



# The four faces of the Hispanic consumer: An acculturation-based segmentation

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## ABSTRACT

This article develops and tests a segmentation scheme for the U.S. Hispanic market based on the extent and nature of acculturation. Acculturation is conceptualized as driven by language preferences and two dimensions of cultural identification, Hispanic and American. Structural equation modeling develops and assesses the proposed scales, and a latent class clustering procedure (latent discriminant analysis) tests propositions on a sample of 403 U.S. Hispanics. Consistent with theory, four clusters of U.S. Hispanics emerge: retainers, biculturals, assimilators, and non-identifiers that vary according to language preference and cultural identification.

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## 1. Introduction

Hispanics represent 16% of the U.S. population, the largest minority group, and they have tremendous buying power with estimates around \$1.2 trillion (2010 U.S. Census)—about the size of Mexico's economy. Few businesses can afford to ignore this market's size and influence; yet, marketers may not pay enough attention to Hispanic consumer diversity. Targeting and communicating to U.S. Hispanics as a single homogenous group unlikely sends a compelling message. This paper investigates acculturation as a more effective and potentially profitable method to segment Hispanic consumers.

## 2. Research on acculturation

Acculturation has many definitions. For this study, acculturation's definition is the phenomenon of culture *change* that occurs as a result of extensive contact between cultural groups. Changing from one cultural orientation to another is *selective* and individuals choose to acculturate across cultural dimensions. *Change* is not isomorphic with *loss* of culture. Acculturation does not necessarily mean assimilation to a dominant culture (Berry, 1980; Mendoza, 1989; Padilla, 1994). Instead of categorizing individuals based on their assimilation to the host culture, why not consider that individuals may acquire host-culture features while maintaining aspects of their native culture? The literature commonly addresses acculturation as a bicultural proposition

(Berry, 1980; Cortés, Rogler, & Malgady, 1994; Cuéllar, Arnold, & Maldonado, 1995; Marín & Gamba, 1996; Mendoza, 1989; Szapocznik, Kurtines, & Fernandez, 1980). Acculturation is not a uni-dimensional construct reflecting assimilation intensity; instead, the process involves an individual's *strategy* toward simultaneously adapting to a host culture and maintaining native cultural elements.

The extant literature proposes several descriptions of individuals' adaptation strategies or outcomes associated with the acculturation process. For example, Berry (1980) distinguishes between *assimilation* to the host culture and *separation* according to the individual's interaction with the host culture. In contrast, when the individual places a value on maintaining their own culture while interacting with the host culture, they *integrate*. Some individuals choose to *marginalize* from both cultures. Mendoza (1989) describes four strategies: 1) *cultural resistance*, resisting the host culture; 2) *cultural shift*, shifting to the new culture's customs and norms; 3) *cultural incorporation*, adapting both cultures' customs; and 4) *cultural transmutation*, alternating native and host cultural norms to create a unique subcultural identity. Padilla (1994) describes individuals extensively socializing and participating in both cultures as *bicultural*, and individuals at both cultures' margins belonging to neither as *marginal*. Peñaloza (1994) argues the adaptation results in four possible acculturation strategies: 1) *assimilation* to the American culture, 2) *maintenance* of their Hispanic heritage, 3) *resistance* to both cultures, and 4) *segregation* from the mainstream American culture. Finally, Lerman, Maldonado, and Luna (2009) propose the Cultural Life Style inventory for segmenting Hispanics into three groups: assimilated, integrated, and segregated.

Integrating and building upon these contributions, this research proposes that acculturation strategies reflect an individual's choice regarding maintenance or alteration of language preferences, and cultural identification. Specifically, acculturation involves an adaptive

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response to stimuli associating with two different and sometimes contradictory cultural orientations. The proposed acculturation-based segmentation approach classifies consumers according to their acculturation on language preference *simultaneously* with their identification with both the host and native cultures.

### 3. Segmentation model

Segmenting Hispanics as either English or Spanish-speaking is simple, but may be a false dichotomy, as most Hispanics (even second generation) maintain bilingual abilities (Synovate, 2006), and some biculturals alternate between languages (code-switch) in conversations (Montes-Alcala, 2000). On the other hand, segmenting only on ethnic identification may omit important segmentation variables like language use and preference. A more comprehensive set of segmentation variables based on an understanding of acculturation can identify segments. Such refinement provides better ways of tailoring the marketing mix to Hispanic markets, while providing new insights relevant to scholarship on Hispanic consumption and acculturation.

#### 3.1. Cultural identification

Several studies explore the effects of identification with the Hispanic culture on shopping behavior, coupon use, loyalty, and advertising response (Deshpande, Hoyer, & Donthu, 1986; Dimofte, Foreh, & Deshpande, 2003; Donthu & Cherian, 1992, 1994; Stayman & Deshpande, 1989; Webster, 1994). In these studies, self-identification with the Hispanic culture show significant variation, ranging from very weak to very strong. However, they did not measure host culture identification (American Identification), and the results do not address this influence on Hispanic consumers. Is American identification driving the changing consumption behavior of Hispanics rather than Hispanic identification? Interestingly, this oversight conflicts with academic theory. Specifically, concerning acculturation effects, mainstream sociology and psychology theories emphasize the importance of considering native and host identification simultaneously (Phinney, 1996; Phinney & Ong, 2007). Thus, building on behavioral sciences' theoretical work and marketing's empirical work, this research considers identification with both cultures, Hispanic and American, supporting the bicultural proposition.

Consumers' cultural identification likely changes during the acculturation process (Phinney, 2003). What drives this change? As individuals increase contact with the American culture, their identification with the American culture increases (Cuéllar, Arnold, & Maldonado, 1995; Laroche, Kim, Hui, & Joy, 1996; Perez & Padilla, 2000; Zea, Asner-Self, Birman, & Buki, 2003). Yet, on arrival, immigrants identify with their country of origin and they may retain that identification. Alternatively, they may come to identify with the American culture as well. Second and third-generation Hispanics may identify only as American or, in addition, with their parents' or grandparents' countries of origin, or a general Hispanic subculture (Phinney, 2003).

Four cultural identification segments emerge from the bicultural proposition. First-generation Hispanics, who have limited contact with the American culture, tend to have lower adopted country identification. However, their adaptation strategy might include either retaining or reducing their Hispanic identification. On the other hand, subsequent generations of Hispanic consumers likely identify stronger with the American culture; similarly, their adaptation strategy might promote or reduce identification with their Hispanic heritage. Therefore, the result of High/Low on Hispanic and American identification will be four Hispanic segments: biculturals, assimilators, retainers and non-identifiers (see Fig. 1).

Moreover, identification with the American culture likely associates with greater duration of U.S. residency and generation status, and thus biculturals and assimilators are higher-generation Hispanics

Hispanic Identification		
	<i>High</i>	<i>Low</i>
<i>High</i>	1. Biculturals	2. Assimilators
<i>Low</i>	3. Retainers	4. Non-identifiers

Fig. 1. Hispanic market segments.

who have lived longer in the U.S. This relationship leads to the following hypothesis:

**H1.** American identification increases with (a) generational status, and (b) the duration of U.S. residency.

Individual's Hispanic identification is not likely to associate with greater exposure to the American culture. According to the bicultural proposition, stronger identification with the American culture should not associate with the loss of Hispanic identification.

#### 3.2. Language preferences

Given that exposure catalyzes acculturation, as overall exposure to the host culture increases, consumers should adapt by switching language preferences (Cortés et al., 1994; Cuéllar, Arnold, & Maldonado, 1995; Félix-Ortiz, Newcomb, & Myers, 1994; Mendoza, 1989; Zea et al., 2003). Hence, second, third and higher-generation Hispanic consumers likely prefer the English language compared to first-generation Hispanics. Moreover, Hispanic consumers will have a greater preference for communicating in English as years of U.S. residency increases. Thus:

**H2.** Preferences for the English language increase with (a) generational status, and (b) the duration of U.S. residency.

As Hispanic consumers' adaptation strategy reflects choices regarding adaptation to the American culture, language preferences in marketing communications are likely to shift from Spanish to English. These changes should mirror general language preferences.

**H3.** Hispanic consumer segments with a higher preference for the English language more likely prefer marketing communications conveyed in English.

#### 3.3. Cultural values

Cultural values represent a fundamental determinant of a person's wants and behaviors. Consistently, research on Hispanics identifies the family as the most important cultural value and institution in the Hispanic culture (Díaz-Guerrero, 1972; Díaz-Guerrero & Szalay, 1993; Marín & Triandis, 1985; Sabogal, Marín, & Otero-Sabogal, 1987). Familism's definition varies. Most definitions include a strong identification and attachment to family members (nuclear and extended), along with a deep awareness and pride in family membership. Concerning the relationship between familism and acculturation among Hispanics, findings are equivocal (Marín & Gamba, 2003). Some research suggests that familism acculturates (changes) as individuals' contact with the host culture increases (Cuéllar, Arnold, & González, 1995; Rodríguez & Kosloski, 1998; Sabogal et al., 1987). Others conclude that Hispanic consumers retain their values across

generations (Félix-Ortiz et al., 1994; Perez & Padilla, 2000). Under Marín and Gamba's (2003) perspective, relative to behavioral aspects of familism, attitudinal familism is less likely influenced by acculturation. Therefore, Hispanic consumers' attitudes toward the most basic cultural values enshrined in the Hispanic culture unlikely differ significantly as American culture contact increases. These basic cultural values are not subject to acculturation.

### 3.4. Acculturation agents

Cultural transmission takes place through modeling, role playing, reinforcement, and social interaction with social agents or facilitators (Peñaloza, 1994). Padilla (1994) classifies these agents as *primary* (family members and friends) and *secondary* (school, work, and other institutions). Thus, exposure to acculturation agents should vary according to a consumer's adaptation strategy. These acculturation agents reflect both cultures' effects, American and Hispanic, on consumers' retention of their native origin and/or assimilation to the host culture. Higher exposure to American friends and family members results in stronger American culture identification, while greater exposure to Hispanic agents promotes retention of the Hispanic identity. In turn, the agent type affects consumers' language preferences, and cultural identity.

**H4a.** Hispanic consumer segments with greater exposure to American primary agents:

- (a) Have a higher preferences for the English language, and
- (b) Identify stronger with the American culture.

**H4b.** Hispanic consumer segments with greater exposure to American secondary agents:

- (c) Have a higher preferences for the English language, and
- (d) Identify stronger with the American culture.

## 4. Method

Some inputs used for the clustering techniques underlying the segmentation study are formed through constructs best measured by multiple items (e.g., Hispanic and American Identification). Many clustering techniques rely on single-item inputs to form clusters; multiple-item measures in marketing segmentation studies are rare. Confirmatory factor analysis tested the convergent and discriminant validity of these multi-item measures, using structural equation modeling techniques. Before describing the segmentation approach and resulting cluster profiles, this section discusses methods, sampling, and scale development.

### 4.1. Subjects and sampling procedure

To improve generalizability of results to the American Hispanic population, a national random sample of Hispanics from a commercial marketing research firm was used. Synovate, recruits and surveys Hispanic consumers using both a U.S. national panel (*Synovate Consumer Opinion Panel, SCOP*)—which uses English communications—and a diversity panel (*Diversity SCOP*)—which employs Spanish communications. By supplementing the national panel with Diversity SCOP respondents, the effective sample overcomes inherent under-representation of Spanish speaking-dominant consumers in the U.S. national sample. The Diversity panel includes the top five Hispanic markets in the U.S. (Los Angeles, New York, Chicago, Miami, and Houston). Together, these markets represent over 40% of the total U.S. Hispanic population. Sampling from these cities was proportional to the market size. Therefore, the random sample represents both English and Spanish-speaking methods.

Of the 1000 surveys distributed, 487 were returned: 272 from the national panel and 215 from the Diversity panel. This method yielded 403 usable responses (40% effective rate) from Hispanic consumers (224 from the English-administered national panel and 179 from the Spanish-implemented Diversity panel). The combined sample approximates descriptive statistics of the U.S. national Hispanic population provided by the U.S. Census (Ramirez, 2004) but with higher income (median household income of \$49,500 versus \$35,000 of the U.S. Census) and older (39 years vs. 26 years U.S. Census). Sample quotas were limited to adult-aged individuals between 18 and 60, and this control explains the age difference.

### 4.2. Scale development and measurement evaluation

The questionnaire includes measures of the following constructs: language acculturation, cultural identification, familism, acculturation agents, and demographic measures. Two bilingual experts translated and back-translated the questionnaire. An extensive review of relevant literature helped develop and refine construct scales and questionnaire instructions. Scale development followed conventional standards (DeVellis, 1991). Structural equation modeling (SEM) permits simultaneous assessment of convergent and discriminant validity while controlling for measurement errors (Bollen, 1989) and helps to fit and refine the measurement model (Anderson & Gerbing, 1988).

Table 1 lists the final scale items for each construct, provides the instructions that were given to the respondents, and summarizes relevant scale statistics. Multi-item scales were developed specific to this research to measure the constructs consistent with the definitions developed herein. To assess fit, several measures were consulted. The proposed model produces a chi-square of 486.7 with 352 *df* ( $p < .01$ ). In addition to the commonly reported Goodness of Fit Index (*GFI*) and Adjusted Goodness of Fit Index (*AGFI*), Table 1 includes the comparative fit index (*CFI*) and incremental fit index (*IFI*) recommended for less sensitivity to sample size (Fan & Wang, 1998). Comprehensively, these fit indices ( $GFI = .93$ ,  $AGFI = .91$ ,  $CFI = .97$ ,  $IFI = .97$  and  $RMSEA = .03$ ) indicate an adequate fit between the measurement model and the sample covariance matrix (Bollen, 1989), providing evidence of convergent and discriminant validity (Anderson & Gerbing, 1988).

Reliability estimates for all constructs exceed suggested criteria of .60 (Bagozzi & Yi, 1988), ranging from .62 (purchasing frequency of personal hygiene products) to .92 (preference for Spanish-language media and shops). Item loadings (*lambdas*) range from .45 to .89, indicating that all 28 items represent good indicators for their underlying latent construct. Collectively, these data evidence the convergent and discriminant validity of all constructs.

Measures for influence from primary and secondary agents and consumers' language are specific to this research. The acculturation-based segmentation scheme emphasizes consumers' language choice in different contexts, including shopping situations. Three scenarios were presented to respondents. They were asked to choose their preference for either English or Spanish languages when receiving a bank brochure, reading a website, or speaking at a car dealership. Participants were informed that both languages were available. Rather than language proficiency or language use, language preference was measured using a bipolar scale, similar to Mendoza (1989), and three items were adapted from Szapocznik et al. (1980). A fourth item ("I prefer to shop at stores where I can speak") was developed specifically for this study to include retail institutions as part of the acculturation experience.

Individuals' ethnic identity has been operationalized as: ethnic self-identification (Hirschman, 1981), the identity strength with a specific cultural orientation (Deshpande et al., 1986), ethnic pride and ethnicity of family and friends (Cuéllar, Arnold, & Maldonado, 1995; Mendoza, 1989). These measures assume an assimilation process. For Hispanic and American Identification, items from other literature which better reflect the bicultural proposition were used. The Hispanic identification scale consists of two items: the first ("I feel

**Table 1**  
Scale items and scale statistics.

Construct name	Composite reliability, $\rho$	Item loading
Items for construct	(Cronbach's alpha, $\alpha$ ) <sup>a</sup>	( $\lambda$ )
<b>Acculturation scales</b>		
<i>Proportion of non-Hispanic primary agents</i> <sup>b</sup>		
The friends I spend time with are...	.79 (.79)	.85
My spouse/partner's family is...		.73
My family members are...		.65
<i>Proportion of non-Hispanic secondary agents</i> <sup>b</sup>		
The employees at my grocery store are...	.82 (.82)	.81
The employees at my bank are...		.78
People that shop at the stores I shop are...		.75
<i>Spanish language preference</i> <sup>c</sup>		
When reading newspapers/magazines I prefer...	.92 (.92)	.88
I prefer to watch TV in...		.88
I prefer to shop at stores where I can speak...		.85
I prefer to listen to the radio in...		.84
<i>American identification</i> <sup>d</sup>		
I consider myself an American.	.77 (.76)	.82
I am proud of being an American.		.75
I feel comfortable with the American way of life.		.58
<i>Hispanic identification</i> <sup>d</sup>		
I feel good about being Hispanic.	.84 (.84)	.89
I feel proud of having a Hispanic heritage.		.81
<i>Familism</i> <sup>e</sup>		
Parents should sacrifice themselves in order to provide their children with the best.	.71 (.71)	.69
Adult children should make sacrifices to care for their parents.		.68
People should consult close relatives concerning important decisions.		.55
I work hard to give my children the best education they can get.		.47
Children should work while in college.(R)		.47
<b>Consumer behaviors and demographic items</b>		
<i>Brand loyalty</i> <sup>f</sup>		
I always buy the same brand.	n/a	n/a
I feel committed to my preferred brands.		n/a
<i>Brand quality: attitudes toward prestigious brands</i> <sup>f</sup>		
The brand name is an important consideration in my purchase intention.	.80 (.80)	.84
I only buy well-known brands.		.76
I always look for the highest quality brands.		.66
<i>Purchase frequency: food and beverage products</i> <sup>g</sup>		
Diet soft drinks	.70 (.68)	.77
Canned soups		.75
Ready-to-eat frozen dinners		.45
<i>Purchase frequency: personal hygiene products</i> <sup>g</sup>		
Shampoo	.62 (.61)	.71
Deodorant		.62
<i>Savings for children's future and education</i> <sup>h</sup>	n/a	n/a

(R) indicates that the item was reverse scored.

For measures superscripted with a–f above, respondents were instructed to place an X in the box to indicate their response.

<sup>a</sup>  $\rho$ : Fornell and Larcker's (1981) composite reliability estimate;  $\alpha$ : Cronbach's (1951) alpha reliability estimate.

<sup>b</sup> Options were (1) all Hispanic/Latino, (2) more Hispanic than Non-Hispanic, (3) about half and half, (4) more non-Hispanic than Hispanic, (5) all non-Hispanic, along with an option for "not applicable."

<sup>c</sup> Respondents were asked to indicate language preference. Options provided were (1) English all the time, (2) English most of the time, (3) Spanish and English equally, (4) Spanish most of the time, (5) Spanish all the time.

<sup>d</sup> Options were (1) completely agree, (2) agree, (3) neither agree nor disagree, (4) disagree, (5) completely disagree.

<sup>e</sup> Options were (1) completely agree, (2) agree, (3) neither agree nor disagree, (4) disagree, (5) completely disagree.

<sup>f</sup> Options were (1) completely agree, (2) agree, (3) neither agree nor disagree, (4) disagree, (5) completely disagree.

<sup>g</sup> Respondents were asked to estimate how frequently they purchased each product. Options were (1) more than once a week, (2) every week, (3) every 2 weeks, (4) every 2 weeks, (5) less frequent or never. Responses were reverse scored.

<sup>h</sup> Respondents were instructed, "If you had \$10,000 to save, how much of the \$10,000 would you save for...? (THE AMOUNTS HERE SHOULD ADD UP TO \$10,000)." "Emergencies, Children's education, Children's future, Home, Purchases (vacation, car), Retirement, Help my relatives, Other." The amounts of money spent on children's future and education were aggregated to form this measure.

proud of having a Hispanic heritage") is from Laroche et al. (1996) and the second ("I feel proud of being Hispanic") is from Zea et al. (2003). The American identification scale, developed specifically for this research project, adapts language from the Hispanic identification scale.

Sabogal et al.'s (1987) conceptualization of familism captures some individual attitudes toward the other family members. However, other aspects of the familism construct may affect the individual's acculturation process. Specifically, an important attitudinal element of familism is the desire to perpetuate family traditions (Bardis, 1959). This desire could influence an individuals' decision to assimilate to the host culture, or resist and maintain their native orientation. Another characteristic of Hispanics' familism absent from Sabogal et al.'s (1987)

conceptualization is the tendency to live close to other family members (see Keefe, 1980) to maintain strong family support and assistance networks. The familism scale includes five items: two items ("People should consult close relatives..." and "Adult children should make sacrifices...") are adopted from the seminal work of Bardis (1959); one ("I work hard to give my children...") is from Sabogal et al. (1987); and two items ("Parents should sacrifice..." and "Children should work while in college") were designed particularly for this effort. Collectively, these items better capture the authors' definition of familism than other existing scales.

To represent the range of relevant consumer behaviors distinctive to Hispanic consumption, the extant literature suggests intentions to save for children's

future (Delener & Katzenstein, 2000; Synovate, 2004), brand loyalty (Deshpande et al., 1986; Donthu & Cherian, 1994; Petroschius, Newell, & Ross, 1995; Saegert, Hoover, & Hilger, 1985), preference for prestigious brands (Deshpande et al., 1986; Donthu & Cherian, 1994), and purchase frequency (McArthur, Viramontez-Anguiano, & Nocetti, 2001; Paulin, 2001; Valdez, 2002). These studies influenced this study's scale development.

#### 4.3. Acculturation segmentation scheme

To establish the Hispanic acculturation segments, a latent discriminant model (LADI) specification was fit using Latent Gold 4.0 (Dillon & Mulani, 1989). Covariates included the scales for language preference, and Hispanic and American identification to pinpoint acculturation segments. Based on the hypotheses, generational status, years of U.S. residency, income and education were included as active covariates. Fixed or inactive covariates included primary and secondary agents, familism, preferred marketing communication language (for brochure, website, and car dealership), and relevant consumer behavior variables.

As English language preference and American identification positively correlate with generation, statistical dependence among the three indicators was specified. An initial attempt to classify the respondents based on the acculturation indicators and demographic variables suggests that education ( $Wald = 5.35, p > .05$ ), and income ( $Wald = 4.37, p > .05$ ) were not significant predictors. Hence, education and income were excluded as active indicators; instead, they were re-specified as fixed covariates.

The LADI analysis produced a four-cluster robust and readily interpretable solution. The Schwarz's Bayesian information criterion (BIC), the Akaike information criterion (AIC), and the AIC3 statistic favor the four-cluster solution (Table 2). Also, the average weight of evidence (AWE) criterion suggests that the four-cluster solution provides the best classification of Hispanic consumers. This four-cluster model is the best fitting alternative and has a standard r-square of 95% and entropy r-square of 96%. The modal classification reveals that 98% of Hispanics were correctly classified into one of the four acculturation groups. Finally, American identification ( $Wald = 473.88, p < .001$ ), Hispanic identification ( $Wald = 293.12, p < .001$ ), and language preference ( $Wald = 141.46, p < .001$ ) are statistically significant indicators. Therefore, the data support the bicultural proposition.

#### 4.4. Cluster profiles

Table 3 shows each cluster's size and the parameter estimates for the three classifying variables and relevant demographic information.

##### 4.4.1. Biculturals

The first cluster is the largest subcultural group, and accounts for 36% of the sample. Hispanic consumers belonging to this cluster exhibit strong English language preferences, high identification with their Hispanic heritage, and the highest mean identification with American culture.

##### 4.4.2. Retainers

The second cluster constitutes approximately 33% of the sample, and they are best described as the cultural *retainers* group. Typically,

**Table 2**  
Akaike Information Criterion (AIC) and Schwarz's Bayesian Criterion (BIC).

Number of clusters	AIC	AIC change	Ration of AIC changes	Ratio of distance measures	BIC	BIC change	Ration of BIC changes	Ratio of distance measures
1	1161.85				1194.06			
2	993.84	−168.01	1.00	1.192	1058.26	−135.80	1.00	1.192
3	855.48	−138.37	0.82	1.536	952.10	−106.16	0.78	1.536
<b>4</b>	<b>771.01</b>	<b>−84.47</b>	<b>0.50</b>	<b>1.496</b>	<b>899.83</b>	<b>−52.26</b>	<b>0.38</b>	<b>1.496</b>
5	719.83	−51.18	0.30	1.032	880.86	−18.97	0.14	1.032
6	670.75	−49.08	0.29	1.337	863.99	−16.87	0.12	1.337

Figures in bold represent the best fitting cluster solution.

**Table 3**  
Cluster sizes and profiles for the four-latent-cluster model.

	Biculturals	Retainers	Non-identifiers	Assimilators
Cluster size	36.1%	32.9%	21.7%	9.4%
<i>Classification variable means</i>				
Language preference (Spanish higher)	1.9	2.9	2.8	1.1
American identification	5.0	3.9	3.8	4.9
Hispanic identification	5.0	5.0	3.9	3.7
<i>Cluster-specific demographic proportions</i>				
<i>Generation<sup>a</sup></i>				
1st	26.7%	75%	67.5%	2%
2nd	35.8%	20.5%	22.6%	30.8%
3rd	37.5%	4.5%	10%	67.2%
Length of U.S. residency (mean)	34.4	22.4	26.2	38.5
<i>Education<sup>a</sup></i>				
Elementary	0.6%	9.9%	11.6%	0%
Middle school	4.7%	15.2%	23%	0%
High school	37.5%	26.8%	28%	54.1%
Associates degree	19%	12.1%	7.2%	10.3%
Bachelor degree	29.8%	24.6%	17.2%	28.7%
Graduate degree	8.3%	11.3%	12%	6.9%
<i>Income<sup>a</sup></i>				
Less than \$35,000	9.3%	22%	22%	8%
\$35,000–\$49,999	35.1%	41.7%	35.1%	19%
\$50,000–\$74,999	26%	14.8%	28.6%	36.3%
\$75,000–\$99,999	21.2%	11.3%	6%	16%
\$100,000–\$124,999	7%	2.3%	1.3%	10.2%

<sup>a</sup> Cells contain cluster-specific response percentages.

retainers are first generation, prefer to use the Spanish language socially, show high identification with their Hispanic heritage, and identify less with the American culture than biculturals.

##### 4.4.3. Non-identifiers

The third cluster represents 22% and these consumers tend to prefer using Spanish to communicate in certain contexts, such as reading a brochure, browsing the internet, or negotiating the price of a car. However, this cluster's members do not distinctively identify with either of the two cultures, making them best described as *non-identifiers*. Research on acculturation attributes such individual marginalization to cultural discrimination (Cuéllar, Arnold, & Maldonado, 1995).

##### 4.4.4. Assimilators

The fourth cluster (9% of the sample) is primarily third generation, and these people prefer communication using the English language, identify highly with the American culture, and identify less with their Hispanic heritage.

## 5. Hypothesis testing results

Table 4 contains the estimated means of all the continuous fixed covariates by cluster and the corresponding analyses of variance across segments. Latent cluster-specific probabilities of the nominal fixed covariates are included in the model.

**Table 4**  
Results: cluster means and response percentages for the four-latent-cluster model.

	Biculturals	Retainers	Non-identifiers	Assimilators	ANOVA
<i>Cluster-specific means and comparisons</i>					
Familism	3.4	3.4	3.2	3.4	$F(3, 400) = 1.8$
Primary agents	2.6	1.8	2.2	3.7	$F(3, 400) = 39.5^{**}$
Secondary agents	3.4	3.2	3.2	3.8	$F(3, 400) = 7.8^{**}$
<i>Cluster-specific promotional language preferences</i>					
Preferred language of brochure*					
English	87.4%	52.3%	55.8%	95.4%	
Spanish	10.6%	46.9%	44.2%	2%	
Preferred language at car dealership*					
English	87.4%	44.8%	55.51%	98.4%	
Spanish	12%	55.2%	44.49%	1.6%	
Preferred language of website*					
English	83.3%	48.2%	51.4%	93.3%	
Spanish	8.7%	38.5%	35.8%	0%	
No internet access	7.4%	13.2%	12.8%	4.1%	

Note: Coefficients in italics are statistically significant.

\* Indicates  $p < .10$ .

\*\* Indicates  $p < .05$ .

H1 predicts that clusters with longer exposure to the American culture more closely identify with the host culture. Results show both generation ( $Wald = 51.07, p < .001$ ) and U.S. residency length ( $Wald = 13.1, p < .001$ ) are statistically significant covariates. The correlations between American identification and length of U.S. residency ( $r = .35, p < .01$ ), and generational status ( $r = .40, p < .01$ ) support H1. Analysis of variance results suggest that American identification significantly varies across segments ( $F(3, 400) = 142.5, p < .001$ ). Hispanic biculturals and assimilators have the highest American identification mean scores ( $M_B - M_A = .07, p > .05$ ), while retainers and non-identifiers have lower means ( $M_R - M_{NI} = .13, p > .05$ ). As previously stated, biculturals and assimilators have a longer U.S. residency and report higher generational status. These results support H1. On the other hand, non-significant correlations of U.S. residency ( $r = -.01, p > .05$ ) and generational status ( $r = -.07, p > .05$ ) with Hispanic identification confirm hypothesized results.

H2 posits longer contact with the American culture and preference for the English language positively relates. Table 3 shows language preferences significantly vary across clusters ( $F(3, 400) = 51.61, p < .001$ ). Post-hoc tests reveal that assimilators strongly prefer the English language compared to Hispanic biculturals ( $M_B - M_A = .84, p < .001$ ), and both groups have a significantly higher preference for English compared to retainers and non-identifiers, who have an equal preference for Spanish or English ( $M_R - M_{NI} = .18, p > .05$ ). The probability bicultural participants are second or third generation is 70%, and they have lived in the U.S. for an average of 34 years. Assimilators are 67% likely to be third-generation Hispanic, and on average, they have lived in U.S. for about 39 years ( $M_B - M_A = 4.39, p > .05$ ). On the other hand, a higher probability exists that a retainer or a non-identifier is a first-generation Hispanic (.75 and .67, respectively). On average, they have been U.S. residents 22 and 26 years, respectively ( $M_R - M_{NI} = 3.8, p > .05$ ). These results confirm H2. Longer contact with the American culture positively affects one's preference for the English language.

Test results support H3. The class-specific response probabilities of preference for an English language brochure increase as the mean language preference scores indicate higher preference for English. Hispanic assimilators have .95 probability of preferring an English over a Spanish language brochure, bicultural Hispanics have .87 probability of preferring the English brochure, while non-identifiers and retainers have probabilities of .56 and .52, respectively. The same probability pattern is observed for the other two scenarios: preferred

language of a car sales representative and preferred website language (see Table 3). Additionally, retainers and non-identifiers show higher probabilities of not having internet access. Collectively, these results support H3.

The mean scores of familism did not vary across clusters ( $F(3, 400) = 1.82, p < .001$ ), suggesting that familism is a cultural value likely to remain across acculturation strategies.

According to H4a and H4b, exposure to a higher percentage of American primary and secondary agents should result in a higher preference for the English language and higher American identification. Hence, Hispanic biculturals and assimilators are expected to have higher exposure to American primary and secondary agents. Table 3 shows statistically different mean scores ( $F(3, 400) = 39.5, p < .001$ ); post-hoc tests suggest that Hispanic retainers have significantly less exposure to American primary agents followed by non-identifiers, biculturals and assimilators, supporting H4a. The mean scores of secondary agents also vary significantly across segments ( $F(3, 400) = 7.83, p < .001$ ). However, post-hoc tests reveal no significant differences among Hispanic retainers, non-identifiers and biculturals ( $p > .05$ ) while only assimilators report higher exposure to non-Hispanic secondary agents. The previous results suggest that contact with American family members and friends strongly associates with consumers' language preferences and American identification compared to contact with American agents at retail stores, and commercial institutions.

## 6. Discussion

The proposed acculturation-based segmentation scheme classifies Hispanics according to the adaptation strategy they pursue during their residencies in the United States. This scheme advances segmentation studies that rely solely upon either (1) language or (2) the strength of Hispanic identification as segmentation variables. The scheme also introduces cultural identification as a two-dimensional construct and incorporates the bicultural proposition. The findings support the underlying theory of the bicultural proposition while contradicting the linear acculturation process postulated either implicitly or explicitly in much of the marketing literature on Hispanic consumers. As expected, consumer segments experiencing higher contact with the American culture (higher generational status and years of U.S. residency) reveal a greater preference for English and higher American identification. More revealing is the absence of an association between Hispanic identification and increased exposure to the American culture. As predicted by the bicultural proposition, cultural does not imply cultural loss. The ethnic identification with a Hispanic background and the cultural values that surround that identification remain, even across generations.

Not surprisingly, acculturation segments reflect a higher preference for English. They identify closer with mainstream American culture and tend to have a higher percentage of non-Hispanic family, friends, and employees at retail institutions. As expected, marketing communication's language preference varies according to consumers' general language preferences. Some distinctive Hispanic values like familism and Hispanic identification are quite robust to acculturation effects and processes.

Finally, as a post-hoc empirical investigation, the relationships between familism and an individual's cultural identification were investigated empirically. Prior studies suggest that familism acculturates as individuals' contact with the host culture increases (Cuéllar, Arnold, & González, 1995; Rodríguez & Kosloski, 1998; Sabogal et al., 1987). Since greater exposure leads to higher identification with the American culture, strong American identification should associate with lower familism scores (e.g., a negative correlation). Other studies conclude Hispanic consumers retain their cultural values across generations (Perez & Padilla, 2000), suggesting that values do not relate to the length of cultural exposure. Consistently, the data show non-significant correlations between Hispanic identification and familism (.16) and American identification and familism (.15).

### 6.1. Managerial implications

Marketing practitioners commonly assume the Hispanic market is a homogeneous group. According to the findings, Hispanics should be classified by their language preference and identification level with both cultures.

Effective marketing to the U.S. Hispanic population requires more than simply using Spanish-language media or in-store communications that emphasize Hispanic values. Such a marketing campaign likely appeals to all Hispanics, but the communication will reach only about one-half of the Hispanic market, mostly the lower-income retainers and non-identifiers. The remaining Hispanic consumers are best reached by English language campaigns directed at non-Hispanics. Advertising and marketing promotion directed at Hispanics should contemplate English-language as well as Spanish-language media and channels. Mail offerings, brochures, and even websites should offer to the bilingual consumer the opportunity to choose their language of preference. This option exists for consumers calling a customer service line. Public policy researchers should determine if product labels, warranties, and manuals should also offer a bilingual option.

Second, although the acculturation segments identified vary according to their language preference and American identification, Hispanic consumers' feelings of identification with their heritage and familism remain strong and homogenous. This finding suggests that directing communication messages to Hispanics need affect the cultural message; however, more care should be taken in consumer's choosing the appropriate media according to the consumer segment's language preference. The same message presented in Spanish on Spanish media should be used in the English media to target assimilated or bicultural Hispanics. This strategy has been implemented successfully by several advertisers. Using appeals that portray strong family ties and tradition in both languages effectively persuades bilingual Hispanics, regardless of the language. However, these appeals are more effective portraying familism beyond the traditional imagery.

### 6.2. Limitations and future research

The present research is not without limitations. The Hispanic sample reports higher income levels compared to the national figures reported by the Census Bureau. Non-significant results for income and education may attribute to this floor effect. Acculturation might be confounded with income and education increases in immigrant populations; hence, caution should be used when interpreting cluster size.

Future efforts toward building the understanding acculturation-based segmentation's potential impact should be encouraged. This research remains silent regarding the effects that acculturation might have on consumer behavior. Previous research examines differences among Hispanic consumers' brand loyalty, attitudes toward prestigious brands, and purchase frequency (e.g., Deshpande et al., 1986; Donthu & Cherian, 1994). However, other implications remain unexamined. Are consumer decisions equally made across segments? Is the information search process similar? What implications do language preference differences across segments have on branding, package design, and media consumption? All these questions remain to be answered.

Although the present research was conducted among U.S. Hispanics, the acculturation-based segmentation offers a blueprint to examine other ethnic groups. The language preference and a multi-dimensional ethnic identification could help to understand consumption differences among other immigrant groups.

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