

Four Faces of Diaspora: What is viable for Global Brand?

Behavioral segmentation is one of the important dimensions of targeting right customer

Successful companies are targeting a special segment of diaspora to become global brands. The emerging brands if focus on other segments of diaspora may fail to become global brands. Marketers have to study diaspora behavior and its potential to launch global brands. Research says diaspora display four types of behavioral styles based on two dimensions: *Home country identity* and *Host country affiliation*. Immigrant customers show four faces and respond in four different ways to the home brands. Marketers challenge is to target the right face of diaspora to become a viable global brand. The four faces are as follows.

		Low Desire -----Home Country Identity-----High Desire	
High Affiliation	Host Culture	ASSIMILATORS	BICULTURALS
		<ul style="list-style-type: none">• Prefer host country products	<ul style="list-style-type: none">• Will buy home country products• Can help diffuse products in host country• Are sustainable as a beachhead for global expansion
Low Affiliation		MARGINALS	ETHNIC AFFIRMERS
		<ul style="list-style-type: none">• Don't consider products' country of origin• Buy products for functional performance alone	<ul style="list-style-type: none">• Prefer home country products

Assimilators: Immigrants, who don't like to retain home country customers and practices, quickly adopt host country lifestyle. They are reluctant to buy home country products but are hyperprone to buy host country brands as an affirmation of its culture. First generation Korean-Americans prefer more of American made durable goods than US born customers and Mexican-Americans take more American breakfast than the average U.S.

Behavioral segmentation is done based on the behavior of customers toward usage of products. This segmentation takes into account the kind of purchases made by customers in the past. This type of segmentation is suitable for product driven organizations. Variables like occasions, benefits, usage rate, etc. are used in behavioral segmentation.

Marginals: The immigrants who are forced to leave home country due to marginalized reasons such as poverty. They feel deprived of economic and educational opportunities in both home and host countries. They don't show any priority for any country while buying goods. They look for low cost, functional and durable product.

- Targeting the above two segments of diaspora may not be viable for emerging companies to become global brand.

Ethnic Affirmers: The immigrants, display more attachment to home cultures than the people residing in their homelands, as means of protecting their identity. Minorities living in host country exhibit this behavior for self-preservation and keep distance from host culture.

- First-generation Mexican-Americans buy Mexican beer 'Tecate' which honor the blue-collar work, occupies 20% market share. Indian Reliance Media Works (RMW), which runs 22 Big Cinemas in places like California, New Jersey, and New York, has set-up Kitchens and Bombay Cafes in-side to sell 'Samosas and mango lassi'. Big Cinemas have become a social hot spot for Indian-American families, especially for teenagers.
- Ethnic affirmers socialize more with home country people and show little inclination to mingle with host country people. Their behavior has very little demonstration effects on the mainstream culture of the host country. *So this segment partially helps emerging brands to become global brand.*

Biculturals: Immigrants who imbibe both home and host cultures without compromising their identity. Based on the context they display the desired behavior. Most of Indian-Americans prefer Indian food and clothes at home and show priority for American food and dress outside.

- Biculturals show certain characteristics such as better education, better socioeconomic status, high self-esteem, and high community network with locals. Their social relations with host country people in the form of local clubs provide a great opportunity to influence their behavior.
- ICICI used biculturals in the Indian Diaspora to expand globally.
- Indian immigrants who are biculturals passed on the word-of-mouth of good services to their host country friends. ICICI accepts non-Indian account holders in host country. In Canada, where Indians are in more number, ICICI encouraged customers with a promotional strategy to refer host country friends. For each account opened, a reward of phone card worth of 500 free minute of calls to India was given. 9.7% of ICICI revenue now comes from foreign operations.
- **In the case of ICICI, the idea of using 'Biculturals of Indian Diaspora' as a beachhead to enter new markets has been viable.**

Topic	Course
Behavioral segmentation: Unit 8.5	Marketing management

Source: Kumar, N., Jan-Benedict, and Steenkamp (2013), *The Globe: Diaspora Marketing*, HBR, Oct 2013