was recorded and uploaded to a video diary. At-home assignments ranged from the simple (e.g., answering questions related to thoughts/feelings at various times before and after purchase) to the complex, such as drawing a heart-shaped diagram to illustrate the desired attributes of a selected phone (i.e., the further away from the center of the heart, the less important the attribute). Participants were also asked to visit the retail stores where purchases were made, interacting with the products and sales people in a way that was consistent with their recollection of the actual purchase.

Feedback during this phase provided insights into how certain shared attitudes manifest themselves differently in different ethnic groups. Anxiety, for example, showed up in the diaries for both product purchases. “For Chinese Americans, anxiety was mainly about the fear of making the wrong decision (i.e., uncertainty avoidance) or being certain of spending money carefully (i.e., long-term orientation), particularly for a high-ticket item like a mobile phone,” explains Bridget Gilbert, research director at Geometry Global. “For Hispanics, anxiety was more about making sure they are taking care of their family well.”

Said one Hispanic video diary participant regarding her snack purchase: “When my kids go to school I always put a snack in their lunchbox - juice or a pack of cookies - because there are many times that they don’t like to eat the food that’s given at the school. I get worried because … then how are they going to learn anything?”

Several African Americans, meanwhile, expressed a mistrust of salespeople in their mobile phone video diaries. “Many were inclined to think the sales associates would have no interest in their needs and will push products they don’t really want,” says Nicole Catalano, associate research manager at Geometry Global. “They did extensive research on product features to make sure they were informed and getting the best deal on the best product. Many also choose to buy their phone online rather than in a store. By contrast, non-Hispanic whites are also doing research pre-store, but many opted to buy their phone in a store, and mention interacting with the salesperson while they are there to learn more about different phones.”

These and other insights will be incorporated into the Pathfinder model, which includes detailed questions about what triggered different groups to want or need the product; planning steps they might have done to help inform their purchases (e.g., looking for coupons, researching information, etc.); and in-store activities such as comparing products and interacting with salespeople. “We segment the audience based on shopping behavior, with variables such as trip type, trip planning, triggers and different shopping steps taken,” explains Gilbert. “Each segment, or pathway, is then mapped using the survey data mentioned above, and data such as sequence and importance of steps. We then profile each pathway, based on their demographic, behavioral and attitudinal similarities to create a full picture of which shoppers this group represents in the market.”

When these pathways are juxtaposed with the cultural value dimensions and behavioral profiles in phases one and two, Geometry will be able to show how various cultural drivers influence the path-to-purchase journey for different ethnic groups. “We will identify the greatest points of influence along the shopper journey and where/how those differ by cultural group,” says Burns. “That will allow marketers to create better-informed shopper programs and build a communication architecture tailored to cultural relevance.”

He concludes: “This is what we believe will be the Holy Grail for multicultural marketers.”

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PART 2

The Culture-Driven Purchase Journey

New research reveals how marketers can target U.S. ethnic groups more effectively by tapping into cultural ‘hotspots’ along the path to purchase

By Michael Applebaum

The U.S. is in the midst of a seismic cultural and demographic shift that is redefining what it means to be a “minority” population in America. Consider: By 2044, no single racial or ethnic group will lead the country in terms of its overall size. Currently, four states (Hawaii, California, New Mexico and Texas) and the District of Columbia have reached majority-minority status. In 2014, there were more than 20 million children under the age of 5 living in the U.S., and just over half (50.2%) of them were minorities, according to the U.S. Census.

While our society is still debating what to call this new post-Millennial generation (“Gen Z,” “Generation Edge” and “Digital Natives” are among the top contenders), one thing is certain: Its majority-minority of multicultural consumers will remain the top prize for marketers, with a combined spending power that has catapulted from $661 billion in 1990 to $3.4 trillion in 2014, per Nielsen research.

Despite the overwhelming appeal of this audience, most multicultural marketing today continues to focus on the differences between ethnic consumers and the general population. The problem with that approach, however, is that it is based upon the increasingly outdated assumption that Hispanics and other ethnic groups view themselves as existing outside the margins of mainstream America. “The U.S. Hispanic consumer is not the same person as the one we targeted 10 years ago. She is no longer living in a bubble,” says Monica Nadela, creative director/strategic planner at Geometry Global.

Given the dramatic changes in the cultural landscape, brands and their agencies should replace the traditional demographic approach to multicultural marketing with a more contemporary behavior-based model, says John Burn, head of the multicultural marketing practice at Geometry Global. “Instead of trying to reach African-American moms or Hispanic males age 18 to 29, marketers should be thinking about the shopping behaviors that unify or distinguish these consumers,” he says.

Geometry’s new research aims to bridge this gap. In its recently unveiled ethnic marketing study, the firm has developed the first-ever culturally sensitive path-to-purchase model. (For background and methodology, see part 1 of the series.) The fundamental idea behind the study is that marketers should tap into the behavioral commonalities of the different ethnic groups, while viewing their purchase journeys through a more sophisticated cultural lens. “There are certain points along the purchase journey at which the cultural drivers of behavior are dialed up,” explains Burn. “As a marketer, you need to know where those cultural hotspots are located – and how to activate differently at those points – in order to capture your audience.”
The Ambicultural Shopper
Geometry conducted its multi-tiered research project in three distinct phases, employing a range of analytical methods. In phase one, it used a questionnaire based on the original Geert Hofstede model to produce scores for the six cultural “dimensions” among U.S.-based Hispanics, African Americans, Asian Americans and Caucasian groups. In its phase two fieldwork, Geometry used video diaries and other ethnographic tools to begin to construct a purchase journey for each group in the mobile phone and good-for-you snacks categories.

Those purchase journeys were completed in the final phase, based on the results of Geometry’s proprietary mapping tool, known as a Pathfinder. The various steps along the pathways, including highlights of the major areas of convergence and divergence for each group, have been compiled into the diagrams shown on pages 12 and 14.

Geometry’s research into the multicultural consumer reflects the evolution of an ambicultural shopper, one who moves fluidly in and out of his or her cultural, ethnic and American identities. “Assimilation is an irrelevant concept for these consumers, because they don’t view their ethnic identities as a trade-off or an either-or proposition,” says Burn. They possess a chameleon-like ability to adopt multiple cultural perspectives, thanks to an evolving list of influences that includes not only their cultural heritage but also their family, friends, peers, favorite celebrities and mainstream media.

“In previous decades, foreign-born immigrants often tried to adapt in public to American culture, while at home they still held strong to their cultural values, although not necessarily to their language,” says Nadela. “Now, children of immigrants are exposed to different cultures while growing up in multi-racial, multi-ethnic households. Just like chameleons, they have superimposed layers underneath their skin that allow them to transform their colors and reflection system in response to external stimuli.”

Culture Meets Marketing: Mobile Phones
The key to applying the Pathfinder results is understanding when and how the cultural drivers of behavior are contributing to prominent areas of divergence along the purchase journey. Many of the behaviors that were observed and measured in the study will be familiar to marketers. However, the research adds an extra layer of understanding by linking shopping behaviors to cultural

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Steps Along the Purchase Journey
Here is a statistical snapshot of some of the key steps along the purchase journeys for each of the major ethnic groups in Geometry’s research.

<table>
<thead>
<tr>
<th>What steps did you take before purchasing a new mobile phone?</th>
</tr>
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<tbody>
<tr>
<td><strong>Hispanics</strong></td>
</tr>
<tr>
<td>• 43% browsed online</td>
</tr>
<tr>
<td>• 28% talked with friends</td>
</tr>
<tr>
<td>• 44% went to 2.17 stores</td>
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<tr>
<td><strong>Asian Americans</strong></td>
</tr>
<tr>
<td>• 53% browsed online</td>
</tr>
<tr>
<td>• 43% looked for deals</td>
</tr>
<tr>
<td>• 29% talked with friends</td>
</tr>
<tr>
<td>• 40% went to 2.17 stores</td>
</tr>
<tr>
<td><strong>African Americans</strong></td>
</tr>
<tr>
<td>• 46% browsed online</td>
</tr>
<tr>
<td>• 36% looked for deals</td>
</tr>
<tr>
<td>• 47% went to 2.04 stores</td>
</tr>
<tr>
<td><strong>Caucasians</strong></td>
</tr>
<tr>
<td>• 46% browsed online</td>
</tr>
<tr>
<td>• 37% looked for deals</td>
</tr>
<tr>
<td>• 32% talked with friends</td>
</tr>
<tr>
<td>• 46% went to 1.8 stores</td>
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<table>
<thead>
<tr>
<th>What steps did you take before purchasing a snack?</th>
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</thead>
<tbody>
<tr>
<td><strong>Hispanics at home:</strong></td>
</tr>
<tr>
<td>• 42% checked pantry</td>
</tr>
<tr>
<td>• 29% checked budget</td>
</tr>
<tr>
<td>• 46% made shopping list</td>
</tr>
<tr>
<td><strong>Hispanics in-store:</strong></td>
</tr>
<tr>
<td>• 35% looked for appealing snacks</td>
</tr>
<tr>
<td>• 33% compared products</td>
</tr>
<tr>
<td>• 25% read labels</td>
</tr>
<tr>
<td>• 11% tried sample</td>
</tr>
<tr>
<td><strong>Asian Americans at home:</strong></td>
</tr>
<tr>
<td>• 42% checked pantry</td>
</tr>
<tr>
<td>• 27% looked at circular ad</td>
</tr>
<tr>
<td>• 17% checked budget</td>
</tr>
<tr>
<td>• 44% made shopping list</td>
</tr>
<tr>
<td><strong>Asian Americans in-store:</strong></td>
</tr>
<tr>
<td>• 31% looked for appealing snacks</td>
</tr>
<tr>
<td>• 33% compared products</td>
</tr>
<tr>
<td>• 26% looked for new snacks</td>
</tr>
<tr>
<td>• 10% said someone asked me to purchase something</td>
</tr>
</tbody>
</table>

| **African Americans at home:**  |
| • 38% checked pantry |
| • 32% checked budget |
| • 44% made shopping list |
| **African Americans in-store:**  |
| • 35% looked for appealing snacks |
| • 30% compared products |
| • 23% looked for new snacks |
| • 11% used phone |

| **Caucasians at home:**  |
| • 46% checked pantry |
| • 31% looked at circular ad |
| • 26% asked household |
| • 58% made shopping list |
| **Caucasians in-store:**  |
| • 33% looked for appealing snacks |
| • 32% compared products |
Ethnic marketing research highlights the importance of understanding the values (i.e., the dimensions) that are deeply ingrained and fluid, and often difficult to articulate on a conscious level, says Bridget Gilbert, research director at Geometry Global. “It’s about applying our knowledge of the dimensions to the observed behavior so that we can deliver on unmet needs.”

In the mobile phone category, for example, Hispanic shoppers stood out among other ethnic groups for visiting stores in groups with an average of two to three people (a familiar behavior to those who study this demographic). They were less likely to look for deals, and when they did, it was primarily through conversations with friends and family on social media. These behaviors reflect a high level of Uncertainty Avoidance (i.e., the degree to which people can cope with ambiguity or unclear situations) and a decision-making process that is more Collectivist (i.e., group oriented) in nature than the other groups.

As compared with Hispanic shoppers, Asian Americans have a shorter average purchase timeline and consult different sources in their product research. The Asian shopper is more likely to browse online at retailer or manufacturer websites, looking for technical details and consumer reviews, as well as deals. His journey also takes him to stores more frequently to examine phones in person; however, his store visit may be for “showrooming” only, as he is more likely than most other ethnic groups to purchase his phone online.

Many of these behaviors are inextricably linked to the Asian population’s Long-Term Orientation (i.e., importance placed on hard work and investment in the future). “It’s about a desire for confidence in making the right choice and a pragmatism about how long the equipment will last,” says Burn.

As they develop solutions in the wireless category, marketers may leverage these insights in various ways. Brands could adjust their pre-shop activation, for example, by using online sales and promotional offers to target Asian shoppers while intercepting social conversations among Hispanic shoppers. Companies could also adapt their sales operations and improve the overall in-store experience to reflect the different role of the store for those two groups – behaviors that are also rooted in the cultural dimensions, says Burn.

“Manufacturers can train their staff to recognize that the Asian wireless shopper is often in the store to comparison shop – it’s part of their ingrained [LTO] approach to purchasing products – whereas the Latino customer is probably ready to close the deal,” he says. “The interaction with Latino shoppers should focus on ways to reduce their Uncertainty Avoidance at the point of sale.”
**Culture Meets Marketing: Snacks**

As with the mobile findings, the Pathfinder results in the good-for-you snacks category revealed a number of areas along the path to purchase in which cultural influences play an important role. For example, snacks purchases were less likely to be planned events for Hispanic and Asian-American shoppers than for either Caucasians or African Americans. Both Hispanics and Asians are more likely to engage in impulse buying for immediate consumption, although the underlying motivation for their purchases may be quite different.

For the Hispanic shopper, Collectivism pervades her purchase journey. This dimension explains several familiar behaviors that were validated in the study, including why she enjoys the shopping process and tends to make it more of an event than others. She is more likely to visit multiple stores in one outing and often shops with multiple members of her family; her children are particularly influential in her purchases. When choosing snacks, she often considers its kid-friendliness, as well as snacks that represent her culture so she can expose her children to their heritage. She also actively looks for snacking and meal inspiration in the form of recipes, ideas and tips throughout her purchase journey.

For the Asian shopper, choosing the right snack is more about making healthy selections that fit into a positive work/life balance, which is endemic to a long-term orientation. He looks for flavorful and unique or different snacks, often seeking new items in the store, will even visit multiple stores based on the availability of these unique snacks. Although he enjoys this variety, he can sometimes get overwhelmed by the wide selection of snacking options and is less likely than other groups to enjoy shopping. The latter is partly a function of his relatively low level of Indulgence versus Restraint (i.e., he tends to indulge less and restrain more with regard to spending or trying new things) compared to those groups.

Brands and retailers may counteract these restraint tendencies by appealing to his receptivity to promotional offers, says Gilbert. “Throughout his journey, the Asian shopper may be looking for a good deal on snacks,” she says. “He is more likely than the other groups to be motivated to purchase by finding a compelling offer on snacks, and may look at circular ads pre-store and compare prices in the store to find the best deal.”

By contrast, African Americans (who have much higher IVR scores) enjoy searching for new or different snack options and are less likely to get overwhelmed by all of the available options. The typical African-American shopper does little pre-store planning, perhaps checking his budget or considering which store is most convenient to him, and is more likely to be triggered to purchase after seeing something in the store. “His journey becomes more active once he enters the store; he actively compares products at the shelf and searches for new items and deals,” notes Gilbert. “He can be reached with in-store POS alerting him to new snacks or snacks on sale.”

**Putting It All Together**

When marketers begin to apply the cultural dimensions toward their own specific strategies and tactics, they will find that certain culture-driven behaviors transcend category, brand or shopping channel. “There are some dimensions, such as Collectivism in Hispanics, that relate to shopping behaviors that are shared across a variety of categories,” says Burn. However, he notes, the Pathfinder research is always customized for a specific category and represents unique purchase-decision journeys. “For this research to provide real quantifiable, measurable value, it should be conducted on a category-by-category basis.”

Marketers may view the consolidation of all the different purchase journeys (see diagrams) as a blueprint for shopper activation, says Nadela. “It’s a compass that shows a brand where they can tailor their efforts to different ethnic groups.” In the mobile phone study, for example, all the groups listed “Phone not working” as their number one purchase trigger, but displayed different degrees of specific shopping behaviors along the path to purchase. Thus, a solution built around that core message might activate differently in the pre- and post-shop phases.

“Depending on the business objective, you could create a program in which customers can change their phone every ‘x’ months when their phones start to have problems, or perhaps implement a service program that covers any type of repair or replacement,” explains Nadela. “Using Pathfinder allows the marketer to create a set of tactics, let’s say, that drive shoppers to carrier/brand websites. Knowing the Asian divergence toward visiting tech sites will inform that part of the program. So once you have your big idea, then the purchase-decision journey tells you where culture is dialed up and the brand will get the most benefit from that tactic.”

The same kind of application at the brand awareness level could be used to create more culturally nuanced advertising. Rather than simply ask which media markets to enter or how to literally translate an ad into Spanish, marketers can adopt the language of dimensions in developing richer content that appeals to a more ethnically diverse audience.

Take the recent TV commercial for Sprint’s new wireless plan starring David Beckham, which is airing in Hispanic markets using the identical storyline in Spanish. Knowing how Hispanic consumers shop collectively, Nadela says the entertaining spot could have added an
extra layer of understanding of Hispanic viewers by using the supporting actors as shopping cohorts, versus simply fans of Beckham. “There could be more interaction with the sales employees that contain specific soccer references to leverage Hispanics’ intimate connection to the sport,” she says.

The above example speaks to the core of Geometry’s thesis: If marketers begin the creative process armed with culturally specific insights, the results will resonate more deeply with general audiences and the desired ethnic groups. “We have to get to a point where brand/shopper planners know they’re going to reach both,” says Nadela. “Only when the central ideas of your creative briefs are rooted in, or inspired by, an ethnic insight will your tactics truly connect with the multicultural consumer.”