CHAPTER 12
Subcultures and Consumer Behavior

LEARNING OBJECTIVES

After studying this chapter students should be able to:
1. Understand what subculture is, and its relationship to culture.
2. Understand nationality as a subcultural influence on consumer behavior.
3. Understand religious affiliation as a subcultural influence on consumer behavior.
4. Understand geographic and regional residences as subcultural influences on consumer behavior.
5. Understand racial identity as a subcultural influence on consumer behavior.
6. Understand age as a subcultural influence on consumer behavior.
7. Understand gender as a subcultural influence on consumer behavior.
8. Understand how multiple subcultural memberships jointly influence consumer behavior.

SUMMARY

Subcultural analysis enables marketers to segment their markets to meet the specific needs, motivations, perceptions, and attitudes shared by members of a specific subcultural group. A subculture is a distinct cultural group that exists as an identifiable segment within a larger, more complex society. Its members possess beliefs, values, and customs that set them apart from other members of the same society; at the same time, they hold to the dominant beliefs of the overall society. Major subcultural categories in this country include nationality, religion, geographic location, race, age, and sex. Each of these can be broken down into smaller segments that can be reached through special copy appeals and selective media choices. In some cases (such as the elderly consumer), product characteristics can be tailored to the specialized needs of the market segment. Because of the existence of all subcultural groups, the marketer must determine for the product category how specific subcultural memberships interact to influence the consumer’s purchase decisions.

CHAPTER OUTLINE

INTRODUCTION

1. Culture has a potent influence on all consumer behavior.
2. Individuals are brought up to follow the beliefs, values, and customs of their society, and to avoid behavior that is judged “unacceptable” or considered taboo.
a) In addition to segmenting in terms of cultural factors, marketers also segment overall societies into smaller subgroups (subcultures) that consist of people who are similar in terms of their ethnic origin, their customs, and/or the ways they behave.
b) These subcultures provide important marketing opportunities for astute marketing strategists.

3. The subcultural divisions discussed are based on a variety of sociocultural and demographic variables, such as nationality, religion, geographic locality, race, age, sex, and even working status.

WHAT IS SUBCULTURE?

1. Members of specific subcultures possess beliefs, values, and customs that set them apart from other members of the same society.
2. Subculture is defined as being a distinct cultural group that exists as an identifiable segment within a larger, more complex society.

NATIONALITY SUBCULTURES

1. For many people, nationality is an important subcultural reference that guides what they value and what they buy.
2. For Americans that are foreign born, as well as Americans born in the United States, there is a strong sense of and identification with the language and customs of their ancestors.
a) This identification can manifest itself in consumption behavior.
3. When it comes to consumer behavior, ancestral pride is manifested most strongly in the consumption of ethnic foods, in travel to their “homeland,” and in the purchase of numerous cultural artifacts.
4. A good illustration of the importance of ethnic origin as a subcultural market segment is the Hispanic American subculture.

Hispanic Subcultures

1. Hispanic Americans represented approximately 15 percent of the United States population (buying power of $687 billion).
2. In July of 2002, Hispanics replaced African Americans as the largest minority group in the United States.
3. The number of Hispanics is estimated to reach 30 percent of the population by the year 2050.
4. Hispanic Americans are younger (the median age of Hispanics is about 9 years younger than the median age of non-Hispanic whites), they are members of larger families, and they are more likely to live in an “extended family” household—consisting of several generations of family members.
   a) Not only are Hispanic households more likely than black or non-Hispanic white families to contain children, but Hispanics also spend more time caring for their children.
5. The recent Census found that 77 percent live in the seven states that have Hispanic populations of one million or more.
6. There are 12 Hispanic subgroups now identified in the United States.
   a) The three largest Hispanic subcultural groups consist of Mexican-Americans (about 67 percent of total Hispanic-Americans), Puerto Ricans (approximately 86 percent of the total), and Cubans (about 4 percent of the total).
   b) These subcultures are heavily concentrated geographically, with more than 70 percent of their members residing in California, Texas, New York, and Florida; Los Angeles, alone, is home to one-fifth of the Hispanic population of the United States.
   c) Although more than 60 percent of all Mexican-Americans (the largest Hispanic group) were born in the United States, 72 percent of Cuban-Americans were born in Cuba.

Understanding Hispanic Consumer Behavior

1. Hispanic and Anglo consumers differ in terms of a variety of important buyer behavior variables.
2. Hispanic subculture is dynamic and evolving.
   a) They have a strong preference for well-established brands and traditionally prefer to shop at smaller stores.
b) More and more Hispanics are food shopping in non-Hispanic supermarkets, for example.

c) They appear to be in the process of acculturation.

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**Defining and Segmenting the Hispanic Market**

1. Marketers are concerned with finding the best ways to define and segment this overall subculture.
2. “Hispanic” has been defined by: Spanish surname, country of origin, country of family ancestry, Spanish spoken at home, degree of identification, and self-identification.
3. The Hispanic market (in addition to using self-identification and degree of identification segmentation) might be segmented by using a combination of the country of origin and geographic concentration in the United States.
   a) Of these variables, the combination of self-identification and degree of identification are particularly appealing because they permit consumers to define or label themselves.
4. Some marketers feel that it is worthwhile to target each Hispanic American market separately.
5. Other marketers, especially larger marketers, have been targeting the Hispanic market as a single market, using Spanish-language mass media.
6. Language provides another basis for segmenting the Hispanic-American market, even though there are significant variations regarding their language preferences.
7. Hispanics seem to prefer mass media in the first language they learned to speak.
8. A matrix has been developed consisting of high versus low ethnic identity and high versus low familism.
9. This matrix is used as a basis to segment the Hispanic market and to examine the media preferences.
   a) “A-Symbolic” Hispanic
   b) “C-Symbolic” Hispanic
   c) “Strong” Hispanic
   d) “Weak” Hispanic

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**RELIGIOUS SUBCULTURES**

1. The United States has more than 200 different organized religious subcultures.
   a) Of this number, Protestant denominations, Roman Catholicism, Islam, and Judaism are the principle organized religious faiths.
2. Consumer behavior is commonly directly affected by religion in terms of products that are symbolically and ritualistically associated with the celebration of various religious holidays.
3. Religious requirements or practices sometimes take on an expanded meaning beyond their original purpose.
4. Targeting specific religious groups with specially designed marketing programs can be very profitable.

GEOGRAPHIC AND REGIONAL SUBCULTURES

1. The United States is a large country, one that enjoys a wide range of climatic and geographic conditions.
2. It is only natural that many Americans have a sense of regional identification and use this identification as a way of describing others (e.g., “He is a true Southerner”).
3. These labels often assist us in developing a mental picture and supporting a stereotype of the person in question.
4. There are regional differences in consumption behavior, especially when it comes to food and drink.
   a) Regional differences also include brand preferences.

RACIAL SUBCULTURES

1. The major racial subcultures in the United States are Caucasian, African American, Asian American, and American Indian.
   a) The majority of research has focused on the difference between African American and Caucasian consumers and only recently turned to Asian Americans.
The African American Consumer

1. Consisting of about 38.9 million people, African American consumers currently constitute almost 13 percent of the U.S. population.
2. While the overall U.S. population grew 20.9 percent between 1990 and 2007, the African American population in the U.S. grew by 26.8 percent.
3. African American consumers currently constitute the second largest minority in the United States.
   a) Purchasing power is estimated to be $845 billion in 2007 and is expected to break the $1 trillion market by 2012.
   b) More than half of African American consumers are less than 35 years of age.
4. This important subcultural grouping is frequently portrayed as a single, undifferentiated “African American market,” consisting of consumers who have a uniform set of consumer needs.
   a) In reality it consists of numerous subgroups, each with distinctive backgrounds, needs, interests, and opinions.

*****Use Key Term African American consumers Here; Table #12.9 Here*****

Consumer Behavior Characteristics of African American Consumers

1. There are meaningful differences in terms of product preferences and brand purchase patterns.
2. African American consumers tend to prefer popular or leading brands, are brand loyal, and are unlikely to purchase private-label and generic products.
3. Almost two-thirds of African-Americans are willing to pay more to get “the best.”
4. Some meaningful differences exist among Anglo white, African American, and Hispanic American consumers in the purchase, ownership, and use of a diverse group of products.

*****Use Tables #12.10 and #12.11 Here*****

Reaching the African American Audience

1. Traditionally, marketers have subscribed to one of two distinct marketing strategies.
   a) Some have followed the policy of running all their advertising in general mass media in the belief that African Americans have the same media habits as whites.
   b) Others have followed the policy of running additional advertising in selected media directed exclusively to African Americans.
   c) Both strategies may be appropriate in specific situations and for specific product categories.
      i) For products of very broad appeal (e.g., aspirin or toothpaste), it is possible that the mass media (primarily television) may effectively reach all relevant consumers, including African Americans and whites.
ii) For other products (e.g., personal grooming products or food products), marketers may find that mass media do not communicate effectively with the African American market.

iii) Because the media habits of African American consumers differ from those of the general population, media specifically targeted to African Americans are likely to be more effective.

iv) African American adults tend to place a great deal of trust in African American-centric media.

2. Many marketers supplement their general advertising with advertisements in magazines, newspapers, and other media directed specifically to African Americans.

***Use Discussion Question #3 Here; Use Figure #12.6 Here***

### Asian American Consumers

1. The **Asian American** population (primarily Chinese, Filipino, Japanese, Indian, Korean, and Vietnamese) is currently about 14 million in size and a fast-growing American minority.

2. Six different ethnicities make up about 90 percent of the Asian American population.

3. Asian Americans are today the most diverse ethnic group in the United States, and include the influences of 15 different cultures and a wide range of languages.

4. Because Asian Americans are largely family-oriented, highly industrious, and strongly driven to achieve a middle-class lifestyle, they are an attractive market for increasing numbers of marketers.

5. In 2005, Asian American families had a median income of $69,159, which is approximately 24 percent higher than the median family income for the entire U.S. population.

6. A higher proportion of Asians and Pacific Islanders (than non-Hispanic Whites) were concentrated in managerial and professional jobs.

7. Educational attainment is an important goal for this segment of the population.

***Use Key Term Asian American Here***

### Where Are the Asian Americans?

1. Asian Americans are largely urban people, who are presently concentrated in and around a small number of large American cities.

2. Marketers can be misled by the urban numbers displayed by this segment. Many Asian Americans live in the suburbs.

***Use Figure #12.7 Here***
Understanding the Asian-American Consumer

1. United States Census Bureau data reveal that more Asian Americans, on a per-capita basis, own their own businesses than non-Asian American minorities.
   a) Those who do not own their own businesses are largely in professional, technical, or managerial occupations.
   b) They also tend to be more computer literate than the general population.
   c) Additionally, many Asian Americans are young and live a good part of their lives in multi-income households.
   d) English speaking Asian Americans are more likely than other Americans to get their news and information online

Asian Americans as Consumers

1. The buying power of Asian Americans amounts to about $250 billion annually.
   a) They value quality and are willing to pay for it.
   b) This population segment tends to be loyal customers.
   c) The segment is frequently more male-oriented when it comes to consumption decisions.
   d) The segment is attracted to retailers who make it known that they welcome Asian American patronage.
2. It is important to remember that Asian Americans are really drawn from diverse cultural backgrounds.
   a) Vietnamese Americans are more likely to follow the traditional model, wherein the man makes the decision for large purchases, whereas Chinese American husbands and wives are more likely to share in the decision-making process.
3. The use of Asian American models in advertising is effective in reaching this market segment.

AGE SUBCULTURES

1. Four age subculture segments have been singled out for discussion (Generation Y, Generation X, baby boomers, and seniors) because their distinctive lifestyles qualify them for consideration as subcultural groups.

The Generation Y Market
1. This age cohort (a cohort is a group of individuals born over a relatively short and continuous period of time) includes the approximately 80 to 100 million Americans born between the years 1977 and 1994 or between 1982 and 2000 (i.e., the children of the baby boomers).
   a) This cohort is also known as the “echo boomers” or the “millennium generation.”
   b) This group can be divided into three subsegments: Gen Y adults (age 19-28), Gen Y teens (age 13-18), and Gen Y kids, or “tweens” (age 8-12).

**Appealing to Generation Y**

1. The teen segment of Generation Y spends over $150 billion annually and influences purchases by their parents of several times this amount.
2. They have grown up in a media-saturated environment and tend to be aware of “marketing hype.”
3. This group has shifted some of its TV viewing time to the Internet.
4. They are less likely than their parents to read newspapers and often do not trust the stores that their parents shop in.
5. Smart retailers have found it profitable to develop Web sites specifically targeted to the interest of the Gen Y consumer.
6. Gen Y adults are the largest users of cell phone text messaging.
7. Gen Y adults do not respond to marketing the same way their parents do.
8. They are most likely to be reached by placing messages in the places they frequent, such as online and cable TV.
9. Gen Y has initiated a return to community, but it’s a community in a virtual space.

**Tweens**

1. In the U.S., the 29 million member of the “tween” market (generally considered to consist of 8-to-14 year olds) spends an average of $1,294 each, for a total of $38 billion.
   a) Their parents will spend almost $126 billion more on them.
2. In households that include a tween, food purchases account for almost 50 percent of total household spending.
3. Teenagers also visit shopping malls more frequently than any other age group.

****Use Table #12.13 Here*****

**Twixters**

1. Spanning the Gen Y and Gen X markets is a group of 21 to 29 year olds who continue to live with their parents.
2. Over half of Twixters graduated college more than $10,000 in debt.
3. They tend to have trust in their parents and in established institutions, and often do not marry before they reach their 30 birthday.
4. Twixters claim that they spend more than most people on eating out, clothes, entertainment, computers, and software.

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The Generation X Market

1. This group (Xers, busters, or slackers) consists of approximately 50 million individuals born between about 1965 and 1979, who spent about $1.4 trillion in 2004.
2. They do not like labels, are cynical, and do not want to be singled out and marketed to.
3. They are in no rush to marry, start a family, or work excessive hours to earn high salaries.
   a) Job satisfaction is typically much more important than salary.
   b) It is more important to enjoy life and to have a lifestyle that provides freedom and flexibility.

Appealing to Generation X

1. Members of Generation X often pride themselves on their sophistication.
2. Not necessarily materialistic, they do purchase good brand names but not necessarily designer labels.
3. They want to be recognized by marketers as a group in their own right.
4. One key for marketers appears to be sincerity.
5. Baby boomer media does not work with Generation X members.
   a) Xers are the MTV generation.
   b) They use the Internet more than any other age cohort.

The Baby Boomer Market

1. They are especially attractive because:
   a) They are largest age category alive today.
   b) They make important consumer purchase decisions.
   c) They contain a small subsegment of trendsetting consumers—Yuppies—who influence the consumer tastes of other age segments of society.

Who are the Baby-Boomers?

1. This segment was born between 1946 and 1964.
2. They represent 40 percent of the adult population and comprise 50 percent of all people in professional and managerial occupations and more than one-half of those with at least a college degree.
3. Although each year more baby boomers turn 50 years of age, they do not necessarily like the idea.
   a) Consumers are trying hard to look and feel young.
   b) They have money and they want to spend it on what they feel advances the quality of their lives.
**Consumer Characteristics of Baby Boomers**

1. Baby boomers tend to be motivated consumers.
2. They enjoy buying for themselves, for their homes or apartments, and for others—they are consumption-oriented.
3. Yuppies are by far the most sought-after subgroup of baby boomers.
   a) Although only 5 percent of the population, they generally are well off financially, well educated, and in enviable professional or managerial careers.
   b) They often are associated with status brand names.
4. Today, as many yuppies are maturing, they are shifting their attention away from expensive status-type possessions to travel, physical fitness, planning for second careers, or some other form of new-life directions.
   a) There has been a move away from wanting possessions to wanting experiences.
   b) Recent articles have noted that some members of this group are planning to keep working, either full-time or part-time beyond age 65.

*****Use Discussion Question #5 Here; Use Exercise #2 and #3 Here*****

**No Rush into Retirement**

1. Baby boomers are not anxious to retire.
2. They plan to keep working, either full time or part time beyond age 65.
3. Many just want to stay active.
4. Studies of baby boomers contemplating retirement have found that they adopt one of four lifestyle postures toward the retirement transition:
   a) Retirement as an opportunity to make a new start
   b) Retirement as a continuation of preretirement lifestyle
   c) Retirement as an unwelcome, imposed disruption
   d) Retirement as a transition to old age.

*****Use Table #12.14 Here*****

**Older Consumers**

1. America is aging; the number of elderly consumers is growing twice as fast as the overall U. S. population.
2. In 2006 there were more than 37 million people in this country who are 65 years of age or older (almost 12.5 percent of the population).
   a) People over the age 50 comprise about one-third of the adult U.S. market.
   b) It is projected that by 2050 88 million Americans (20 percent of the total population) will be 65 years of age or older.
   c) Life expectancy is rising.
   d) Later adulthood is the longest adult life stage for most consumers.
3. Some people think of older consumers as: 
a) People without substantial financial resources  
b) In generally poor health  
c) With plenty of free time on their hands.

4. In reality:  
   a) Many are employed.  
   b) Many are involved in the daily care of a grandchild and do volunteer work.  
   c) The annual discretionary income of this group amounts to 50 percent of the discretionary income of the United States.  
   d) Older consumers are major purchasers of luxury products such as cars, alcohol, vacations, and financial products.  
   e) Americans over 65 now control 70 percent of the nation’s wealth.

Defining “Older” in Older Consumers

1. Driving the growth of the elderly population are three factors:  
   a) The declining birthrate  
   b) The aging of the huge baby boomer segment  
   c) Improved medical diagnoses and treatment

2. In the United States, “old age” is officially assumed to begin with a person’s 65th birthday (i.e., when the individual qualifies for full Social Security and Medicare).  
   a) People who are 60 years old, however, tend to view themselves as being 15 years younger than their chronological age.

3. Research consistently suggests that people’s perceptions of their ages are more important in determining behavior than their chronological ages (i.e., the number of years lived).

4. In fact, people may at the same time have a number of different perceived or cognitive ages.  
   a) Elderly consumers perceive themselves to be younger than their chronological ages on four perceived age dimensions: feel age (how old they feel); look age (how old they look); do age (how involved they are in activities favored by members of a specific age group); and interest age (how similar their interests are to those of members of a specific age group).

5. For marketers, these findings underscore the importance of looking beyond chronological age to perceived or cognitive age when appealing to mature consumers and to the possibility that cognitive age might be used to segment the mature market.

******Use Key Term cognitive ages Here******

Segmenting the Elderly Market

1. The elderly are not homogeneous.  
2. One consumer gerontologist has suggested that the elderly are more diverse in interests, opinions, and actions than other segments of the adult population.  
3. One relatively simple segmentation scheme partitions the elderly into three chronological age categories:  
   a) The young-old (65 to 74 years of age)
b) The old (those 75 to 84)
   c) The old-old (those 85 years of age and older)
4. The elderly can also be segmented in terms of motivations and quality-of-life orientation.

***** Use Table #12.15 Here; Use Exercise #4 Here; Use Discussion Question #6 Here *****

**Cyberseniors**

1. One should not stereotype seniors as being technologically deficient.
2. There are more Internet users over the age of 50 than under the age of 20.
3. The attraction of the Internet to seniors seems to be based on its communication ability.
4. There appears to be a relationship between the amount of time an older adult spends on the Internet and his or her out-of-home mobility.

***** Use Figure #12.9 Here *****

**Marketing to the Older Consumer**

1. Older consumers do want to be marketed to, but only for the “right” kinds of products and services and using the “right” advertising presentation.
2. Research has found that when considering how to advertise to seniors, older adults have a higher liking and better recall of emotional appeals.
3. For some products and services, seniors do exhibit different shopping habits than younger consumers.
4. Seniors often want to be identified not for what they did in the past but by what they would like to accomplish in the future.

***** Use Discussion Question #6 Here; Use Exercise #3 and #4 Here *****

**SEX AS A SUBCULTURE**

Because **sex roles** have an important cultural component, it is quite fitting to examine **gender** as a subcultural category.

***** Use Key Terms sex roles and gender Here; Use Learning Objective #12.7 Here *****

**Sex Roles and Consumer Behavior**

1. In American society, for instance, aggressiveness and competitiveness often were considered traditional masculine traits; neatness, tactfulness, gentleness, and talkativeness were considered traditional feminine traits.
2. In terms of role differences, women have historically been cast as homemakers with responsibility for child-care and men as the providers or breadwinners.
3. Because such traits and roles are no longer relevant for many individuals, marketers are increasingly appealing to consumers’ broader vision of gender-related role options.
4. It may be best, where feasible, to advertise differently to men and women.

**Consumer Products and Sex Roles**

1. Within every society, it is quite common to find products that are either exclusively or strongly associated with the members of one sex.
2. In the United States for most products, the sex role link has either diminished or disappeared; for others, the prohibition still lingers.
3. The appeal of the Internet seems to differ somewhat for men and women.
4. In a recent study of coupon usage and bargain hunting, the authors note that while a 1995 study found that 10 percent of men were the primary grocery shopper for their household, by 2003, 36 percent of men performed this task.
5. A 2004 study reported that 84 percent of females and 68 percent of males used coupons.

*****Use Table #12.16 Here*****

**Women as Depicted in Media and Advertising**

1. Many women feel that the media and advertising create an expectation of beauty that most women can never achieve.
2. Consequently, they want the definition of “beauty” to change.

**The Working Woman**

1. Marketers’ interest in the **working woman** is increasing.
2. Marketers recognize this is becoming a large and growing market.
3. Forty percent of all business travelers today are women.

*****Use Key Term working woman Here*****

**Segmenting the Working Woman Market**

1. Marketers have developed categories that differentiate the motivations of working and nonworking women and have divided the female population into four segments:
   a) Stay-at-home housewives
   b) Plan-to-work housewives
   c) Just-a-job working women
   d) Career-oriented working women
2. Twenty-five percent of all working women bring home a paycheck that is larger than their husbands.
   a) Ten years ago it was only 17 percent.
3. Working women spend less time shopping than nonworking women.
a) They accomplish this “time economy” by shopping less often and by being brand- and store-loyal.

b) Working women also are likely to shop during evening hours and on the weekend, as well as to buy through direct-mail catalogs.

4. Businesses that advertise to women should be aware that magazines are now delivering a larger women’s audience than television shows.

5. Each year, more and more products and retailers target to women.

SUBCULTURAL INTERACTION

1. All consumers are simultaneously members of more than one subcultural segment; this can be viewed as subcultural interaction.

2. Marketers should strive to understand how multiple subcultural memberships interact to influence target consumers’ relevant consumption behavior.

3. Promotional strategy should not be limited to a single subcultural membership.

DISCUSSION QUESTIONS

1. Why is subcultural analysis especially significant in a country such as the United States?

   The United States is becoming an increasingly diverse society. Subcultures based on nationality, religion, geographic location, race, age, and sex provide markets with exciting opportunities and numerous pitfalls to negotiate in their promotional strategies. By the year 2042 Americans who identify themselves as Hispanic, black, Asian, American Indian, Native Hawaiian and Pacific Islander will together outnumber non-Hispanic whites. Four years ago, officials had projected the shift would come in 2050. American companies will increasingly target advertising at these groups.

2. Discuss the importance of subcultural segmentation to marketers of food products. Identify a food product for which the marketing mix should be regionalized. Explain why and how the marketing mix should be varied across geographic areas of the United States.

   Subcultures are identifiable groups within a society, and as such, constitute “natural” segmentation variables. In the United States, people belong to many subcultural groups that influence the consumption of food products. For example: (a) nationality influences the consumption of many ethnic foods; (b) religion places restrictions on eating certain foods; and (c) different geographic regions have different food tastes and customs, (e.g., grits in the United States...
South and the general popularity of Mexican food in the West and Southwest). As illustrated in the answer to the previous question, the United States is increasingly becoming ethnically diverse, and many marketers are targeting nationality/ethnic subcultures.

3. How can marketers of the following products use the material presented in this chapter to develop promotional campaigns designed to increase market share among African American, Hispanic, and Asian American consumers? The products are: (a) compact disc players, (b) ready-to-eat cereals, and (c) designer jeans.

The marketers of the products listed in the question should consider the following data in targeting African American, Hispanic American, and Asian Americans:

**Targeting African Americans:** Consisting of about 38.9 million people, African American consumers currently constitute almost 13 percent of the U.S. population. While the overall U.S. population grew 20.9 percent between 1990 and 2007, the African American population in the U.S. grew by 26.8 percent. African American consumers currently constitute the second largest minority in the United States. Purchasing power is estimated to be $845 billion in 2007 and is expected to break the $1 trillion market by 2012. More than half of African American consumers are less than 35 years of age. This important subcultural grouping is frequently portrayed as a single, undifferentiated “African American market,” consisting of consumers who have a uniform set of consumer needs. In reality it consists of numerous subgroups, each with distinctive backgrounds, needs, interests, and opinions.

**Targeting Hispanic Americans:** Hispanic Americans represent approximately 15 percent of the United States population (buying power of $687 billion). In July of 2002, Hispanics replaced African Americans as the largest minority group in the United States. The number of Hispanics is estimated to reach 30 percent of the population by the year 2050. Hispanic Americans are younger (the median age of Hispanics is about 9 years younger than the median age of non-Hispanic whites), they are members of larger families, and they are more likely to live in an “extended family” household—consisting of several generations of family members. Not only are Hispanic households more likely than black or non-Hispanic white families to contain children, but Hispanics also spend more time caring for their children. The recent Census found that 77 percent live in the seven states that have Hispanic populations of one million or more. There are 12 Hispanic subgroups now identified in the United States. The three largest Hispanic subcultural groups consist of Mexican-Americans (about 67 percent of total Hispanic-Americans), Puerto Ricans (approximately 86 percent of the total), and Cubans (about 4 percent of the total). These subcultures are heavily concentrated geographically, with more than 70 percent of their members residing in California, Texas, New York, and Florida; Los Angeles, alone, is home to one-fifth of the Hispanic population of the United States. Although more than 60 percent of all Mexican-Americans (the largest Hispanic group) were born in the United States, 72 percent of Cuban-Americans were born in Cuba. Hispanic and Anglo consumers differ in terms of a variety of important buyer behavior variables. Hispanic subculture is dynamic and evolving. They have a strong preference for well-established brands and traditionally prefer to shop at smaller
stores. More and more Hispanics are food shopping in non-Hispanic supermarkets, for example. They appear to be in the process of acculturation.

**Targeting Asian Americans:** Presently, Asian Americans are the fastest growing minority group. Almost 40 percent of today’s immigrants to America come from Asia. This fast-growing group increased 48 percent during the decade extending from 1990 to 200, and has increased 9 percent since 2000. The Asian American population (primarily Chinese, Filipino, Japanese, Indian, Korean, and Vietnamese) is currently about 14 million in size. Six different ethnicities make up about 90 percent of the Asian American population. Asian Americans are today the most diverse ethnic group in the United States, and include the influences of 15 different cultures and a wide range of languages. Asian Americans are family-oriented, strongly driven to achieve middle-class lifestyle, and as such, highly industrious and entrepreneurial. They are the minority group with the highest percentage of self-employment and tend to be better educated and more computer-literate than the general population. Marketers are just beginning to understand the complexity of this segment.

4. **Asian Americans are a small proportion of the total U.S. population. Why are they an important market segment? How can a marketer of personal computers effectively target Asian Americans?**

Use the information under Question 3.

5. **In view of the anticipated growth of the over-50 market, a leading cosmetics company is re-evaluating the marketing strategy for its best-selling moisturizing face cream for women. Should the company market the product to younger (under-50) as well as older women? Would it be wiser to develop a new brand and formula for consumers over 50 rather than target both age groups with one product? Explain your answer.**

A moisturizer face cream is a product that should probably be positioned in a way depicting the target consumer’s perceived or cognitive age rather than the individual’s chronological age. Because most older consumers feel and consider themselves younger than their chronological ages, developing a new brand and formula for over-50 consumers is unlikely to be successful. Research suggests that people’s perception of their ages is more important in determining behavior than their chronological age. Elderly consumers perceive themselves to be younger than their chronological age on four perceived age dimensions: (a) feel-age—how old they feel, (b) look-age—how old they look, (c) do-age—how involved they are in activities favored by members of a specific age group, and (d) interest-age—how similar their interests are to those of members of a specific age group. Therefore, the company should not design a new brand specifically for older consumers and continue marketing the existing brand to younger as well as older women. This may prove to be a complex endeavor, however, and the company must ensure that none of the advertising messages and appeals directed at older women alienates the under-50 users of the product.
6. Marketers realize that people of the same age often exhibit very different lifestyles. Using the evidence presented in this chapter, discuss how developers of retirement housing can use older Americans’ lifestyles to more effectively segment their markets.

Marketers of retirement housing should be careful to avoid falling into the myths of the elderly market. Similar to other market segments, the elderly market is not homogeneous. Some argue their interests, etc., are even more diverse than other markets. One simple segmentation scheme partitions the elderly into three chronological age categories: (a) young-old—65 to 74 years old—tend to have health and money; (b) old—75 to 84 years old, and (c) old-old—85+ usually require various specialized housing and medical services.

7. a. How should marketers promote products and services to working women? What appeals should they use? Explain.
b. As the owner of a Saturn automobile dealership, what kinds of marketing strategies would you use to target working women?

The marketer avoids high-pressure sales approaches and stresses sincere, polite, and helpful salespeople. When it comes to the features a woman seeks in a new car, emphasize safety and reliability. Address product design. For example: (1) recognizing that men and women are generally not the same height, car makers are replacing the front “bench-type” seat with split seats which the driver and passenger can adjust independently; (2) lumbar support was built into seat backs to make them more comfortable for pregnant women (they also relieve back strain for men); (3) buttons are spaced farther apart to accommodate females’ long fingernails (and, also, men with big fingers); (4) power steering was originally developed for women, recognizing that they have less strength than men (this feature is also preferred by men, and especially many older consumers); and (5) reinforced side-door impact beams, child safety locks, and integrated child seats are features developed to appeal specifically to women.

EXERCISES

1. Using one of the subculture categories listed in Table 12-1, identify a group that can be regarded as a subculture within your university or college. (a) Describe the norms, values, and behaviors of the subculture’s members. (b) Interview five members of that subculture regarding attitudes toward the use of credit cards. (c) What are the implications of your findings for marketing credit cards to the group you selected?

Instructor’s Discussion

The answer to this exercise provides an interesting foundation for a class discussion. If students select one of the subcultures described in the text, their findings should be compared with the book’s information and used to formulate a strategy for a credit card company targeting the subculture chosen.
2. Interview one baby boomer and one Generation X consumer regarding the purchase of a car. Prepare a report on the difference in attitudes between the two individuals. Do your findings support the text’s discussion of the differences between boomers and busters? Explain.

Instructor’s Discussion

This exercise is designed to illustrate the differences in the values of two generations. The professor should compare the students’ observations to the information presented in the answer to Discussion Question 5.

3. Many of your perceptions regarding price versus value are likely to be different than those of your parents or grandparents. Researchers attribute such differences to cohort effects, which are based on the premise that consumption patterns are determined early in life. Therefore, individuals who had experienced different economic, political and cultural environments during their youth are likely to be different types of consumers as adults. Describe instances in which your parents or grandparents disagreed with or criticized purchases you had made. Describe the cohort effects that explain each party’s position during these disagreements.

Instructor’s Discussion

This exercise is designed to demonstrate that individuals who had experienced similar economic, political, and cultural environments during their youth share a common generational personality in their present consumption habits. For example, older consumers who formed their values while trying to earn a living during the Great Depression (i.e., people 65 and over) are likely to be highly price-conscious. On the other hand, people whose expectations about life were formed during World War II (i.e., persons 50–64 years old) feel much more comfortable about spending because their expectations were exceeded during the post-war recovery, and they were pleasantly surprised by the economic success that many of them presently enjoy.

4. Find two good and two bad examples of advertising directed toward elderly consumers. To what degree are these ads stereotypical? Do they depict the concept of perceived age? How could these ads be improved by applying some of the chapter’s guidelines for advertising to elderly consumers?

Instructor’s Discussion

The professor should provide examples for the students to analyze using the information contained in the text. A recent review of successful marketing to older consumers indicates that these individuals respond well to messages that stress autonomy, altruism, personal growth, and revitalization. Furthermore, marketers targeting this group must recognize that, compared with young adults, mature adults are less influenced by peers, more introspective, more sensitive to the context of messages, more flexible, more individualistic, less price
sensitive, determine values in more complex ways, and are whole-picture oriented (rather than detail-oriented).

**S.T.A.R. PROJECTS**

**Ethical Issues in Consumer Behavior**

**S.T.A.R. Project #1**
Some Web sites attract a wide spectrum of visitors. Such a Web site is ivillage.com (see www.ivillage.com). This intriguing site focuses on a variety of female issues. Everything from fashion and decorating tips to women’s rights is addressed at this site. Your assignment is to review the site and then list five (5) women’s issues that are impacted by good ethical behavior by marketers. Next, cite the specific ethical behavior that is associated with the issue you addressed. Lastly, indicate (in your opinion) how the issues are faring with respect to advancement of positive ethical behavior.

**Instructor’s Discussion**

The students should be able to easily identify issues that are linked to good ethical practice and behavior. For example, women’s health, child rearing, and relationship management would be a good place to start a discussion. Have students meet in small groups to discuss their findings and opinions.

**S.T.A.R. Project #2**
The United States is a nation of many religions. This nation was founded on each citizen’s right to express religious beliefs and to live with religious freedom even if that freedom meant to have no religion at all. “In God We Trust” is a great part of our heritage. In recent years, however, organized religion and religious teaching has suffered some setbacks because of the nation’s fundamental desire to separate church and state. For example, prayer is no longer appropriate in schools or in certain governmental gatherings. Has this shift affected our culture? Your assignment is to study the religious subculture section of the chapter. Write a short position paper that outlines how marketers should ethically appeal to this subculture. What is appropriate and what is not? Is a religious appeal by marketers appropriate at all? Comment on these issues.

**Instructor’s Discussion**

Nothing gets one’s attention more than discussions about religion or sex. We all have opinions about each. This assignment asks students to consider the religious subculture as a viable marketing segment. The chapter provides ample illustrations of how appeals are made by marketers to this subculture. The assignment asks students to consider the ethics of such approaches. Because of the inflammatory nature of this area, be sure to carefully control discussion to avoid hurting someone’s feelings or positions.
Small Group Projects

S.T.A.R. Project #3
Action, action, action! Those words would be appropriate to the National Organization of Women (N.O.W.) (see www.now.org). N.O.W. has supporters and detractors. No matter how you look at this organization you have to respect its dedication to women’s causes. Others, however, believe that a less direct approach to women’s issues is more appropriate. Many of these see Cosmopolitan magazine as a better spokesperson for female positions. Your group’s assignment is to do a comparison between how N.O.W. and Cosmopolitan magazine (see www.cosmopolitan.com) approach women’s issues. Many believe that the two organizations are on the opposite end of the spectrum from one another. Your group should construct a method to compare the two organizations. Once this is done, write a short position paper that describes which of the two organizations does a better job of addressing women’s issues. Which organization does a better job of marketing to the female subculture? Explain your rationale.

Instructor’s Discussion

Talk about differences—N.O.W. and Cosmo are often miles apart. Though female students may not be closely aligned with either organization, both organizations are interesting studies. Both are marketing dynamos (though N.O.W. might not like to admit it). Students can examine each organization through stances on political protest, women’s rights, women’s relationships, and women’s purchasing. Be careful to control discussion as some (even males) may have very pronounced feelings about either or both of these organizations.

S.T.A.R. Project #4
One of the best ways to see how marketers use culture and subculture as vehicles for marketing efforts is to study how products, brands, and promotional messages are designed for and directed toward these two concepts. Your group’s assignment is to review the research material available on Brandweek (see www.brandweek.com), Adweek (see www.adweek.com), and Mediaweek (see www.mediaweek.com). Once you have examined the material contained in these three Web sites, describe three (3) ways marketing efforts are directed toward (a) culture and (b) subculture. To be more specific, pick two of the subcultures described in the text to use as examples in part (b) of the assignment. Summarize your findings in a short descriptive paper.

Instructor’s Discussion

The three Web sites contain a vast amount of information about branding, promotion, and media application with respect to product distribution. Students are free to choose any of the described subcultures for examples. Normally, age, gender, and ethnicity are the easiest to apply. The Web sites carry stories about each of these subcultures on an almost constant basis. You may wish to assign particular subcultures to the various groups to ensure diversity for learning purposes. Lastly, these are excellent Web sites to bring up using your LCD in class. Because all of the publications are linked, it makes it easy to move from one publication to another to discuss topics and applications.
Using the Internet to Study Consumer Behavior

S.T.A.R. Project #5
One of the easiest ways to study marketing’s relationship to racial subcultures is to use the Internet. Recent statistics indicate that African American and Hispanic Americans are using the Web in increasing numbers. Therefore, marketing efforts via the Web are increasing for both of these two groups. Your assignment is to take one (1) of the following Web sites and examine how the Web site is making marketing appeals to its particular racial subculture. Specifically, describe the chosen site’s marketing activities, how the site attempts to build relationships with viewers, and how the site might impact a viewer’s consumptive behavior. Pick from these Web sites: Black Entertainment Network (see www.bet.com); Ebony magazine (see www.ebony.com); Univision (see www.univision.com); or, Telemundo (see www.telemundo.com). Write a short summary paper about your findings and thoughts.

Instructor’s Discussion

Most students will pick one of the two African American Web sites because the Hispanic Web sites are in Spanish only. Whichever site is chosen, the students’ learning experience should be enhanced. Another good idea is to ask minority students to comment on Web sites that do a better job of reaching their racial group. This query usually produces a variety of specific racial Web sites that can be discussed by the entire class. Most will find these sites to be interesting.

S.T.A.R. Project #6
Of all the racial subcultures, the Asian Americans seem to have embraced the Web most completely. According to statistics and information provided in the chapter, the Asian American group is technologically astute, earns the highest income of all the major racial minorities, and is the most educated. Your assignment is to explore this racial subculture by visiting Asian Avenue (see www.asianave.com). Though joining the Web site is a requirement for visitation, a screen name and e-mail address is all that is required. Once you have done this, match the information you find (for example, ads, products, and information) with the information provided in the chapter about this group. Write a short descriptive paper that combines the data from both of these two information sources and produce a new profile of the Asian American consumer.

Instructor’s Discussion

This assignment will help the student to update the information found in the chapter. As with the assignment that was directed toward the African American and Hispanic American racial subculture, ask students from the Asian American for Web sites that are oriented toward their particular racial group.
CASE COMMENTS

Case One: The Growth of the Halal Industry

In Islam, there are mainly two terms that mean prohibition or restriction on food: Haram and Halal. Muslims are prohibited from consuming pork and alcohol because they are regarded as Najis (unclean). Muslim consumers must ensure that beef and poultry products must be certified as Halal and they must originate from sources that follow Islamic slaughter practices. For Muslims eating is regarded as a matter of worship of God. Muslims eat to maintain good health in order to be able to contribute their knowledge and efforts to the welfare of society. The Gulf Cooperation Council region alone consumed US$43 billion worth of Halal food products in 2009; this is set to rise at a rate of US$1 billion per year for the foreseeable future.

Case Two: Kraft Woos Asian Americans

The chapter’s discussion of the Asian American consumer clearly indicates that this subculture is growing, affluent, and has a strong desire to adopt many facets of the American lifestyle. Asian Americans also value quality, which is frequently associated with well-known brands. Consequently, it would seem advisable that more prominent U.S. companies target this subcultural market.