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ETHNIC MARKETING POSSIBILITIES AND ITS ETHICS ISSUES

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Abstract: This paper focuses on the possibilities of ethnic marketing and its ethic connections. The differences found in our face-to-face interviews and analysing questionnaire data will provide opportunities for Hungarian small enterprises. Targeting ethnic groups for marketing purposes results in ethical difficulties. In Hungary, ethnic marketing is yet an inexperienced concept. Based on these ideas the authors examine the ins and outs of using ethnic marketing in case of Germans in Hungary. Consumers with German ethnic attitude really want German products and brands. At the same time, enterprises have to emphasise the products' "Germanness" and character in a better/stronger way because this can help for better consumer decision making.

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Introduction

Globalization as an economic process slowly, but constantly changes our values, behaviour, and, most importantly for this paper, our consumer behaviour. In addition to globalization, society also shapes an individual.

Which formative variable has the major effect on behaviour? According to researchers, who are anti globalization, in the 21st century everyone will belong to some type of minority. It follows that segmentation should be emphasized more than in the past. One possible way to analyze consumer clusters is segmentation by cultural values and ethnic identity.

In the last few centuries several minority groups entered Hungary and eventually became an integral part of Hungarian society. Examining these minorities demonstrates, that they try to adjust to the dominant culture on the one hand, hereby developing friendlier living conditions for themselves and their family by assimilating into society, while at the same time maintaining their minority culture. The question arises that in those social groups, where more than one culture participates in the socializing process, which one will define the peoples' customer behaviour more strongly. It is important for Hungarian small and medium-sized enterprises, because the targeting the national minorities living in Hungary might be a new opportunity for their market strategies. First part of the paper we introduce our research results, based on examination whether it is possible to use ethnic marketing toward the German minority in Hungary, which is the second largest minority group in the country. In the second part we construct a theoretical framework for ethic questions of ethnic marketing in case of the examined minority group.

Research methods

Marketing in this specific field of research has objectives in two major categories:

- First, the examination the ethnic identity of the target group;

- Second, to understand the impact of the identity on consumer behaviour.

Our study of this nationality's consumer behaviour can be divided into two main parts: qualitative and quantitative research. In the qualitative research we used face-to-face interviews with sociologists, minority researchers, minority municipal representatives and minority members. In the quantitative part, we used a questionnaire, in which we examined ethnic identity, attitude statements in connection with belonging to the nationality, values, consumer behaviour etc.

There are several types of methodologies used in ethnic research. We have chosen to use the Phinney's MEIM (Multigroup Ethnic Identity Measure) (Phinney, 1992). MEIM is a 12-item scale using a four-point Likert type scale anchored by (1) „strongly disagree” and (4) „strongly agree”. It has been used in dozens of studies and has consistently shown good reliability, typically with alphas above 0.80 across a wide range of ethnic groups and ages. The MEIM's reliability in the case of German Hungarians: the Cronbach's alpha was found to be 0.925. In measuring of value-sets we used (Beatty et al. 1985; Kahle and Timmer, 1983) Kahle's List of Values (LOV) completing with Best-Hawkins-Coney's triple grouping (Hawkins et al., 1992), which places the values into the following categories: values directed toward others; values directed towards the environment and values directed towards ourselves. To measure opinions, we used a 7-point Osgood-scale.

The German minority members are geographically dispersed in Hungary. We selected 3 areas for the research: the Bakony (1), Tolna, Baranya (2), and the capital region (3), where most members of the German minority are concentrated. We had the questionnaires completed in small settlements, 150 persons per area, and we had 150 persons in the Hungarian reference group. Our sample is representative by age, gender, and educational level.

Based on our research we found a method of measurement (ethnic attitude-matrix) which can be the basis of identifying the groups of German minority with different degrees of ethnic identity. We found some significant

differences in the value-sets of Germans and Hungarians and segmentation is possible based on these differences. In addition, we discovered some significant differences between the fields of our ethnic attitude matrix in terms of the following LOV-items: sense of belonging; warm relationships with others; and fun and enjoyment in life. These results allow the refinement of marketing-communications for different segments. We suggest, also, that German Hungarians with stable, acquired and non-imposed ethnic identity significantly prefer to buy German products and brands, but they have difficulty recognizing them (more detailed results in Sas-Józsa, 2009).

Ethnic in ethnic marketing

Ethics can be identified as an answer for the question “what is good?”. In field of consumer behaviour this may be expressed as “what is acceptable behavior?”.

Acceptable behaviour based on culture, while people are socialized by their cultural environment. According to Segal and Giacobbe (1995) this results that culture may play an important role in defining ethics standards. Cultural diversity is generally used in an international context, but increasing importance of ethnic groups makes relevant to talk about cultural variance within multicultural environments.

Based on ethics questions in international environment (Kotler et al., 1998; Pires and Stanton, 2002), Cui (1998) sets out to analyze the ethics issues related to ethnic segmentation, and identifies five areas:

- inadvertent stereotypes: refers to situations where the actual messages are stereotypical and do not reflect the diversity of minority group

- biology and genetics: refers to the use of superficial or exaggerated physical or biological attributes of minority group;
- nature of the product: targeting of ethnic market with negative, inferior or harmful products;
- redlining: selection or exclusion of markets based on racial lines;
- ethnocentric bias: when fundamental principles of marketing based on behaviour of majority (Stevenson, 1991).

Ethics points in case of German minority group

German minority groups in Hungary (or anywhere in Europe) are in a special situations. They are accepted by their environment, but they often feel a shame of belonging to a nation that committed atrocities in the course of World War II. They are very sensitive, which results that we have to employ ethnic marketing carefully. That is the reason why we thought fit to analyze ethics issues of ethnic marketing.

Based on theoretical framework delineated above and our focus group interviews, we examined possible ethics problems of targeting German Hungarians.

According to Cui's and Stevenson's theory, we found, that inadvertent stereotypes, biology and genetics; and ethnocentric bias are possible contingencies. A number of stereotypes live in Hungarians according to Germans. Some of them are positive, some are negative; there are true and false ideas also. Table 1 summarize these stereotypes and shows its applicability in ethnic marketing also.

TABLE 1. STEREOTYPES ACCORDING TO GERMANS AND ITS APPLICABILITY

Stereotype	Positive/negative	True/False	Applicable
Precision	positive	true	yes
Sense of accomplishment	positive	partially true	yes
Bureaucratic	negative	false	no
Coldness	negative	false, but they like to stand off	no
Combativeness	negative	true, they can be	no
Fairness	positive	true	yes
Phlegmatic	negative	some of them (with lower social status)	no
Money-grubbing	positive/negative	true	yes
Environmentally sound	positive	true	yes
Healthy life	positive	true	yes

Source: by own research, 2009.

Some of these attributes we can use directly in communication, for example precision, fairness; and some of them we can allow for design a product or a service. Money-grubbing may be a negative feature, but we can intend when we try to develop a special financial service for this minority group.

Biology and genetics related to features of an “aryan”. We have to refrain to mention, portray Germans as Aryan. German Hungarians are people like anyone else and does not have Aryan attributes.

Ethnocentric bias is an existing question. Despite acceptance of their minority status by minority law, Germans do not exist in economical relevance. Not only Germans, but all of minority ethnic groups (except Gypsies) are economically classified similar to majority.

We examined the possible ethical consequences from targeting Germans with mainstream marketing programs, according to Pires and Stanton (2002) and we found only one essential issue. This is the lack of special German foods

and associations. Only the first one related to marketing activities, in field of product policy.

Conclusion

Our research is work in progress, but we can offer some interesting preliminary conclusions. We examined the possibility of ethnic marketing, and this possibility from ethical aspect also. The second one was only a theoretical conception based on focus group interviews, but further quantitative research is required to determine propriety of our theory.

In conclusion, we believe that ethnic marketing is a useable method of segmentation in Hungary. Because the segment of German Hungarians is small, multinational corporations will not pay much attention to this segment. However, for small and medium-sized enterprises this segment is worthwhile. Consumers with German ethnic attitude really want German products and brands. At the same time, enterprises have to emphasise the products' „Germanness” and character in a better/stronger way because this can help for better consumer decision making.

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