A Quantitative Exploration of Culturally-Pluralistic Segmentation Among Millennials

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Abstract

The goal of this study is to expand upon recent qualitative research examining elements of culturally-pluralistic segmentation of Millennials in a large northeastern community college. The present study is a quantitative follow-up, incorporating data collected at the same New York City institution. The intention is to explore patterns and trends detected in the qualitative wave, with an eye toward solidifying findings using more sophisticated measures. A multivariate statistical method was employed, based on in-class surveys administered to 110 students. The object was to determine whether cultural pluralism’s influence varied between Millennial segments, specifically its effect on ethnic food purchases and consumption habits, as well as any possible acculturation influences on those behaviors. Findings indicate that, on average, younger Millennials tend to exhibit more culturally-pluralistic purchase behavior than do older Millennials. Additionally, female Millennials typically display significantly less cultural pluralism than do their male counterparts. This research bolsters cultural pluralism as a segmentation method and can assist in development of marketing stratagem, while also furnishing a unique and inestimable contribution to current literature.

Keywords: acculturation, culturally-pluralistic segmentation, ethnic food consumption habits, marketing strategy, millennial cohorts, multivariate analysis

1. Introduction

Millennials are attracting the attention of food producers and marketers (Kruger & Saayman, 2015). This cohort, typically cited as born between 1980 and 2000, dominates market share because of its unique consumer characteristics, ability to transform commerce, and large size (Valentine & Powers, 2013). Surpassing the Baby Boomer generation, Millennials represent the largest sub-population, with over $200 billion in annual purchasing power comprising approximately one-third of the United States (Mealey, 2018; U.S. Census Bureau, 2017). A distinguishing characteristic of this generational cohort is their increased food spending of approximately $50 billion each year forecasted to 2020, particularly on organic foods (Ascarelli, 2015; Peregrin, 2015).

2. Literature Review

2.1 Millennials

According to Thanos and Clark (2018), Millennials (Generation Y) have become the most influential American generation since the Baby Boomers (people born between 1946 and 1964). Gen Y is also considered by many as one of the most unique generations of all time (Fromm & Garton, 2013). Gen Y is extremely attractive to marketers, particularly with their affinity toward egocentric, status-seeking and self-indulgent behaviors, along with their strong purchasing power of more than $200 billion annually. This generation accounts for slightly under one-third of the U.S. population and is deemed as a very desirable market segment (Kruger & Saayman, 2015; U.S. Census Bureau, 2017). Over 50 percent of U.S. Millennials value organic, natural products, specifically among food products (Kell, 2015; Chang, Thach, & Olsen, 2016). Businesses must recognize and strategize according to these values.

One food business that has succeeded in its strategies to attract and maintain Millennials’ attention is Chipotle (Kell, 2015). Chipotle focuses on non-GMO ingredients and spicy tastes to entice American Millennials (Kell,
Additionally, under the helm of new CEO Brian Niccol, Chipotle is now offering quinoa-based bowl choices (Food and Beverage, 2018). Other restaurants are feverishly trying to keep up in the race to draw in the millennial customer as well (Mealey, 2018). Fatburger Inc. is stepping up its efforts with its vegetarian, lower-calorie burger, which is made of plant-based protein and has a beef taste, hoping to appeal to the healthier eater (Food and Beverage, 2018). Thanos and Clark (2018) emphasized such strategies to magnetize this generation must include the marketers’ ability to recognize and capitalize on the cohorts’ culturally-pluralistic tendencies, along with their overall desire to move toward healthier lifestyle choices.

2.2 Millennial Segments and Cultural Pluralism

Millennial segments.

The millennial generation has splintered into various segments based on age, gender, and attitudinal values, including virtue and frugality. Other micro-segmentation factors would include travel interests and goals; life outlook, such as “hip” or old-school; upward mobility and life viewpoints, delineated as Confident Connecteds, Youthful Pursuits, Indie Dreamers, and Creatures of Comfort among other subdivisions (Debevec, Schewe, Madden, & Diamond, 2013; Fromm & Garton, 2013; Handley & Hall, 2013; Leposa, & Moseder, 2016). Interbrand Design Forum (2015), an international consumer branding and retail design organization, segments Millennials into five groups for actionable insights for consumer goods and retailers: Up & Comers, Mavens, Eclectics, Skeptics, and Trendsetters. Brosdahl and Carpenter (2012) studied shopping habits of U.S. males, pinpointing millennial males as a distinct sub-segment. Their findings suggest that male shoppers in the millennial generation exhibit significantly higher levels of shopping enjoyment, recreational shopping tendency and market mavenism than do males in the other generational cohorts.

Debevec and associates (2013) distinguish Younger Millennials (YM), aged 18 to 26, from Older Millennials (OM), 27 to 31. YMs in the U.S. tend to be more secular, less thrifty, and more sexually permissive than OMs. Additionally, YMs are less concerned with politics, patriotism, sustainability, and saving. According to the researchers, the split by age in this cohort’s behavior is due to catastrophic affairs that YMs have witnessed since the crisis of 2008 that have shaped their behaviors, particularly purchasing, that have not affected OMs in the same manner. Among these events are the election of the first African-American President in U.S. history and the Great Recession of 2008.

Debevec et al. (2013) utilized an online panel to survey 266 OMs and 467 YMs, with approximately equal representation of males and females. The authors investigated whether YMs would display dissimilar tenets than those of their older counterparts by comparing each group’s reaction to various value items, such as confidence, going “green,” piousness, thriftiness, and patriotism, as well as behaviors including how they felt about making mistakes in life choices, election results (2008), saving, and hope or opportunity. A two-group discriminant analysis revealed that OMs and YMs are notably different from one another in both behavioral and value elements. The results were significant, suggesting that marketers should change direction with regard to targeting and promotion for Millennials.

Gender is one of the original demographic elements studied since the origination of market segmentation. Firmsanyah, Nurjannah, Indika, and Gunardi (2019) examined how gender plays a role within the millennial generation with regard to which criteria are important in choosing a café and various preferences regarding those criteria in Indonesia. Millennials are currently the largest generational cohort in Bandung, Indonesia (Firmsanyah et al., 2019). The café used to collect the data is located near a campus, frequented by both college students and graduates. The authors conducted a descriptive study using convenience sampling. One hundred café customers, 37 males and 63 females, received surveys to their cell phones through the use of a Google form application. An independent sample t-test was utilized to find any dissimilarity between gender and the criteria in selecting a café. The most significant differences by gender were comfort, innovativeness, and menu variety and uniqueness, with females preferring product variety, menu uniqueness, and restaurant comfort while males favored product innovativeness.

Cultural pluralism.

Cultural pluralism as defined in the marketing context means that persons within a culture display rudiments of multiple cultures as a result of transitioning between cultures or coming into close contact with other cultures on an individual basis (Demangeot & Sankaran, 2012; Pantoja et al., 2014). This philosophy is buttressed by Lindridge, Vijaygopal and Dibb (2014), whereby the importance of understanding how culturally-rooted and culturally-interpreted market segments is vital for consumer behavior researchers to recognize and integrate into their market stratagem. However, an absence of these critical concepts exists in the realm of consumer behavior research, particularly with regard to culturally-pluralistic phenomena (Demangeot & Sankaran, 2012; Pantoja et al.,
Furthermore, academics postulate more productive research on consumer self-identification, cultural dispositions, and consequent purchase behaviors is necessary for the advancement of geospatially-defined cultural flows within the marketing arena (Cleveland et al., 2016).

2.3 Acculturation

Building on acculturation theory, Velikova, Wilkinson, and Harp’s (2016) study examined principal interests, opinions, and attitudes of the Hispanic customer in relation to wine consumption. Further, “the study of consumer acculturation focuses primarily on cultural adaptation as it manifests in the marketplace” (p. 5). Over 50 million Hispanics live in the U.S., wielding $1.2 trillion in purchasing power. Hispanics represent 16 percent of the total U.S. population and are the most rapidly-growing ethnic group in the United States. The authors emphasized that marketers should give special consideration to younger generations because they are the primary wine consumers. 

The researchers used an exploratory design comprising three focus groups, two conducted in English and one in Spanish, (Velikova et al., 2016). The sample included 26 participants, seven to ten in each group, gathered through neutral-party referrals and interceptions at Hispanic cultural events. Participants were of either Mexican or Central American descent, with two-thirds holding undergraduate or graduate degrees. Income levels for the participants were fairly high, with one-third over $100K. The participants were designated to the focus group of their preferred language of communication.

Core cultural values of food, family, and social interaction influenced Hispanic consumers’ interest in wine consumption. The study results supported the researchers’ suppositions. A valuable finding of this study was the diversity of participants’ interests and needs concerning wine consumption. Marketers should not approach the Hispanic market as one-size-fits-all wine consumers. Defined within this market are subgroups with varying language preferences, acculturation levels, and generational differences. Moreover, millennial consumers like to be noticed by others for being unique. A 23-year-old male participant stated, “If I were to choose between two wines, I’d go with the Spanish label, even if it’s just a few words. Because they took that step to reach me” (Velikova et al., 2016, p. 18).

2.4 U.S. Food Market and Ethnic Foods

The surge in a globally-diverse populace is adding to the increased demand in the ethnic food market, contributing to international dietary acculturation (Cranfield, 2013). According to Cleveland, Rojas-Mendez, Laroche, and Papadopoulos (2016), the most frequently culturally-cued consumption category is food (Cranfield, 2013; Demangeot & Sankaran, 2012; Lindridge et al., 2014). Countless restaurants in the New York City area target Millennials due to their ethnic, organic food choice preferences and their diverse cultural views. Influence based on their country of origin is a key element in how they define themselves culturally, specifically with regard to food consumption and purchase habits (Gazdik, 2019; Lutz, 2015; Mealey, 2018; Peregrin, 2015; Simpson, 2015; U.S. Census Bureau, 2017). Millennials view food consumption not just as sustenance but as an experience and expression of values they hold (Mealey, 2018). According to Almerico (2014), “The food choices made by people, either as individuals or as a group, can reveal views, passions, background knowledge, assumptions and personalities. Food choices tell stories of families, migrations, assimilation, resistance, changes over times, and personal as well as group identity” (p. 1). Therefore, it behooves marketers to include such considerations in their marketing approaches to the uniquely-defined millennial segment.

Linnhoff, Volovich, Russell, and Smith (2017) studied U.S. Millennial attitudes toward food derived from genetically modified organisms (GMOs). The authors focused on how Millennials view GMOs in terms of their relationship to elements generally related to organic food. An online quantitative study was conducted among 102 college business students, with approximately even numbers of males and females. The authors used a constant sum scale to measure participants’ attitudes regarding organic product purchase with definable criteria, such as authenticity, safety, health, environmental benefit, ethicality, and innovativeness. Results strongly indicated Millennials’ propensity toward purchasing and consuming non-GMOs, commonly synonymous with organics. The culturally-pluralistic tend to prefer organics (Almerico, 2014). Hence, marketers should be mindful of emphasizing this aspect of their food products when crafting advertisements to appeal to this segment.

The proliferation of ethnic restaurants is due in large part to millennial consumer demand for global flavors (Kim & Jang, 2019). The amplified ethnic food demand is influenced by a variety of sources, such as growing and self-identified ethnic diversity, increased cultural experiences, more international travel, greater media exposure, and most notably, Millennials’ adventurous nature (National Restaurant Association, 2016). Conducting a web-based study, Kim and Jang (2019) utilized ANOVA to uncover differences in consumer response to executional advertisement elements: spokesperson-pictures and product-focused pictures, exploring how such elements could be aligned with ethnic cuisines and cultural familiarity of intended target markets. Two
hundred-six respondents participated in the study. Results showed significant cultural familiarity effects on both cognitive responses and behavioral intentions. Findings underscore the advantage of customizing advertisements based on market segmentation, including the use of cultural pluralism aspects, i.e., divergent levels of cultural familiarity and experience with various ethnic foods.

3. Method

This research explored possible demographic differences among millennial sub-segments with regard to degree of cultural pluralism exhibited in their consumer behaviors. The sample comprised 110 18-to-38-year-olds attending a two-year New York City community college. This institution, with an enrollment of some 25,000 business majors, also served as the sampling frame for the authors’ previous qualitative study on similar material. Convenience sampling was utilized to secure the sample. Surveys were distributed in five business classes. Question areas included age, gender, cultural association, and self-identification in connection with food purchase and consumption tendencies from various country cultures. Post-coding was handled by determining prevalent threads of thought, built on terms and locations with common themes (Creswell, 2013). Data were analyzed both mechanically and manually, through the use of Excel for regression, NVivo for frequencies and commonalities, and researcher observation for aggregation of age- and gender-related patterns.

4. Results

4.1 Regression Analysis

The primary research question for this investigation was:

Q1. What factors exist that delineate the millennial sub-segments with regard to their culturally-pluralistic consumer behavior?

H1: If a Millennial is younger (18 and 27 years of age), then we can expect him or her to exhibit, on average, significantly more culturally-pluralistic consumption behavior than would an older Millennial (28 to 36 years of age), particularly in ethnic food purchases.

H2: If a Millennial is female (as per traditional gender categorization), then we can expect her to display, on average, significantly less culturally-pluralistic consumer behavior than would a male Millennial.

As Table 1 indicates, both hypotheses are supported, with p-values below the five-percent threshold. YMs exhibit more CP tendencies than do OMs (p=0.017), and male Millennials display more CP than do females (p=0.046).

Table 1. The effects of age and gender of millennials on culturally-pluralistic ethnic food purchase behavior

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4.2 Frequencies

a. Demographic Summary

Participants represented a cross-section of multicultural millennial New Yorkers, recognized as such by the U.S. Census Bureau (2017). Eighty-five percent were YMs, and 15%, OMs. All participants were currently enrolled in a public community college.

b. Culturally-Pluralistic Tendencies

Those with only one dominant culture were far more likely to describe themselves as CP. Specifically, 64% rated themselves as very or extremely CP. Percentages declined precipitously among those characterizing themselves as having at least two dominant
cultures. Of those with two to three cultural influences, only 23% considered themselves to be very or extremely CP. Of those with four or more self-described cultural influences, the percentage of very or extremely CP fell further, to a mere 17%.

c. Usage-Related Descriptors

Almost three-quarters of respondents had purchased ethnic foods in the previous year from both grocery stores and restaurants. Street vendors alone accounted for only a minor percentage of past-year purchases, but more than half of participants had purchased ethnic foods from all three sources at some point in the preceding year. Seventy-one percent noted that they tended to buy ethnic foods at least once a week, with 45% indicating more than once a week.

Few external sources proved particularly influential; “mother” and “price” were the only two standouts, garnering approximately 50% mentions a piece.

5. Discussion

Findings support the existence of sub-segmentation among Millennials when it comes to ethnic food consumption. YMs have come of age in a world of increasing diversity, including wider availability of ethnic food options. Further, this tantalizing array is ever more available given the growth of the Internet. Ethnic food variety is only a click away, and younger people are more comfortable with and more accustomed to this method of securing food. In addition, the fact that male Millennials are more CP than females may be due to specific underlying personality traits, such as dogmatism, venturesomeness, and/or innovativeness.

Those who met the previously-cited definition of CP, i.e., specifying a single dominant secondary culture, saw themselves as appreciably more multicultural than were those specifying two or more influential cultures. Perhaps the presence of multiple influential cultures creates a diffusion in their relative impacts; conversely, the presence of a lone dominant culture encourages its relatively greater influence.

Demangeot and Sankaran (2012) pinpointed the key role of cultural self-identification in ethnic food purchase and consumption habits of Millennials. Data here confirm that Millennials are avid consumers of ethnic food. Also, the paucity of external influential sources implies that their consumption decisions are largely self-directed. Equipped with this knowledge, ethnic food marketers can make better-informed and potentially more profitable decisions as to how to best reach and entice this large group.

6. Implications and Limitations

The present research reinforces the importance of cultural self-identification for the promising millennial segment, as well as suggesting future avenues for exploration. Expansion to a larger sample, for example, would allow for examination of the combined impact of age and gender. Also, inclusion of psychological and/or psychographic measures would permit a more thorough depiction of millennial sub-segments, possibly yielding more fruitful avenues for promotional efforts.

The use of convenience sampling is an inherent limitation to this study. The use of probabilistic sampling would strengthen generalizability of findings, as would an increase in sample size. Moreover, while use of an urban community college as the sampling frame was similarly convenient, extension to other locations, including health stores and health clubs, would provide a broader variety of possible participants. Research has indicated that such venues are popular choices among Millennials (Arman, 2014; Simkin & Dibb, 2013). In addition, the New York City location of the community college presents unique challenges, as it is clearly atypical in comparison to other areas (Beveridge, 2003).

7. Conclusions and Recommendations

The authors have previously noted the need for marketers to be increasingly responsive to changing tastes and trends in order to compete in a volatile, global economy (Thanos & Clark, 2018). Similarly, Ladhari (2015) noted the importance of cultural sensitivity in moving forward.

Diversity is bound to become an even more essential watchword as time marches on. Cultural self-identification is a natural phenomenon for Millennials, providing a crucial tool for marketers to employ in an economically-challenging era (Mitran & Bebeselea, 2012; Rollins et al., 2014). Marketers must embrace diversity much as their young clientele has.

Further, based on their sheer size, Millennials are clearly a force to be reckoned with, and not solely in the United States. Other countries could also offer possible areas for additional investigation; for instance, degree of cultural self-identification may differ in individualistic versus collectivist societies (Butculescu, 2014; Burton,
Wang, & Worsley, 2015; Chang et al., 2016; Debevec et al., 2013; Demangeot & Sankaran, 2012). Hence, geographic expansion on the present research will not only bolster findings but may well provide a critical element in the development of future marketing strategy.

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