

Going Multinational Globally, Going Multicultural Locally

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Migration processes around the world have changed the face of some of the so-called destination countries, transforming them into truly multicultural societies. To effectively communicate to key subgroups within these markets, companies must be able to find the right balance between customization and standardization – just as they do when they go multinational.

A moving story

There will always be immigrants. This is a fact. People are constantly moving around the globe in search of better opportunities or to escape from adverse situations.

In the 1800s, for example, many traveled to South America looking for better lives in countries rich in natural resources. Some decades later, the compass turned north, initiating mass relocations from less developed to more developed countries.

The most notorious and recent cases are with no doubt the migration of Latin Americans to the United States, and the exodus of people from the Middle East and Northern Africa to Europe. However, openness of countries such as Canada and Australia are also shaping nations of minorities – an influx of young immigrants is providing interesting solutions to the issue of aging populations in developed countries!

Acculturation

Once in the new country, acculturation, or the process of integration of immigrants' values and customs with those of their host countries, can be dramatically different from one region to another.

It is not the same to migrate from Eastern to Western Europe as it is to relocate from a Muslim country to the United States or Canada. There are many factors that can play a crucial role in the process: language, culture, religion, education, economy, climate, race, etc.

The fact is that immigrants, in one way or another, go through a process to adapt to their new homes. In a multicultural marketplace people co-exist, interact and adapt to each other so not only the traditions and beliefs of the immigrants may change, but also those of the people native to the host country.

Research suggests that there are significant difference in consumption patterns of migrant consumer groups and their mainstream counterparts. In order to accurately target migrants in marketing communications, any stereotypical images should be abandoned and replaced by accurate assessments of their true values and lifestyles.

There are different ways in which companies can analyze minority groups within larger societies – and the truth is that there is no one method better than another. It's a matter of finding the strategy that best fits the company's needs at a given moment.

The Hispanic example

When Hispanics first began to migrate to the U.S. they were a small minority. They had to adopt the U.S. culture and language in order to make it in their strange, new world. During this time, language and basic cultural variables were sufficient to segment the market. Because there were so few Hispanic immigrants it did not make economic sense to develop campaigns specifically targeting them.

However, Hispanics have grown to become the largest minority group (and the majority in some regions). They currently represent 14 percent (41 million) of the U.S. population (or up to 19 percent if we include the approximately 11 million of undocumented Hispanics) and have a collective purchasing power that is expected to surpass U.S. \$1 trillion by 2010.

To put these numbers in context:

- By 2050, one in every four U.S. residents will be of Hispanic origin
- There are more Hispanics in the U.S. than Canadians in Canada
- If U.S. Hispanics were a nation, it would be the sixth largest Hispanic economy in the world

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Today, being the largest minority group, Hispanics really have the choice to either:

- Continue with this process of adopting the U.S. culture
- Keep their Latin traditions
- Actually choose to adopt what they want from either side as well as from other cultures co-existing in the country (i.e. African American, Asian, etc.) " regardless of whether they speak Spanish or English!

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The end to mass marketing?

Millward Brown has developed a segmentation approach that goes beyond language and profiles Hispanic consumers from a lifestyle perspective.

Analysis from our recent U.S. segmentation study uncovers key characteristics of the different Hispanic lifestyles. It also highlights how the segments are related to each other and to the general market.

For example, a common stereotype among marketers is that most Hispanics are traditional, both in their values and as consumers. According to Millward Brown's analysis, 42 percent of Hispanics are either "Go-getters" or "Progressives" showing that consumers in both segments do have modern and proactive lifestyles!

There are key differences that may require message adaptations to effectively target "Go-getters" and "Progressives" through marketing communications. While the former is closer to the U.S. culture, the latter has strong ties to their Latin background. However, both share values that can eventually be the focus of an integrated marketing campaign. Furthermore, a company can certainly find "Go-getter" and "Progressive" consumers among other ethnic groups " the door to broader audiences.

Customize or generalize?

Culturally diverse consumers are here to stay so it's essential to understand when to customize communications and when to use a more generalized approach. In-depth analyses like the study conducted by Millward Brown North America on U.S. Hispanics can help guide marketers in the right direction.

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