

# Marketing To Hispanics: Eco-Friendly Behavior Patterns

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## ABSTRACT

*This research compares the eco-friendly habits of Hispanics to the general population based upon self reported activities by residents of California. The findings indicate that Hispanics are participating in eco-friendly activities, which include recycling, buying eco-friendly products, using fewer natural resources, and support green causes. However, they are more likely to only participate in a few of these activities, primarily those around the home and those requiring less personal commitment in time and money. There is a gap between the general population and the Hispanic population where it relates to the sales of green products and services. This discovery represents an opportunity for a call to action to the 50 million United States Hispanic residents on the topics of recycling, natural products and services and causes.*

**Keywords:** Eco-Friendly; Hispanic Marketing; Green Products; Recycling Behaviors; Renewable; Conservation; Strategy

## INTRODUCTION

Just how eco-efficient are Hispanics? This topic has been of concern for decades as energy and green marketing are prominent in our culture, but there are few answers to this question. Seeking assistance from a well-respected marketing research company, the authors obtained the quantitative data and created a data compilation of Hispanics in California and their eco-friendly activities. The correlation between ethnicity and recycling has, to this point, very little academic research, which is why these present findings will be important to marketers.

## LITERATURE REVIEW

The literature review for this paper examines how Hispanics differ from non-Hispanics for the purposes of consumer marketing, which is the foundation for studying this topic of eco-friendly behavior. “Eco” is an abbreviation for “ecology”, the study of the relationship between living organisms and their surroundings. The literature review also presents studies on how eco-friendly consumers behave and on the differences between ethnic groups of consumers.

The authors examine current marketing studies on eco-friendly purchasing and recycling habits, the value of segmenting markets for eco-friendly habits, and if ethnicity made a difference in the outcomes of the findings.

## HISPANICS AND SUSTAINABILITY

The US *Hispanic* consumer market is different than the non-*Hispanic* consumer market as evidenced by consumer behaviors, such as selection of brands, brand loyalty (Donthu and Cherian, 1994) perceptions of *marketing* (Webster, 1991), transaction methods (Delener and Katzenstein, 2000), choices of products (Paulin, 2001), and higher credit card balances (Valdez, 2008). *Hispanics* seek prestige (Deshpande et al, 1986) and are more price sensitive than non-*Hispanics* (Saegert et al, 1985). *Hispanics* have been shown to have strong positional attitudes regarding family. They are more reliant on personal social skills than non-*Hispanics*, and they are more likely to engage in word-of-mouth communications (Parker, 1999).

Hispanics have brought their old culture and habits to the US, but they do care about leadership in sustainability (Fackler, 2011). Hispanic-owned energy companies have formed sustainable business niches in Florida, Colorado, Georgia, Texas, Louisiana, California, Michigan and New Mexico.

Despite their lower average individual income level when compared to the national average median income per capita, Hispanic households tend to spend more of their disposable income on basic goods, such as food, and services than non-Hispanics. One reason why income is lower is that Hispanics are much younger than the national average, and are not yet earning higher salaries that come from more years in the workforce. Due to their youth and other factors, many have lower levels of education and therefore lower income levels. However, because of population and purchasing power increases within this group, Hispanics have transformed into an attractive consumer segment for marketers. Marketing to this consumer and capitalizing on the estimated trillion dollars of annual sales potential might be a critical goal in today's competitive business environment (Seock and Bailey, 2009).

The Mintel Organization provided results from a report showing the number of consumers of all nationalities in the United States in general who are eco-friendly has risen dramatically (Makower 2006). The number of individuals who “never buy” *eco-friendly* products, has dropped in half. In general, adult consumers are most willing to buy eco-friendly household products but do not buy eco-friendly clothes, personal care products or toys.

Those who are eco-friendly are generally city-dwellers, from households with larger numbers of people, demographically younger, with more years of education, higher income, and progressive politically (Howenstine, 1993). Cluster analysis identified the interests of a significant group with similar characteristics appearing to be on the verge of participation in eco-friendly behavior. This is important for marketers because if the groups can be identified, they can be approached. Much of the differences between groups are derived from variances in occupation, education, and income (Howenstine, 1993). Consumers with higher education levels are more inclined to buy *eco-friendly products and services*. (Makower 2009)

There appears to be conflicting views on how much value US consumers place on eco-friendly products and whether they are willing to pay additional money for them. Some surveys have shown that despite the economic downturn people report they are still planning to buy green products. (Greenseal, 2009) According to the 2009 National Green Buying Research survey, four out of five people claim to still be buying green products throughout the recession. However, it has been observed that when consumers are forced to cut back on spending, green products are the first ones sacrificed (Ridgely 2008).

There is clearly a value in marketing segmentation as part of planning a recycling program (Howenstine, 1993). Howenstine's analysis focused on nonrecyclers (61% of respondents), and their reasons for not participating. The study's analysis of Likert-type scores revealed three key factors: 1) indifference, 2) location issues, and 3) household nuisance, for not recycling. The internal composition of these factors supported a decision model for recycling that involved motivation, information, and overcoming practical obstacles to recycling.

Electronic waste (ex. batteries, electronics, etc), has become the main contributor of lead to landfills in the United States. Looking at the willingness to recycle, especially for electronic waste, factors of age, convenience, experience and education seemed to have the largest effect (Saphores et al, 2006). Gender and living in a rural community also had an effect on recycling behavior (Saphores et al, 2006).

Households also store this waste, yet little is known about people's willingness to recycle these items. Gender, education, convenience, and environmental beliefs but not income or political affiliation explain the willingness to drop off electronic waste at recycling centers (Saphores, et. al, 2006). Their results suggest targeting public education programs about recycling at young adults. They suggested ways to make recycling more convenient for older adults.

The correlation between ethnicity and recycling has not been studied in detail, which is why these present findings may be important to marketers. Johnson, Bowker and Cordell (2004) found that African Americans and foreign-born Hispanics are less likely to recycle than Caucasians. *Hispanic* and Asian populations are more likely to

be *eco-friendly* consumers than African Americans (Makower 2009). Differences in perceptions and opinions between racial/ethnic groups were identified (Howenstine, 1993). Asians reported that recycling is too much trouble and no one they know recycles. African Americans had stronger average responses than non-African Americans only for “I don’t care; it makes no difference if we recycle.” There were no significant differences between the non-recycling Hispanics and non-recycling Caucasians. Caucasians were less likely to report concern about the messiness, the trouble, not knowing other recyclers, and cared less. (Howenstine, 1993)

## **RESEARCH DESIGN AND METHODOLOGY**

This Media Rating Council (MRC) accredited California-wide research study was conducted by Scarborough Research in 2010 and permission for this author to publish was granted. MRC is the independent agency which provides accreditation to syndicated research services. Scarborough has been accredited by the MRC since 2006. For a complete description of methodology, it is available at <http://www.scarborough.com/methodology.pdf>.

Data were collected in major metropolitan areas with high concentrations of Hispanics, namely, Los Angeles, Bakersfield, Fresno/Visalia, Sacramento/Stockton/Modesto, San Diego, and San Francisco/Oakland/San Jose. Survey booklets are printed in both English and Spanish.

There were a total of 3,821 people interviewed who fit this Spanish/Hispanic origin profile. The entire sample size was nearly 12,000 subjects in California, aged 18 and over. This information was collected between August, 2009 and March, 2010 (Scarborough, 2010 Release 1). This is the first time these *eco-friendly* questions were included in the twice a year panel study. A total of 15 different activities were determined to be relevant for the purposes of the study. Here is a summary of the findings and our analysis of those results.

## **FINDINGS**

Figure 1 lists fifteen typical *eco-friendly* activities plus “none” that were the cornerstone of this research report. For each activity, there is an index associated with the responses. If 100 is the average for all 12,000 who responded to the survey, Hispanics index highest (125) for “none” *eco-friendly* activities on the list. For every activity listed, including none, Hispanics rank lower than the total population. Activities that require low involvement, are close to home, and are easy to participate in seem to be the most highly indexed for Hispanics; namely, using less water at home, recycling glass, plastic, paper, and using energy efficient light bulbs.

## **RECYCLING BEHAVIOR**

Those taking the survey most often recycle glass, plastic or paper more often than any other items (Figure 2: 83% total vs. 78% Hispanic). Hispanics index at 94 on the recycling behavior scale for products that are easy to recycle, like glass, paper and plastic (Figure 1). This high index would include those who pick up recyclable materials in parks, beaches, etc, to turn in for cash. However, when it comes to electronics, such as batteries, cell phones and computers, the index drops to 64 for Hispanics. Compared to the total population fewer Hispanics will take the time and trouble to dispose of these more complicated items in an *eco-friendly* manner.

## **PURCHASING POWER**

Five of the *eco-friendly* activities had to do with purchasing products. Of these five tangible products, the “buy *eco-friendly* cleaning products” was the activity that was similar by total population and Hispanic (Figure 3: 26% total vs. 24% Hispanic).

The biggest difference between Hispanics and the total population on the purchasing behavior chart was for “buy locally grown food.” See Figure 1 where Hispanics index at only 72 compared to the total population on this activity. This activity takes extra effort and expense to accomplish. Perhaps that is why Hispanics conduct this behavior at a much lower percentage than the total population. Another reason why “buy locally grown food” may index lower is that there is no defined range of local. Local could be a cultural factor, and some may consider local to be a farmer’s market and others a warehouse chain store.

Seven percent of the total population is considering the purchase of a hybrid. Only five percent of Hispanics are considering this purchase. Of all eco-friendly activities or five purchases (Figure 3) considered here, Hispanics index lowest against the general population on their ownership or lease of a hybrid vehicle at 24. This is a major investment, normally for multiple years, and Hispanics are less likely to make that purchase or lease where there is a large financial commitment and high involvement.

**Figure 1**

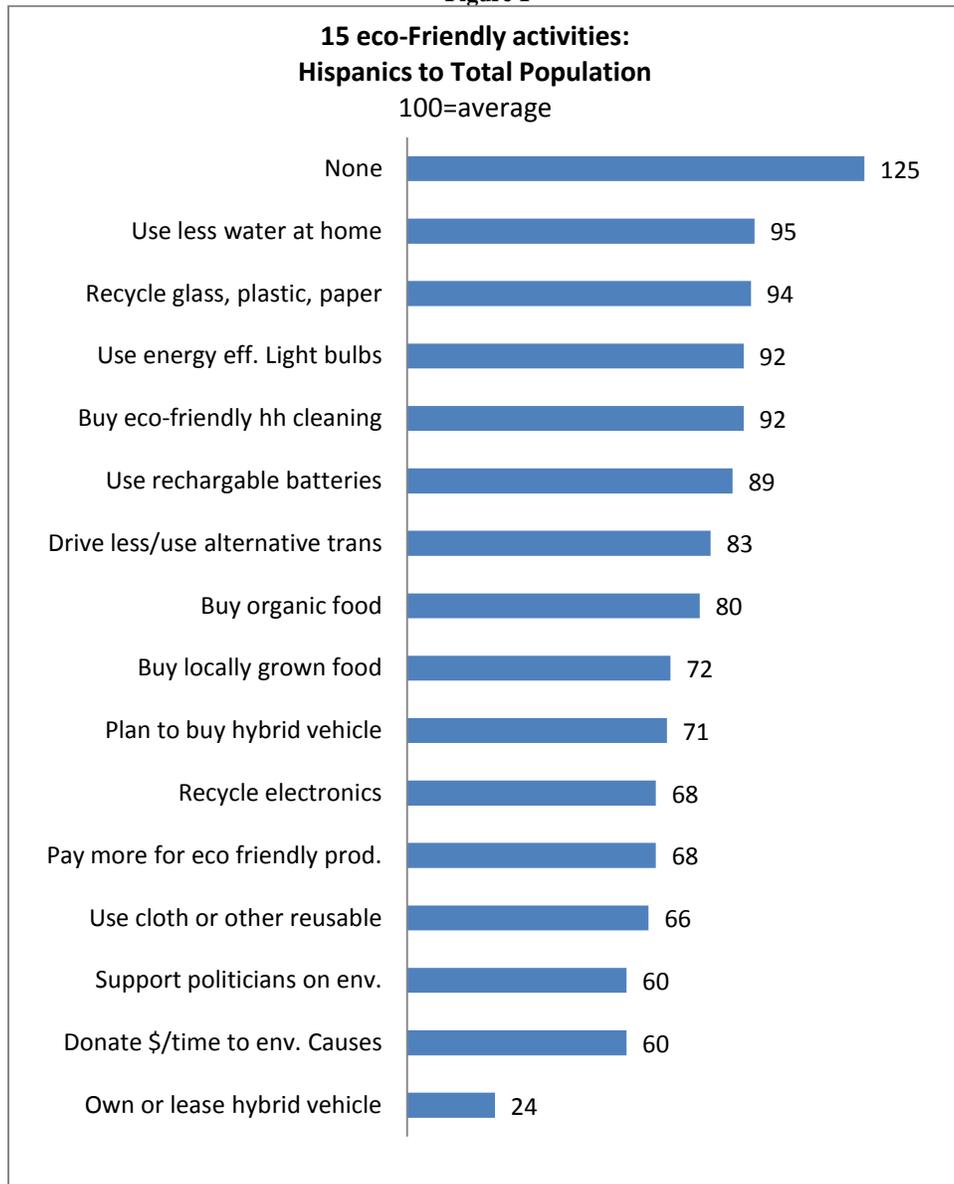


Figure 2

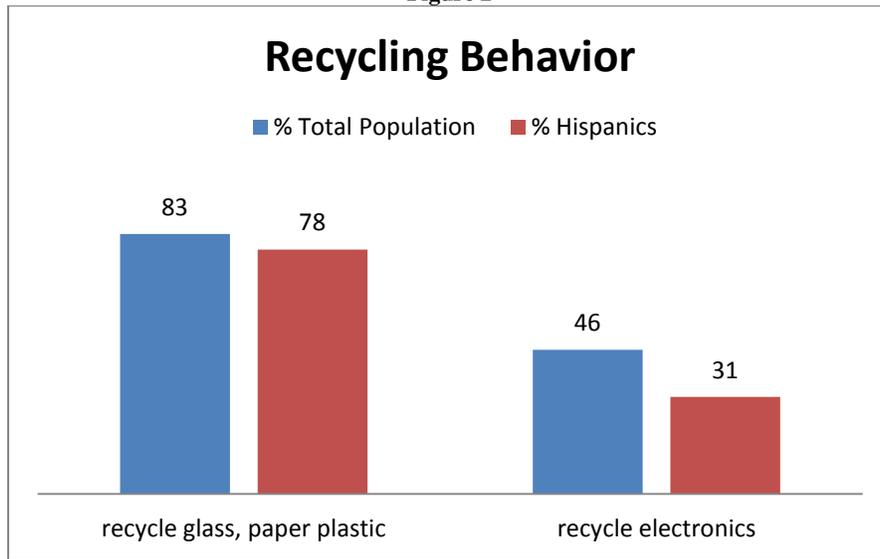
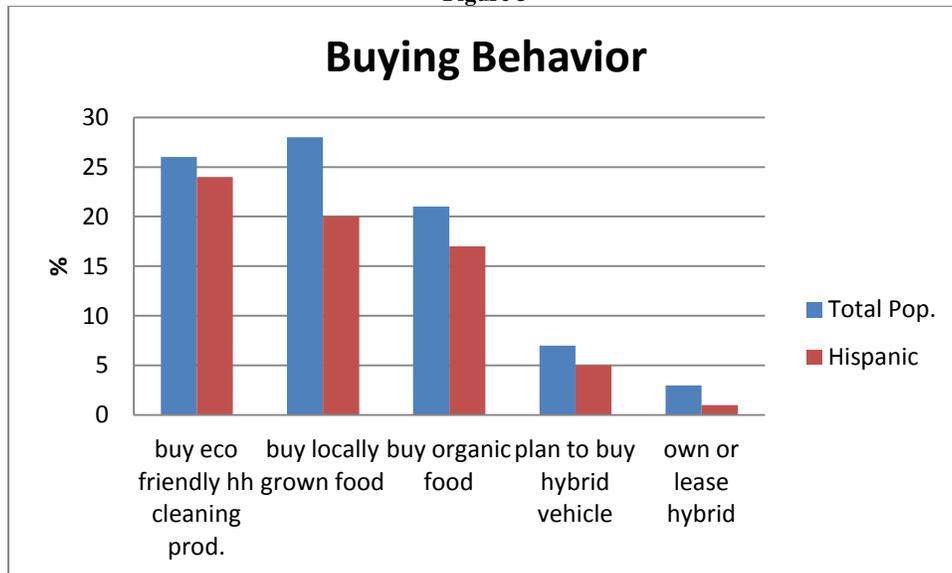


Figure 3



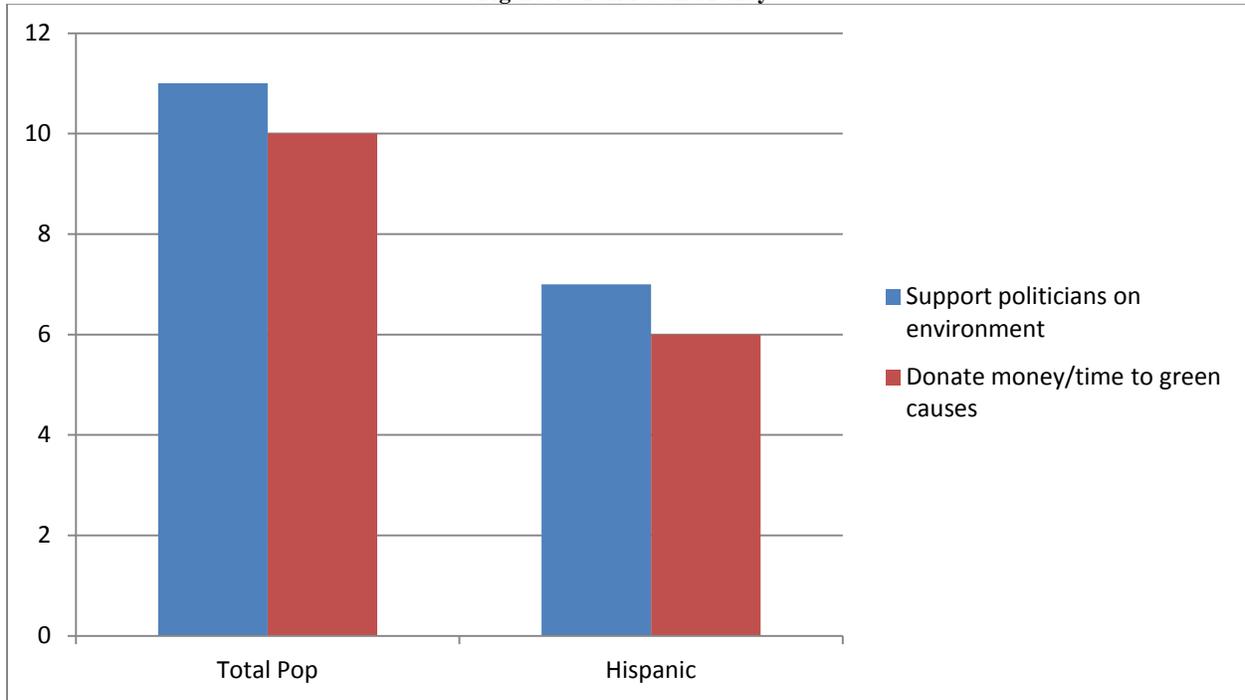
**POLITICS AND POLICY**

Hispanics are not as concerned with political or cause-related items considered to be policy issues (Figure 4). They are generally not willing to champion a “Green” cause, invest in eco-friendly causes or support those who do. They index at 60 compared to the total population on both of these activities (Figure 1). These indexes are the lowest of all behaviors in the report, other than own/lease hybrid vehicle. Hispanics may believe that respect for the group rather than the individual is more important, and therefore not speak out for these causes compared to the total market.

Perhaps Hispanics don’t see an immediate return of their investment in time or money for this kind of cause support. This would indicate a tendency to not champion high involvement, long term eco-friendly activities. As a

possible interesting implication of these facts is to say that those politicians who wish to be re-elected among Hispanics will have a more difficult time fund raising and getting votes based upon a Green Initiative.

**Figure 4: Politics and Policy**



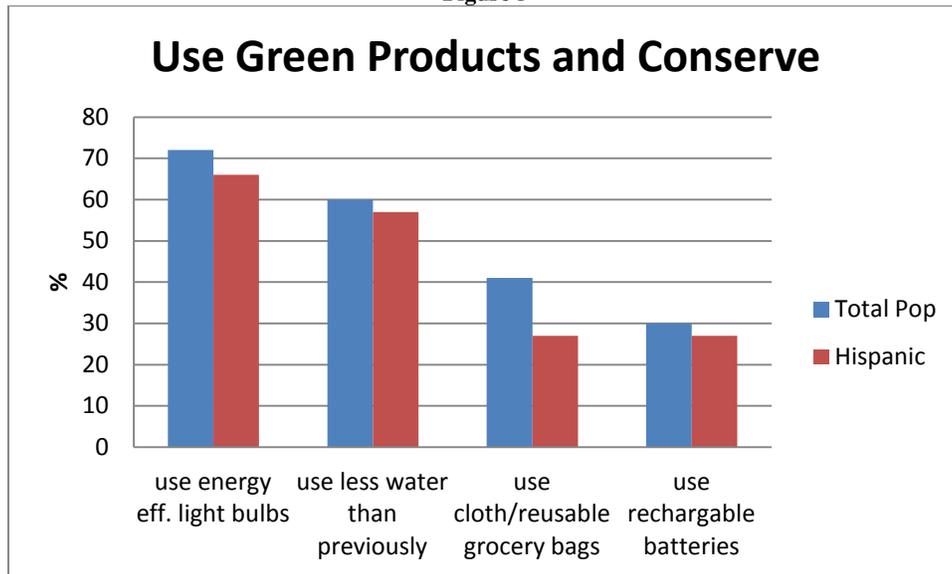
**USE GREEN PRODUCTS AND CONSERVE**

The most popular activity among Hispanics for going green is to use energy efficient light bulbs (Figure 5, 72% total population and 66% Hispanics). See Figure 1 for this index, 92, compared to the total population surveyed. What this means is that, in California, the Hispanic population is eight percent less likely to use energy efficient light bulbs compared to the total population. The latter is understandable based on the economic incentives in paying less for energy consumption.

Hispanics index at 95 (Figure 1) for the behavior of “use less water at home”. Also, 41% of the general population use cloth or reusable bags at the grocery store (Figure 5). Only 27% of Hispanics do the same. This may be an area where Hispanics can become educated about the ease and convenience, as well as green benefits of using cloth bags. With an index of 66, there is a considerable gap between Total Population and Hispanics (Figure 1).

For rechargeable batteries, the total population uses these 30% of the time and Hispanics use them 27% of the time (Figure 5). The index here is 89, or about 11% less than the total population (Figure 1).

Figure 5

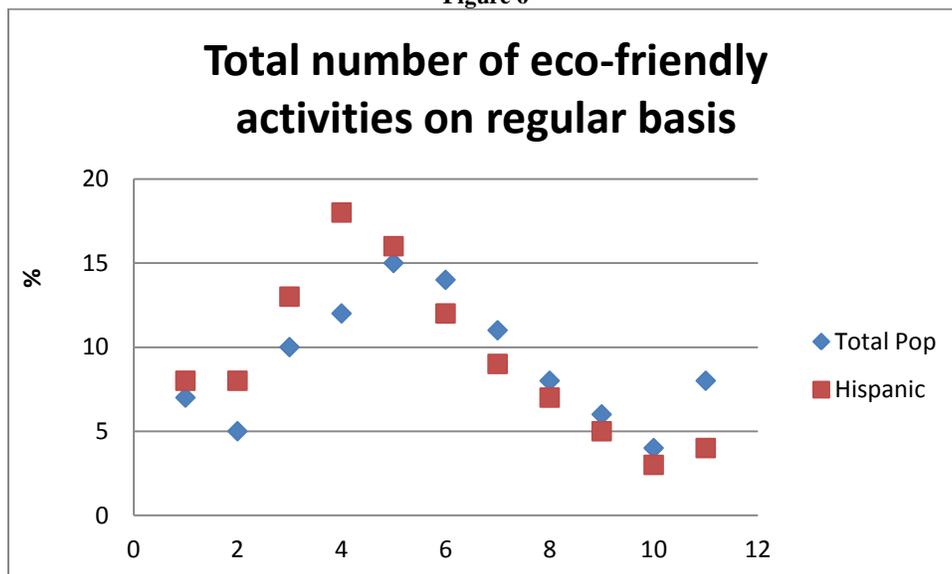


The null hypothesis for all of these behaviors is that Californians, in total, and Californians of Hispanic origin would have the same behaviors and responses. With a Hispanic sample size of 3,821, it is reasonable to imply (with 95% confidence) that the true result in the population is no more than 1.7% difference in either direction.

**ECO-FRIENDLY ACTIVITIES**

How many eco-friendly activities does a typical Hispanic participate in? We found out that the total number from the list was fewer than the general population. Figure 1 shows us that the index for “none” activities was 125. Fifteen percent of Hispanics do four activities from the list provided (Figure 6), and that number indexes at 102. However, at 10 or more activities, Hispanics index at only 48. Hispanics are doing a few eco-friendly activities, but only a handful or less.

Figure 6



## CONCLUSIONS

Hispanics are participating in eco-friendly activities, which include recycling, buying eco-friendly products, using fewer natural resources, and supporting some green causes. However, they are more likely to only participate in a few of these activities and mostly those around the home, those that are simple to do and require less personal or financial investment. They also tend to do more eco-friendly activities with a financial reward, such as obtaining cash from recycling aluminum or bottles or reducing their electricity bill.

Businesses, especially marketers, can learn from this study that there is a gap between the general population and the Hispanic population where it relates to behavior, especially the sales of green products and services. This gap brings a variety of new opportunities for marketers to promote environmental sustainability amongst Hispanics living in California and the rest of the United States and the potential to raise demand for green products and services in the years to come, which can stimulate future research in this field.

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