

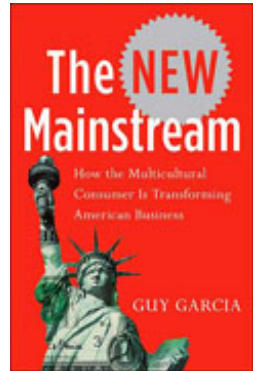


The New Mainstream: How the Buying Habits of Ethnic Groups Are Creating a New American Identity

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Americans love freedom of choice. In his provocative book, *The New Mainstream: How the Multicultural Consumer Is Transforming American Business* (Rayo), Guy Garcia presents a powerful case that the ability of Americans to pick and choose for themselves is creating a new economic and social matrix in the U.S. as the country evolves from the mythical "melting pot" to a "salad bowl" of ethnic, religious and gender diversity.

The destiny of the American people, Garcia contends, is being shaped by the way they spend their dollars. Products these days are endorsed by African American golf champions, Latino film stars and Chinese-born basketball players, among others. Advertising campaigns, once aimed at a middle class majority of European descent, are responding to the rising economic power of African Americans, Latinos and other ethnic groups. Like a series of rapidly flowing tributaries coming together to form a powerful river, this "New Mainstream" is helping to create a new America.



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Garcia -- a former staff writer for *Time* magazine and AOL executive and a frequent contributor to the *New York Times* -- brings an eye for detail in supporting his contention. In probing how contemporary consumer habits are reshaping the cultural reality of the U.S., Garcia draws his readers' attention to the 2003 MTV Video Awards. While most commentators fixated on the hype surrounding the controversial kisses bestowed by Madonna on Britney Spears and Christina Aguilera, Garcia noted that all the commercials featured multi-racial casts. In fact, one of the ads was entirely in Spanish, without subtitles.

Adios, Frito Bandito

America has come a long way since Aunt Jemima and the Frito Bandito. But Garcia argues that the changing complexion of American entertainment and advertising is indicative of massive demographic and economic shifts. Hip-hop music, Spanglish phrases and sushi on the menu of college cafeterias are not marginal phenomena -- they are determining factors of the fate of the United States.

In the past, ethnic groups in the U.S. were expected to conform to a homogenized, Anglo-centric ideal. This was true both of mass-marketed products and the selective way that film, television, advertisements and popular music portrayed America's diverse population. Ethnic foods were rarely sold except in specialty stores before the 1970s. The racial barrier in entertainment lasted nearly as long, except for supporting movie and TV roles -- often based on stereotypes which dated back to the 19th century -- and some rare successes in the music industry.

Garcia, however, maintains that the driving force in many sectors of the American economy has shifted. The tastes and buying habits that increasingly set business trends are those of African Americans, Latinos, Asian Americans and young people from the white majority who now identify with these once "outsider" groups.

The growing influence of ethnic diversity in the marketplace is not a matter of a fickle change in taste -- a shift in preferring salsa to ketchup, for instance. The New Mainstream, as Garcia calls the emerging multi-ethnic power block, is gaining clout because of a confluence of factors, some of which are as old as the American nation while others are radical departures from the past.

The most obvious factor is the change in immigration patterns. The 1965 repeal of immigration quotas ended the favoritism formerly granted to newcomers from Western Europe. As a result, the number of Latin American, Asian, and African immigrants dramatically increased, tripling in total numbers since 1970. This, according to critics of multiculturalism, has adversely affected the homogeneity and stability of America's population.

Yet this change may be more on the surface than these critics are willing to admit. Garcia notes that the 2000 census showed that 31.1 million foreign-born people reside in the U.S. There is nothing unprecedented in this, given the vast numbers of immigrants who were successfully incorporated into the U.S. economy and society in the 1800s and early 1900s.

Moreover, Garcia disputes the theory that the new wave of immigrants differs from the old because they remain culturally aloof. As evidence, he notes the shared aspirations of America's ethnic groups regardless of their origins, beginning with home ownership, a crucial indicator of wealth and social status in the U.S. A 2003 report by the Census Bureau found that 67% of foreign-born U.S. citizens own their homes, roughly the same as U.S.-born citizens. In fact, naturalized Latino and Asian citizens are more likely to own homes than people from their own ethnic groups who were born in the U.S.

Garcia also probes the troubled question of language preference of immigrants. He notes that many Latinos, for instance, "prefer their media in Spanish and identify more with their country of origin than with the United States." However, he maintains that a countervailing trend is also apparent that includes members of ethnic groups who are proud of their heritage but whose language of choice is English. A new television network under development, Si TV, is developing English language programming aimed at young Latino and multicultural viewers.

If the ethnic populations shaping the New Mainstream have much in common with already well established groups, does Garcia really offer a convincing case that a major transformation is underway?

Garcia argues that the New Mainstream should be seen as a spiritual and emotional phenomenon. "New Mainstream consumers seek out brands that speak to their definition of self and reflect their world view and aspirations," he writes. Product value is based on "its ability to have meaning, to make sense, to matter." Seen in this light, the New Mainstream is remarkable because of the sharing of tastes in music, film, clothing, food and information technology across ethnic lines.

The principal difference from earlier waves of immigration and culture formation is the changing composition in leadership. African American, Latino, Asian American and Native American cultural figures are increasingly shaping their own business destinies. Unlike the jazz and R&B of earlier eras, largely created by African-American musicians but marketed by the established music industry, pioneers of New Mainstream entertainment are getting a piece of the merchandising action this time.

Phat Fashion

Garcia highlights the career of Russell Simmons as an example of African Americans in the vanguard of New Mainstream entrepreneurship. Simmons is the co-founder of Def Jam Records, producer of the HBO series Def Jam Comedy, president and principal shareholder of Rush Communications and the head of a \$300 million hip-hop inspired clothing empire, Phat Fashions.

Hip-hop is big business, with \$1 billion in annual sales of clothing and gear, and impresarios like Simmons are men to be reckoned with. Simmons led a highly effective boycott of Pepsi when he felt that the African American rap singer Ludacris was unfairly dropped from its commercials after commentator Bill O'Reilly described him as "a thug rapper."

The success of the New Mainstream is far from limited to entertainment or sales of youth-oriented attire. Garcia describes in considerable detail the great success of the Bank of America initiative known as SafeSend. Just as the European immigrants of the 1800s funneled much of their earnings back to their homelands, either to help finance the migration of relatives or as monetary support, so new immigrants from Mexico and other Hispanic countries send huge shares of their incomes back to relatives. Garcia reckons that such remittances from the U.S. to Mexico in 2002 range from \$12 billion to \$14 billion and are projected to keep growing at a rate of 30%.

Realizing the potential of the remittances to Latin America, Bank of America unveiled SafeSend, a program to make the electronic transmission of funds from the U.S. to Hispanic countries easy and reliable. Bank of America used focus groups in both the U.S. and Mexico to help design the system. Staff people experienced in working with the U.S. Hispanic community were brought in to manage SafeSend, and a savvy advertising program won the trust of prospective customers on both sides of the Rio Grande.

Bank of America executives "thought outside the box" and were rewarded with such a degree of success for SafeSend that other financial companies soon followed suit. But when corporations try to take advantage of Hispanics or other New Mainstream ethnic groups without a concerted effort like Bank of America's, failure is usually the result. In one of the most fascinating passages of the book, Garcia recounts his own, often frustrated, efforts as an executive for AOL to secure proper support for the Internet initiatives AOL Latin America and AOL Latino, which were aimed at the U.S. Hispanic market. Unlike their Bank of America counterparts, AOL's corporate leaders failed to achieve the kind of success which these ventures might well have achieved had they paid more attention to the actual needs and interests of Latin American and U.S. Hispanic Internet users.

The New Mainstream incorporates a mass of demographic and marketing data along with thoughtful reflections on ethnicity and human interest success stories that prove the resilience of the American Dream.

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