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The Immigrant as an Adolescent Consumer

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The Immigrant as an Adolescent Consumer

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Dedication

To all the people that have supported me at my worst, you have unknowingly helped me become my best. And to all the friends that have served as teachers and the teachers who have served as friends. Thank you is not enough!

And of course biggest thanks to the constant and continuing love and support from my family. Ava this is for you!

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Abstract

The Immigrant as an Adolescent Consumer

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This report examines the role of Latino consumers, specifically looking at Mexican-Americans and their first generation experiences. It looks at how these experiences influence their consumption patterns. While observing the idea that first generation Latinos are much like 'adolescent consumers', a concept stemming from the idea that much like teenagers Latino immigrants are in a sense coming of age in this country. They are under a whole different set of social norms, cultural expectations and values different from their country of origin. This report proposes a reconsideration of the heuristics that marketers hold for Latino consumer spending habits. It maintains the idea that Latino consumer behaviors should be attributed and conceptualized as a process of maturation, not just based on culture and class. Lastly it re-examines the Customer Based Brand Equity model and places it in the context of the Latino consumer while keeping in mind the above framework about Latinos as adolescent consumers.

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US Hispanic Marketing statistics project the Hispanic buying power to be as much as 1,386.2 billion dollars. A change in projected buying power of 45.8% from 2008 to 2013 – The Selig Center for Economic Growth at the University of Georgia

Introduction

What makes marketing to Latino consumers such a gold mine? What fascinates or draws Latino consumers to certain brands and not others? Is it when a brand becomes a representation of something bigger than itself? Or when a brand becomes an extension of a consumer? And how do marketers capitalize on this without exploiting the market? It is these questions that first come to mind when considering how to market towards Latinos in general and particular Mexican Americans. Many times, marketers have heard they should be marketing to Latino consumers in a way that will not only resonate with them emotionally but culturally as well. But how do they begin to do this? What factors come into play? And is it possible for marketers to really tap into something so seemingly private and almost intuitive? How do we measure intuition and make it tangible enough to help marketers better target this audience and turn these “cultural forecastings” (Nadeau, P. 17, 2007) into profit?

This report looks at the subject of how marketers can better communicate to the Latino consumer and the immigrant consumer by considering their culture, psychology and historical background. And lastly looking at the idea of first generation Latino as an adolescent consumer a concept that was born from the idea that much like teenagers Latino immigrants are in a sense coming of age in the U.S. They are under a whole different set of social norms, cultural expectations and values different from their country of origin, something evident from previous research which will be later discussed.

History

Before we begin however we must make sure we are looking at this market with the same idea in mind, so lets define what makes up the Latino community. To start off, the term Latino is far too broad to encompass such a large and complex population. So lets simplify things and break this term up into several categories, starting with ¹Latino Americans. The term Latino Americans refers to people with origins in the Hispanic countries of Latin America or in Spain...” (US Census Bureau) Next, the term Hispanic, according to the U.S. Census data is an “ethnic or origin rather than a racial identifier.” While Chicano, another commonly used term amongst this population is seen arguably as the more complex term. This definition gets more difficult to define because it is seen as a both an ethnic and political identifier. The term gets politically charged when we begin to consider its roots. According to Rodolfo Acuña, one of various scholars of Chicano Studies the term refers to “The Mexican American generation [who] proactively fought for our civil rights demanding equality under the law as Americans... The Chicano Movement demanded equality as human beings and [Chicanos] asserted the right to call themselves what they pleased.” (F. Acuña, 2011) Because there are many definitions that overlap, for the sake of this report we will interchangeably use the term “Mexican” and “Latino” to refer to the same population, although there is an awareness of the social and political differences for both terms.

Now that our terms have been defined lets begin by taking a look at some of ²Latinos demographic attributes. According to The Labor Council for Latin American Advancement, the Latino consumer generally are amongst the youngest population group

¹ For a visual of this please refer to Figures: Figure 1

² For more detailed information on Latin American demographics refer to Figure: Figure 2

in the United States, ... [they] have more kids, have greater family stability” and are highly spiritual and religious. (*Hispanic Culture Online*, 2011.) They are also less individualistic, in comparison to Americans, and value family and community oriented activities according to Arlene Davila, author of *Latinos Inc.* (2001.)

Identifying the Problem

So positing the idea about the above demographics, we can revisit our question: How can marketers better assess the different needs and motives of a variety of people simultaneously? In this case the Latino community. First, let's consider that it is no longer just about cultural hybridism. It does not suffice to say that we will simply merge the Mexican culture, and the American culture, to form a new culture. It is more about understanding a past culture and how this influences the development of a future culture. A new and *different* culture, rooted in deep and rich past experiences, but not quite ripened yet in its identity. This maturation I believe comes from the integration and everyday experiences that imprint themselves in the psyche of natural born citizens which bring with it a deep intrinsic understanding of American culture. Something that again can only come about with age and years spent in the country that one wishes to gain cultural knowledge in. In this sense the Latino immigrant consumer can be viewed as an "adolescent". This is not to say that immigrants upon arrival are not 'of age' or 'mature', but immature in the sense of their lack of knowledge about this new country. Knowledge that is fundamental in helping Latinos to fully engage, adapt, and partake, in the U.S. consumer experience. Knowledge that they may or may not fully relate to, but with time and experience may begin to do so.

At the initial thought of this concept the first concern that came about was a misunderstanding of the phrase, 'Latino consumer as an adolescent'. This phrase is not intended to belittle or demean the Latino market or the immigrant experience, but is used in the context of seeing Latinos as consumers whose purchasing behavior has been previously and erroneously attributed to solely *culture* and *class* an arguably *static* method to segment such a rich and complex market. This is considering that culture and

class are to a degree outside of one's control. So even before Latinos have been given any consumer choices, they have been boxed into a segment they have not necessarily chosen. The concept of culture and class does not regard or consider a more historical approach, which is necessary. It begets an approach that skips the past and looks at future motivations which brings about an incomplete account of this market. So to compare Latino-immigrant consumers to teenagers should not be taken in a condescending fashion, but rather as a chance for growth and opportunity. Latinos have a *trillion* dollar impact on the market but can have a *bigger* impact if the factors that marketers take into account move beyond that of just culture and class.

Culture and class is a concept that generally examines Latinos *present* and *future* but not necessarily their past experiences. After all we can learn a lot about whom a person is by looking at where they come from. To try to tie Latinos purchasing decisions to solely culture and class is to try to hit a moving target. It is not possible, as previous research has suggested, to simply look at culture and class as an explanation or justification of Latino consumer behavior. After all, the consumer market is an intricate and ever developing and changing system. So shouldn't it be fair that the consumers of this market should be defined in the same complex, and non-static terms as the market they partake in? If we think about the inflexibility of the concept of culture and class we can begin to see how this can pigeon hold a consumer into a specific target market, inflexible and unable to move past this stereotype. What is meant by inflexibility of culture and class is that marketers tend to attribute purchasing decisions based on these segments, which are outside of the control of consumers. A purchasing decision is just that – a decision, but how are Latinos or any other consumers given that choice when they are segmented into categories, which they were born into? A person's culture is

affected by where they live, and where they live, whether in a Latino community or a non-Latino community, is not entirely in one's own hands. There is certainly some flexibility in regards to the culture and the upbringing one has, or the communities that one is born into, but in regards to culture, this is something that is tied to luck of the draw. A person cannot choose their culture in the same manner that they can choose a blue sweater over a red.

If marketers can begin thinking of Latinos purchasing decisions based on a more fluid concept such as “maturity” this would allow Latinos the flexibility to grow right along the market they consume in. And marketers can have an ever changing more *honest* and multilayered assessment of these consumers needs and possibly a better insight into “cultural forecasting” (Nadeau, 2007) towards this market.

Stereotypes Masked as Heuristics

So what are some of the stereotypes that marketers perpetuate about Latinos? In *Culture and Truth: The Remaking of Social Analysis*, (1989) by Rosaldo Renato, one idea is that “power and culture are considered to be opposed to each other... the higher one moves up in the socio-economic and racial/class ladder, the less culture one is deemed to have” (David, P. 225, 2001) Adding to this idea is the belief that “assertions of cultural differences intersect with dominant norms of American citizenship.” (Davila, P. 158, 2001) This stereotype perpetuates the notion that in order to move up one must be raceless, devoid of any roots. However, it is these historical ties that capture the *essence* of who Latinos are, and in turn reflect their deepest values, values that can give marketers some insight into their complex spending and consumer patterns. Another belief is that “ethnicity and affluence are antithetical concepts among US minorities” (Davila, P. 233, 2001). In *Latinos Inc*, Davila states that, “affluence in each market segment is most prevalent among those who are least likely to be linguistically or culturally isolated and hence are least dependent on ethnic marketing.” (Davila, P. 233, 2001) However I disagree, I believe that affluence does not dilute culture or feelings thereof. It does not suffice to say that feelings of culture are perpetuated and expressed solely through apparent symbols. There can be unexpressed feelings of regard for ones race, without publicly stating or expressing these affiliations to culture. It is these private expressions that may go undetected by marketers and thus the false assumptions and stereotype that “ethnicity and affluence are antithetical concepts” is further perpetuated amongst marketers and the like industry.

Davila later goes on to say that:

...Those with the most economic capital are also most likely to resist their incorporation, treatment and regularization as minorities by distinguishing themselves from their racialized counterparts, those who unlike them do have visible “culture” (Davila, P. 233, 2001).

This gets at the very heart of this stereotype, with the words “*visible* culture”. Culture is not always visible, and the implication that if it’s not visible, it’s not present, is a gross misrepresentation of the Latino culture, or any other culture. Again just because culture is not visible does not mean it is not there. It is not the case to say that as affluence increases culture decreases. Marketers are not the defining judges of who or what is racialized, or who has more or less culture. After all culture is an *abstract* idea and the expression of it can come in multiple and various forms. Let’s meticulously look at the definition of culture. Culture is defined as

An integrated pattern of human knowledge, belief, and behavior that depends upon the capacity for symbolic thought...[it is] the set of attitudes, values, goals, and practices that characterizes an institution... [or] group (Kroeber, and Kluckhohn, 1952)

Again all abstract ideas, which may or may not be expressed in observable ways, but at times in private settings, leading marketers to believe that affluent consumers are less “exotic” (Davila, 2001) and “less racialized” as (Davila, 2001) and Renato (1989) propose. Furthermore it is important to note that these two concepts are not mutually exclusive. Marketers cannot assume that as consumers get more money, or more affluent, they get less ethnic. Affluence is not a matter of class but rather a combination of factors and arguably and quite possibly *luck*! If marketers continue perpetuating this stereotype and continue segmenting Latinos through just this cultural perspective they loose their ability to grow with this market and in turn, risk loosing touch with this market.

Affluence & Class

Continuing with this concept, let us further explore the idea of why it's not the case that ethnicity and affluence are polar to each other, by taking a look at Ellis Cose's, *The Rage of a Privileged Class* (1993). In his book, Cose argues the idea that even though minorities become affluent they are not necessarily devoid of their culture and race. He goes on to say, that the privileged minorities or the middle class are at times the *most* sensitive to culture and race even though they may not be the first to express this. Which brings about the idea, of a type of cultural baggage that all minorities carry, contradicting the idea that affluence and race are antithetical concepts. This case can be seen when Cose introduces Darwin Davis, a senior vice president of the Equitable Life Assurance Society. Davis discusses his exclusion from primarily white country clubs and illustrates how closely knit affluence and race can be.

[David] had visited a club as a guest and happened to chance upon a white executive he knew. As they were talking, he noticed the man wave at someone on the practice range. It turned out that he had brought his son down to take a lesson from the club pro. Davis was suddenly struck by a depressing thought... his own son would never ever be able to have the same advantages... (Cose, P.59, 1993)

This illustrates a kind of cultural baggage that David, along with other minorities constantly carry with them, despite their status. Highlighting the idea that marketers are perpetuating stereotypes and *not* heuristics about ethnic marketing not being applicable to richer, more affluent minorities. This is not the case, no matter how affluent minorities may be they are still sensitive to their culture and roots. Being tied to these roots, marketers can still benefit from marketing to affluent minorities with the same culturally rich tactics they apply to the less affluent minorities. Minorities do not get rid of their race or culture as soon as they make it to the top as previously suggested. What changes

with affluence is the form and manner in which minorities may express this culture. This could be in part because “the more affluent minorities may be, the more salient they become”(Henderson, 2011) not the less ‘racialized’. This is the cultural knowledge that all minorities and *especially* Latinos and first generation Latinos have not inherited. A cultural knowledge that comes from being let into the country club or being let into cultural on-goings. This is what makes it essential for marketers to consider Latino consumers as a transformative and adolescent market. If marketers continue to segment Latinos by looking solely at their class, they loose their ability to grow with the market and in turn loose touch with this market. It is this consideration that marketers should keep in mind when trying to market to this population.

Repeat Purchase and Brand Loyalty

This brings us to the third stereotype often perpetuated about Latinos. This is the idea that Latinos are a docile consumer and that they are extremely loyal to brands with which they've previously been exposed to or dealt with. This however is not true. The idea that Latinos are loyal even beyond what is convenient, or at times affordable to them, is untrue. This brand loyalty is often confused with repeat purchase, which when examined closely is a very different concept. Let's consider the definitions of both repeat purchase and brand loyalty, beginning with repeat purchase. Repeat purchase, according to Rigney and Associates, a marketing and consultation firm, states that repeat purchase "may refer to the number or percent of respondents who purchase a second time, or to the frequency of repurchase of respondents." (Rigney and Associates) In contrast to brand loyalty which

Consists of a consumer's commitment to... continue using the brand... [However] is more than simple re-purchasing... Customers may repurchase a brand due to situational constraints... a lack of viable alternatives, or out of convenience. (Dick and Kunal, 1994)

Furthermore "True brand loyalty exists when customers have a high relative attitude toward the brand..." (Jones, Mothersbaugh, and Beatty, 2002) With these definitions under consideration, it is easy to see how Latino consumers repeat purchases can be misinterpreted. However, it is of dire importance to differentiate the two, especially in regards to Latino marketing. It is these distinctions that can lead to wrong assumptions of consumer behavior.

Instances of repeat purchase, without brand loyalty, can be seen in the interviews Lisa Peñaloza conducts in, "Atravesando Fronteras/Border Crossing: A Critical

Ethnographic Exploration of the Consumer Acculturation of Mexican Immigrants” an article which gives us an insight look into the everyday lives of the Latino consumer, (1994). In the article a participant by the name of Gloria describes her difficult shopping experience. Yet despite the difficulties, continues shopping at the place of conflict for over a year. “Gloria reported problems shopping and taking the bus because she was confused by U.S. coins, and remained so a year after her arrival.” (Peñaloza, 1994. P. 42) A similar scenario is seen when other informants discussed their troublesome issue with financial institutions and their lack of knowledge and lack of trust with banks, in particular credit cards. However, despite this lack of trust, their purchases, according to marketers, showed a different story. “There was much confusion between bank and retail store credit cards.” (Peñaloza, 1994. P. 42) Alma one of the informants

Expressed a very negative attitude toward commercialized credit... Although she had two credit cards, Alma typified credit as the "American way" and did not like to use it. She explained, "You owe something to someone, and I don't like it." Alma associated credit with American materialism, of which she disapproved.

Here we see case in point, where Alma disagrees with the credit card companies, yet does not discontinue her use of them. An instance were, repeat purchase does not necessarily translate to positive regards towards the product, in other words, brand loyalty. Through these multiple instances, one can see that marketers should not regard brand loyalty *solely* as a high percent of purchases, as this loyalty could be attributed to other factors. When cultural heuristics are developed on the basis of experiences such as these, stereotypes may develop. And it is these false assumptions that can mistakenly influence marketing decisions. Decisions, which can lead to, both false heuristics about Latinos, and stereotypes which continue to marginalize the Latino population.

The motivations and factors that drive Latino consumers to repeat a purchase are very different than the motivations stemming from loyalty to a brand. Marketers often misattribute and translate repeat purchase habits, as brand loyalty. However, this is again, another Latino marketing stereotype. It is a purchasing decision that gets lost in translation, so to speak. When observed correctly, it may explain the mentality of the ‘docile’ Latino consumer. If marketers take the time and sensitivities to treat Latino consumers not as docile consumers, but as consumers who are assertive, just unaware of all their consumer choices, marketers could drastically change their marketing tactics. By gaining a better knowledge of these differences, marketers can provide a richer consumer experience for this market and in turn could potentially move a *trillion* dollar market. Marketers would allow Latinos the fluidity needed to grow and develop their roles as consumers. Marketers would move beyond this idea that Latinos are brand loyalist, something that has been pigeon holding Latinos. Stereotyping them into the misconstrued view of ‘docile’ consumers, creating a stereotype that is masked as a heuristic. As previously stated, marketers would have a better and more honest assessment of why Latinos purchase the products they do, if they would go beyond examining *how* Latinos consume, to examining *why* these purchase decisions are made. Understanding the mentality and psychological motivations behind Latino consumer decisions, can potentially increase the revenue marketers could gain from this already abundant market, again a market that contributes *trillions* to the U.S. economy.

With the above statements in mind, let’s now consider how Latino consumer behavior is again, similar to, that of adolescents. Adolescents may, at times exhibit patterns of repeat purchase, despite their lack of affinity towards a brand, just like Latino consumers, as seen above. In turn, these actions may not be reflecting Latinos thoughts

about a product or brand, their actions may just be reflecting their imposed circumstances. Perfect examples of consumers who are not necessarily brand loyal, but simply have patterns of being repeat purchasers.

How is this unique to Latinos?

There is a type of cultural baggage that is unique to Latinos, a baggage they carry that is *greater* than the cultural baggage of other minorities. Unlike other minorities, Latinos cross many borders, pun intended, both physically and mentally, in order to shorten the cultural divide. Latinos are unique in that their “language, currency, [and] processes of identity formation” (Peñaloza, 1995) all transform when they first come to the U.S. Unlike African American and Asian minorities, Latinos experience *more* of a cultural divide, as their values are *less* inclined to parallel those of the U.S. “Asians have cultural capital in [the] public eye... [they are] recognized as having symbolic resources for [U.S.] citizenship.” (Davila, P. 233, 2001) Also, as we have seen with the case of Davis, African Americans experience this cultural divide, but not to the degree that Latinos experience it. Davis having known the language was able to get ahead, so-to-speak. Only until he reached a higher social class (*the country club*) did he feel this cultural divide. Latinos experience this cultural divide much early on. Even before they get to the upper social classes, they experience this divide upon arrival, not knowing the language or being familiar with U.S. customs.

In essence, it is not that Latinos are exclusive to these feelings of a cultural divide, but the *degree* in which they experience it, is what makes them different from other minorities. All minorities experience this, however the cultural baggage that other minorities carry is not as heavy as that of Latinos. For this reason, the manner in which marketers approach this target should be more culturally and historically sensitive, given these greater differences. Latinos are a strong and intelligent minority, whose values and consumer behavior patterns should be critically and sensitively analyzed by minority marketers. Marketers should not assume that the heuristics that apply to other minorities

also apply to Latino consumers. It is due to these complexities, that at the start of this report, we had to identify what was meant by Latino and Mexican consumer. Continuing with this to segment Latinos through cultural and class, solely, will put Latino consumers in a box that is too small for the complex and rich history that this market carries. A market that again, has the potential to move a colossal dollar-market, within the U.S. economy. As is evident here, Latinos rich culture, and complex history, is creating a unique consumer. A consumer that is in a transitory state, a state of change, much like adolescents, curious to explore their likes, dislikes, and expressions of self, through these consumption patterns.

This unique and complex aspect to their culture and history is what marketers should take into account as the maturation process. A process of maturation, that is not to be regarded as improvement, but simply as change. It is these complexities that marketers should be attuned to when considering the heuristics that guide them to the conclusions they draw about Latino consumers. Consumption patterns, that could be better explored, through a reconsideration of the CBBE model.

Cultural Knowledge

Before considering the CBBE model, however, let's turn to the concept of cultural knowledge. Cultural knowledge is the "Familiarization with selected cultural characteristics, history, values, belief systems, and behaviors of the members of another ethnic group (Adams, 1995). Cultural knowledge essentially states, that there is a kind of insider information in regards to what should be done, and what is socially acceptable within a certain group. This knowledge can only be attained by living within that culture, and is knowledge that is elusive as it is difficult to attain. Cultural knowledge is information that is slowly acquired through time and also strengthened and validated through time. For this reason, it becomes information that not even money can buy, but information that is hereditary and or comes from experience.

This concept really gets at the heart of the perspective that parallels first generation Latino consumers, to adolescent consumers. Latino consumers, especially first generation Latinos, lack in this U.S. cultural knowledge. First generation Latinos have less U.S. cultural knowledge as they are starting from scratch. They are not familiar with U.S. culture, its practices and values are foreign to them. They are unfamiliar with U.S. values, and even status symbols that could potentially aid them in transitioning to this new country. As is evident in Peñalozas field research in, *Crossing Borders*, (1994) comment about her experience with the currency conversion,

[Confusion over] U.S. coins... remained so a year after [Glorias] arrival... In Mexico... the money goes in order and, who would think that the little one (a dime) would be worth more than a nickel? When her heuristic assigning greater value to larger coins failed, she concluded that it was ... a very strange system (Peñaloza, P. 13, 1994)

Another instance of this is seen when discussing brand-name clothing. “Style and brand awareness were more pronounced for the young... brand awareness and discrimination are skills acquired more rapidly by the younger...” (Peñaloza, P. 13, 1994) It is these brand choices that Latinos are unaware of, that arguably may raise their cultural knowledge, and potentially bring about a smoother transition and maturation in their consumer and cultural knowledge. Peñaloza further goes on to say that these,

...vignettes highlight the tremendous amount of translations that immigrants make as they move from one consumer culture to another... [These] Cultural signs and heuristics drawn from the previous system were applied... previous rules to the new system did not work, as illustrated in Gloria's experience of deciphering the currency ... Over time, informants began to learn what many cultural signs meant and their value in the United States. (Peñaloza, P. 12, 1994)

Latinos have not inherited or been exposed to these cultural signs and customs, that Americans who are born in the U.S. have been, as seen above. This helps illustrate and support the logical idea that the longer time Latinos spends in a country, the more cultural signs they begin to understand, and in turn, the more access to social mobility they can potentially attain. It is through this attainment that this maturation can come about. So, it is natural to see how the length of stay can increase cultural knowledge, similar to the aging of an adolescent learning what is socially acceptable and what is not through experience. This newfound wealth of knowledge is what can bring about the maturation of the Latino consumer, a maturation that can come in the form of Latinos better understanding their role in the Consumer Based Brand Equity model.

Acculturation through Consumption

Expanding a bit further on the idea of cultural knowledge, we can consider how an intangible term such as cultural capital, can have such tangible and very real effects. The things we purchase (out of brand loyalty), become a symbol of our lives, and an expression of our personal beliefs about ourselves, our world, and our societies. They allow us to become a greater part of society and connect with people through our purchases. By partaking in a purchasing decision consumers are also communicating a message that they belong in a particular group, and that they are active members of that group or society. Latinos along with all consumers innately recognize this social affirmation through consumption. This is what helps consumers feel part of a collective whole. But what happens to these consumption patterns and consumer behaviors when a consumer is taken out of their natural element? When they get out of the groups that make them who they are, and when they get out of the patterns that influence their thought process? This is what is known as, “consumer acculturation”, a transformation which present research defines as “A dynamic selective change process generated by the contact of a consumer with a different consumer cultural orientation via acculturation agents or facilitators, through which the consumer adapts to the new culture.” (Alvarez, P. 1, 2004) It is also historically known as “a multidimensional process; implying individuals change along various dimensions of social functioning.” (Cuéllar, Arnold and Maldonado 1995). When considering this one can take into account that consumer acculturation may be one expression of this newfound maturation and cultural knowledge.

One important consideration to cultural knowledge in regards to Latino consumer acculturation is that marketers hold the same cultural expectations for natural born

citizens as they do for new Latino immigrant consumers. All the while the cultural knowledge (or access to it) is not the same, or equivalent to that of a natural born citizen. It is unrealistic for marketers to measure Latino consumers purchasing decisions by the same principles as they do people who are native to this country.

The biggest mistake a marketer can make is to think that the same forces that drive an American consumer to purchase a product, are translated to the Latin American consumer. While it is true that there are some universals when it comes to marketing, these universals are few, and better care and sensitivity to culture, psychology, and historical roots should be taken into account. This unfair comparison provides a fertile ground for a shaky and unstable Latino marketplace. Simply saying that the way to market to Latinos is to look at culture and class, is an understatement, considering the complexities of their background. A background engendered from past traditions intertwined with new experiences and a new society. In essence, a background formed out of assimilated experiences. In *Crossing Borders*, (1994), Peñaloza discovers how Latino consumers “with longer tenure in The United States appeared to have less difficulty adapting” (Peñaloza, 1994). Another finding is that, “Informants assimilated many products and services associated with U.S. consumer culture”, which is indicative of their sense to belong, and associate themselves to the American culture, through material goods. Latinos “most readily adopted... low-cost, high-visibility items, absent of any language barrier, such as clothing.” (Peñaloza, 1994) Which speaks volumes about the importance of cultural knowledge as it highlights the aspect of time in its role towards comforting Latinos into feeling a part of the collective whole, while asserting their American-ness. Again just as adolescents, Latinos too are trying to find their identities, and assert their place amongst society, amongst this new assimilated self.

When Latinos come into this new country their assets are minimal and what they may have previously used to reflect their culture may not be applicable anymore. Instances of this can be seen in Peñaloza's research in *Crossing Borders*, (1994.) Peñalozas, describes instances where participants would describe 'mobile grocery stores' that they used in their 'pueblos' or ranches. These mobile grocery stores would bring groceries from door to door, mainly because of the great distances many small villages were from the larger cities or towns. Despite the proximity, and wider selection of groceries Latinos were faced with upon arrival to the U.S., Peñaloza found that the majority of Latino consumers would still hold onto these former ways of shopping for groceries. This is again an instance proving why marketers must look to their clients past before they look to their clients future. Many times, a Latino consumers' past will influence their future spending habits. That is to say, had the participants from Peñalozas research known about all thier possible grocery options, they may not have stuck with the limited grocery supplies that a "mobile grocery store" (Peñaloza, 1994) would carry. It is this lack of cultural knowledge that may be preventing Latino consumers from gaining the fullest consumer experience available.

³ For a visual of "Mobile Grocery Stores", please refer to Figures: Figure 3, (Peñaloza, 1994)

Sociolinguistics

Another important aspect to consider, is the various levels of acculturation expressed through language. Latinos go through stages of maturity upon their arrival to a new country, and like teens they are experiencing different stages of maturity, and with it attaining various intensities of cultural knowledge. One of the ways in which all immigrants, not just Latinos attain cultural knowledge, is through a deep understanding of the language. Past research has suggested that marketing to the Latino consumer is a socio-linguistic issue. According to *Latinos Inc* (Davila, 2001), Davila mentions that language works as a reinforcement of one's identity, "You emphasize your Hispanic identity by embracing your native Spanish tongue. Especially if not in your native country" (Davila, P. 35, 2001) Davila further goes on to say that, "language is the primary variable for determining levels of acculturation among Hispanics" (Davila, P. 71, 2001) While it is critical to consider language as a part of acculturation, it is important to note that it is not the only factor, but one of many.

Language, I believe, is an expression of one's experiences externalized in the simplest form of communication - speaking. So to speak in anything other than ones native tongue, is to have assimilated that culture, having taken in that cultures experiences, and values.

One hypothesis on why language is so influential to people is the Sapir Whorf hypothesis, a socio-linguistic approach that states, that language is influential in terms of affecting how people's thoughts about the world develop. This concept attributes a person's beliefs about their world, to the world that they create through language. It goes on to say that if certain words don't exist in your head then certain "worlds" can't exist. In the case of Latino consumers, if an English word doesn't exist in their language, it will

be difficult for an English world to exist. This hypothesis stems from a linguistic relativity theory, which “holds that the structure of a language affects the ways in which its speakers are able to conceptualize their world” (Hoiyer 1954:92–105), which could in part, help explain how according to consumer acculturation experiences, in the United States, “those [Latinos] who were ... bilingual...had an advantage in the marketplace over those who were... monolingual Spanish speakers.” (Peñaloza, 1995.) In this sense, being bilingual gives another form of cultural knowledge to Latinos, a cultural knowledge, which brings with it a deeper sense of acculturation. Answering the previous question, about how Latinos gain such elusive cultural knowledge. Language allows Latinos the vocabulary necessary to move beyond just syntax, and to really allow the meaning, and culture behind words, to sink in. Language helps Latinos effectively communicate with, and amongst, their American peers, and it serves an in-group status marker that separates Latinos who have had more time to learn the language, from those that have recently arrived and are only just beginning to learn the language.

Latino Immigrant as an Adolescent Consumer

Now that we have discussed the major stereotypes of Latino consumers, let's revisit the idea of the Latino immigrant as an adolescent consumer. What does it mean to be an adolescent consumer, and what are the implications of thinking about Latino consumers in such a manner? Let's consider Merriam-Webster's definition of maturation, it is: "the emergence of personal and behavioral characteristics through growth process". This 'growth process' occurs when immigrants move away from everything they know – their culture, their people, their language, their currency, to a completely new world, with a whole new set of rules, cultural norms, and expectations. Having a thumb on the pulse of this growth-process can have a trillion dollar impact, if marketers know how to apply this knowledge, knowledge, not just of culture, but of the psychology, and the historical background, of Latino consumers. This knowledge can come about from the concept mentioned earlier, by applying Aacker and Kelly's⁴ Consumer Based Brand Equity model, to the context of Latino consumer.

Earlier in the essay we mentioned the maturation that can come about when Latinos understand their role in Aacker and Kelly's CBBE model. This model is "defined as the differential effect that⁵ brand knowledge has on consumers response to the marketing of that brand." (1998, Keller) In the following passages, I will put the

⁴ Consumer Based Brand Equity is defined as the differential effect of brand knowledge on consumer response to the marketing of the brand... [It] involves consumers' reactions to an element of the **Marketing Mix*...in comparison with their reaction to the same marketing mix element attributed to a fictitiously named or unnamed version of the product or service. For a visual of this refer to Figures: Figure 4, *A Revised Customer-Based Brand Equity Pyramid for B2B*

*For a chart of the *Marketing Mix* also known as the "4Ps" Product, Price, Place and promotion Please see Figures: Figure 5

⁵ For a detailed chart on Brand Knowledge, please refer to Figures: Figure 6

Consumer Based Brand Equity model in the context of Latino and first generation Latino consumer.

This model will be used as it has already been established and tested, to help marketers better understand consumer spending habits, and choices. What has not been done before is an attempt to put a specific market into the context of this model, in this case Latinos.

Similar to adolescents who are most open to change during their teenage years, Latino and first generation Latinos are ripe for a new relationship with marketers. A better understanding, which will hopefully lead to better catering to these needs and spending habits. Let's begin by addressing the complexities of this model, and by stating upfront that not all aspects of the CBBE model will be applied, given these complexities. For the purpose of this essay, we will only apply and focus on the area of *brand knowledge*, looking at the beginning of the model, to learn how this can apply to both the Latino and first generation Latino consumer. Specifically, looking at how the perspective of the Latino as an adolescent consumer fits within this model. There is a kind of natural and subtle code switching that occurs when Latinos translate cultural heuristics from their culture to U.S. culture. When this translation, and code switching is attempted, from both marketers and Latinos, vital cultural knowledge gets lost, however, not without the attainment of a new hybrid culture. A culture, that is both developed by Latinos previous history, and these new experiences.

Semantic versus Episodic Memory and the CBBE Model

These new experiences are what create memories, specifically speaking, “episodic memories” (Tulving E (1984), an aspect that can be applied to the first branch of *brand knowledge* in the Consumer Based Brand Equity model. Before exploring this aspect, however, it is important to define the CBBE model. The CBBE, is a model developed by Kevin Keller, that measures “the differential effect that brand knowledge has on consumer response to the marketing of that brand.” (Keller, 1998) With *brand knowledge* being defined “in terms of ... a network of nodes and links [were] the brand node, in memory, has a variety of associations linked to it.” (Keller, 1998) Considering that these associated links come from various places of memory, one of these links could be a link concerning ‘episodic memory’ as previously mentioned.

‘Episodic memory’, refers to the memory that “stores specific personal experiences... [opposite of] ‘semantic memory’, which stores factual information” (Tulving E. 1972.) This should be of interest to marketers, when considering that Latino consumers do not have the same ‘episodic memories’ that mainstream consumers may have. The things that resonate in the hearts and minds of mainstream consumers may not be the things that resonate with Latino consumers. Given this, it would be easier for marketers to use ‘semantic memory’ and cold hard facts, to sell to this minority. The challenge however lies in taking advantage of the rich emotional experiences and knowledge that Latinos already carry, and contribute to these experiences, by creating nodes of association that resonate with *their* experiences. Not some fabricated memory that a marketer can produce. Only until this happens, can marketers begin to go beyond the surface of Latino consumer needs, and deeply understand and accommodate the needs of this consumer group. Marketers at times, unsuccessfully try to tie their brands or

products, to U.S. values, values that are new and foreign to Latino consumers, especially first generation Latino consumers. This becomes the mistake that occurs when translating or code switching from culture to culture. This also becomes unsuccessful marketing because it misses its target. It is very difficult if not impossible to fabricate emotions and then attempt to create 'link nodes' to these emotions. It won't happen and if it does it will not create the lasting impressions of a brand that a marketer truly wishes. It may only create a superficial association to a brand. After all how can Latinos create these associations if their 'semantic memory' is different from that of their American consumer peers? Latinos 'episodic memories' have occurred under a different set of experiences and culture. So these 'link nodes' that have salience amongst other minorities, who have possibly had more experience with U.S. culture, would not hold the same strength when building these brand associations with Latino consumers.

Another benefit of using 'episodic memory' as an extension of the CBBE branch of *brand knowledge*, is that, things associated to strong emotions are more likely to be remembered. "The relationship between emotion and memory is complex, but generally, emotion tends to increase the likelihood that an event will be remembered later and that it will be remembered vividly." Keeping this in mind, marketers do not need to fabricate strong emotions, as they already exist for Latino consumers. Latinos transition into this new culture, whether physical or emotional, is a highly emotionally charged experience. If marketers can put their thumb on the pulse of these emotions (the positive ones), they will also be putting themselves in front of a trillion dollar industry. The difficulty lies in figuring out which emotions are positive and which are not, and associating their brand or product to such emotion. But again, the benefits to this far outweigh the efforts.

These efforts can take the branch of *brand knowledge* and apply it to the perspective of the Latino consumer, and the first generation Latino consumer. The CBBE model is “what marketers would like consumers to know about the brand as opposed to what they might already currently know.” (Keller, P. 109, 1998) In the case of Latino consumers, and first generation Latino consumers, what they know about the brand is very little, due to the limited or lack of exposure, previously encountered with the brand. So what does this signify? Simply that parallel to adolescents, who are still figuring out which brands they most relate to and what resonates, Latinos too are just as vulnerable to brands. Their levels of exposure, to many brands is limited, unlike their American consumer counterparts. Upon arrival Latinos bring with them cultural expectations, but as previously stated, have little cultural knowledge. So while their cultural expectations are high, their cultural knowledge is low, which brings about certain social tensions. This can be considered the ‘teenage angst’ years so to speak. Where Latinos are just learning where they fit into society and how they can reflect that through their purchases. In “Immigrant Consumers: Marketing and Public Policy Considerations in the Global Economy” Peñaloza briefly goes over some of the psychosocial factors that occur when Latinos attempt to acculturate to US standard ways of consumption.

A significant part of the informants’ consumer acculturation process entail[s] [Latinos] learning who they were and how they were valued in the U.S. system. Immigrants learned that to be a Mexican in the United States was to have a stigmatized and subordinate identity... not an easy lesson to be learn[ed]...” (Peñaloza, P. 7, 1999)

This is exemplary of the ‘growing pains’ of the Latino and first generation Latino consumer. Looking at this in the best sense of the term, one that highlights the opportunity for growth, further development, and acculturation. These ‘growing pains’ as

we have called them, do not come without a silver lining. The silver lining being, that with Latino consumers, especially first generation Latino consumers, marketers have a clean slate. When it comes to marketing towards this group, these consumers “lack of knowledge” provides marketers with a fresh start in regards to the marketing approach they may wish to take.

The second part of brand knowledge is the aspect of *brand associations*, an aspect that stems from a psychological paradigm, that in essence, states that memory works through association. For example, when something new is learned it is usually tied to another network of information previously stored in ones mind. Making it easier to remember and recall that information. Another example, is when a consumer is interested in a fountain drink, *brand associations* may lead him/her to consider, Coke, Pepsi, Dr Pepper etc, and all the brands that the consumer may associate with the term “fountain drink”. In the case of Latino, and first generation Latino consumers, marketers should look to associate their brands, to brands that Latinos have previously been exposed to. This is where marketers true competition lies. In terms of competition marketers need to realize that just as adolescents transitioning from their youth oriented market, to a whole new older market, their primary competitors lie first with that old market, then second with the new market. For Latino consumers this may mean that marketers should first look to compete with brands from Mexico, or Latin America, as these are the brands that Latinos have been exposed to, and are thus the brands that they have formed associations with.

Marketers should consider that they have a geographical advantage when it comes to competitors for this target market, another unique factor to Latino consumers. Their competition is at times literally thousands of miles away. Marketers should use this

knowledge, and this advantage, to analyze the motivations behind the brand loyalties that Latino consumers have towards such products. Marketers should look to sincerely and genuinely provide these same benefits from *their* products.

If marketers ever hope to attempt to understand this audience, they must not just look at socio-demographics but look at, and deeply reflect on the motivations, experiences, and hardships that drive Latino consumers to their purchasing decisions. Similar to a new acquaintance one may be trying to understand, marketers must first look to Latinos past to understand how these attitudes and behaviors are carried over to future purchasing decisions, and consumer behavior. Latinos are an untapped market potential. Nurturing a healthy marketplace and society for them to grow in, can bring about a full circle of consumer maturation, a maturation that may allow Latino consumers to fully enjoy the benefits and experiences of a U.S. marketplace.

Implications

So are there latent results that could come about marketing to Latino consumers in the same way that marketers target adolescent consumers? Considering all of the above, no, not if marketers are sensitive about this consideration in regards to the *development* of the Latino consumer, and not by any means in the demeaning form of its usage. If marketers, or researchers further develop the idea of Latino consumers as adolescent consumers, this could bring about the advancement of a better understanding of the Latino consumer, and possibly for the first time, the incorporation of a specific ethnicity to the CBBE model. A model which, can ultimately aid marketers in attaining a better grasp on the culture, psychology and historical background of Latino consumers. Factors that can lead to a more intimate account of the drives and motivations that guide Latino consumers in their purchasing behaviors.

Conclusion

As evident throughout this report, when considering marketing to Latinos, it is not solely a cultural and a class issue, but an issue of exposure to acculturation, tied into other factors. Factors regarding, Latino consumers culture, psychology, and historical-background.

In a rapidly changing market, with an even more rapidly changing consumer, the heuristics that may have applied before may not apply now. For marketers and analyst, it is direly important to stay attuned to the changes, both social and personal. As it is these changes that influence the purchasing behaviors of the markets they target. It is in the attunement of these needs, that Latinos come into fruition, a fruition that would allow Latino consumers to 'mature' beyond the stereotypes that marketers have for so long held about them. Again, much like the relationship between an adolescent and a parent, both markets and Latino consumers could learn and evolve from each other. This interchange of cultural ideas, from marketer to consumer and vice versa, may be enough, that it would not just be marketers influencing the Latino market, but the Latino consumer, in turn influencing marketers. Consequently, allowing Latino consumers a louder voice. And the opportunity to take further ownership in their marketing industry.

It is not suffice to try and justify the complex spending habits of Latino consumers by just looking at external factors such as repeat purchase, without looking at internal factors, like brand loyalty. The reasons for brand loyalty can be many, and at times, internally driven, stemming from deep cultural, psychological, and historical motivations. Latinos have a rich dichotomous identity, one that is both made up of their past and encompassing of their future. If Latinos are the subjects that marketers are trying to understand, then the measures that marketers use to segment them should be reflective

of this complexity. With all of the above in mind, Latinos could grow and develop into a better-understood market, a market that can positively influence the U.S. both culturally and financially for years to come.

On a final note, it is important to observe the limitations of this research, and mention that given the complexities of the CBBE model, this report does not begin to scratch the surface of this model. Nor does it fully-commit to the idea of integrating the *entire* Consumer-Based Brand Equity model, into the context of the Latino consumer, again just the branch of *brand knowledge*. Which leaves and encourages the future research and studies, about the Latino consumer as an adolescent-consumer, and the further and complete development of the CBBE model in the context of the Latino consumer. Possible considerations for future research should be: A deeper look into the political, and social implications, that marketing to Latinos as adolescent consumers could bring. Also for consideration, a discussion of previous exposure, to U.S. brands, and how this affects the Latino consumer experience. And lastly, a consideration of how the widespread use of new technologies and social medias, serve as an acculturation agent, despite the differences in geographies. All these are areas of possible future research or an extension of this research.

Figures

Figure 1. Map of Latin America



This is the population that we will refer to when referencing “Latino”.

Figure 2. Latin American Demographics

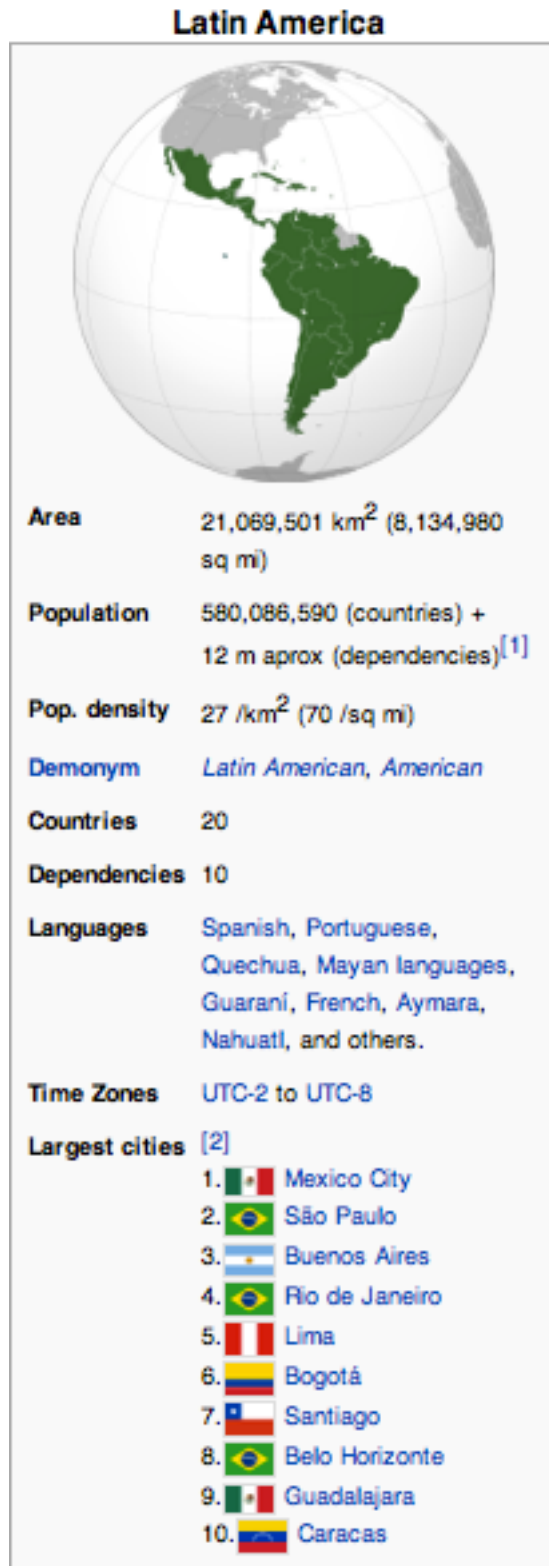


Figure 3. "Mobil Grocery Store"

A MOBILE GROCERY STORE

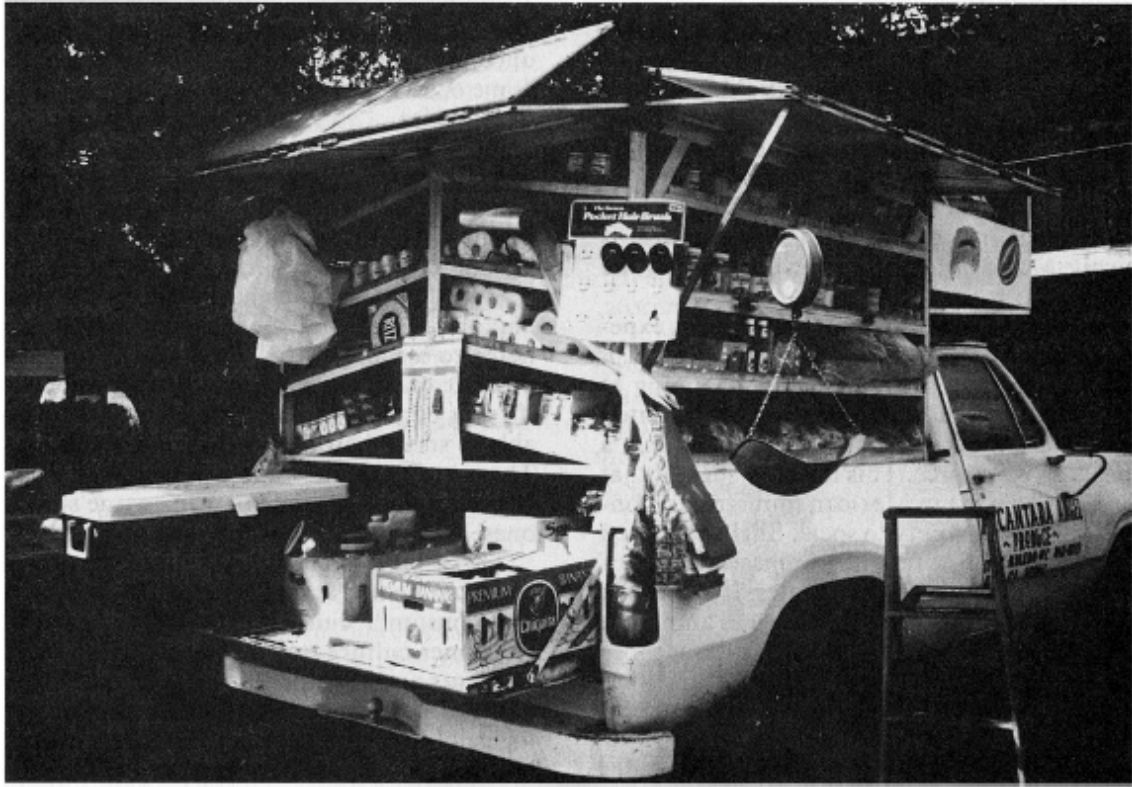
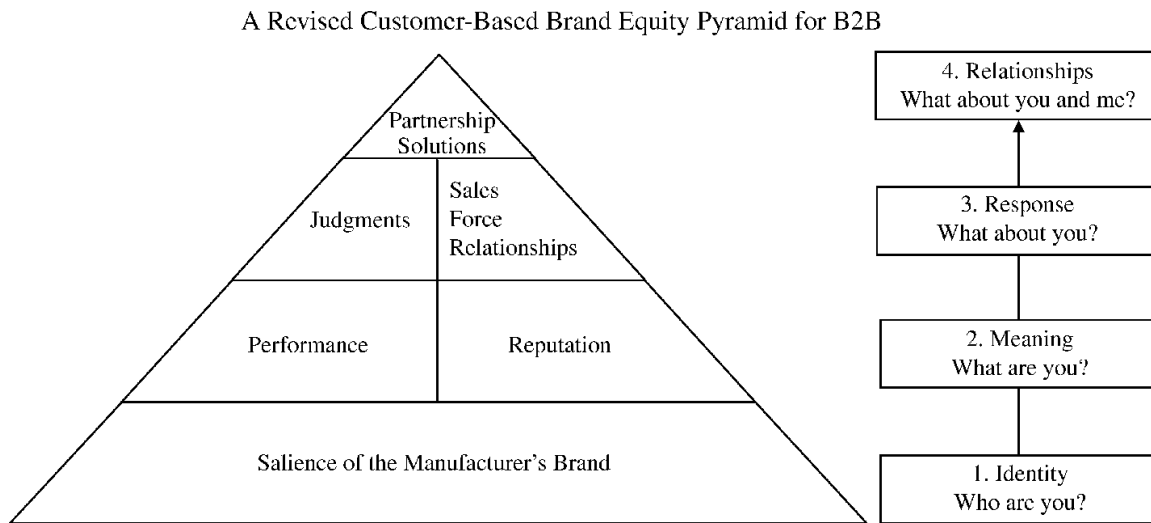


Figure 4. A Revised Customer-Based Brand Equity Pyramid for B2B

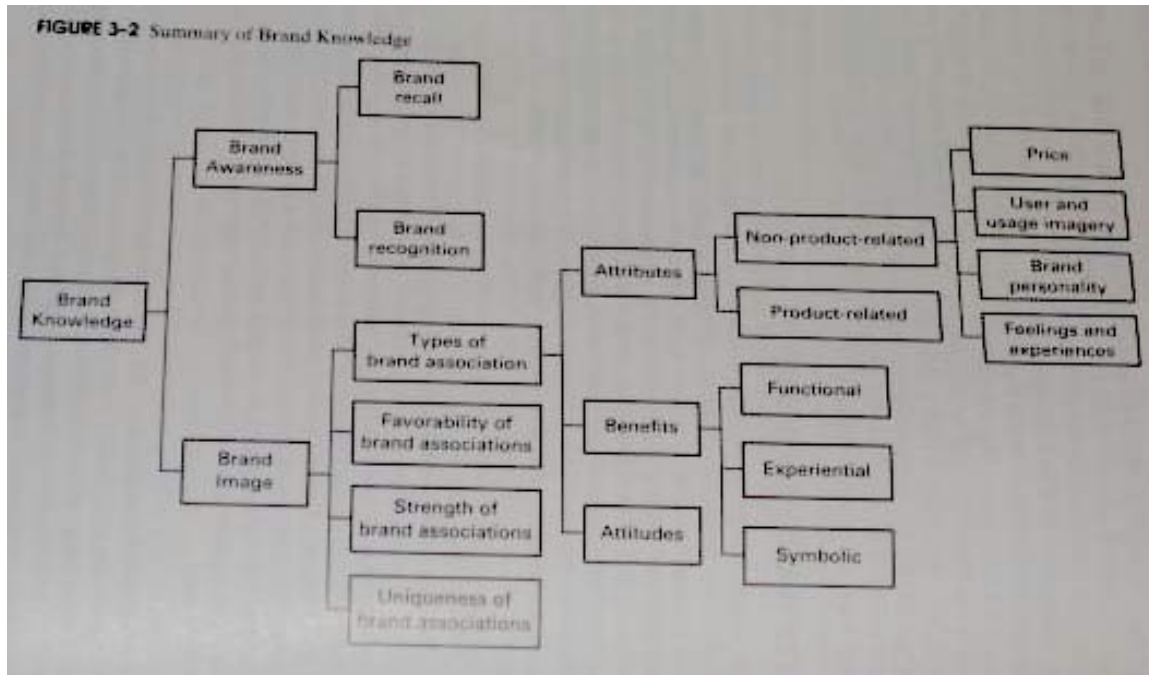


Source: Keller (2003) and the current study

Figure 5. Marketing Mix



Figure 6. Brand Knowledge



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