

Gies College
of Business

UNIVERSITY OF ILLINOIS URBANA-CHAMPAIGN

Innovative New Products and the Multicultural Consumer: Strategic Insights for Market Growth

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Why This Market Now

- 40% of population
- 100% of population growth
- \$5 trillion buying power
- More than half of P&G's sales growth

AMERICAN DIVERSITY IS DESTINY

92% OF THE TOTAL GROWTH IN U.S. POPULATION FROM 2000 TO 2014, CAME FROM MULTICULTURAL CONSUMERS

	POP (MILLIONS)	2014 (%PEN)	2060 (%PEN)
HISPANIC	56	17.6%	29.3%
NON-HISPANIC WHITE	197	62.1%	42.6%
AFRICAN-AMERICAN	40	12.7%	14.7%
ASIAN-AMERICAN	16	5.0%	8.2%
OTHER/2+ RACES	14	4.3%	8.2%

“Multicultural marketing may be the single biggest source of market growth in our industry now and for the next several years, perhaps even decades.”

Marc Pritchard
Chief Brand Officer

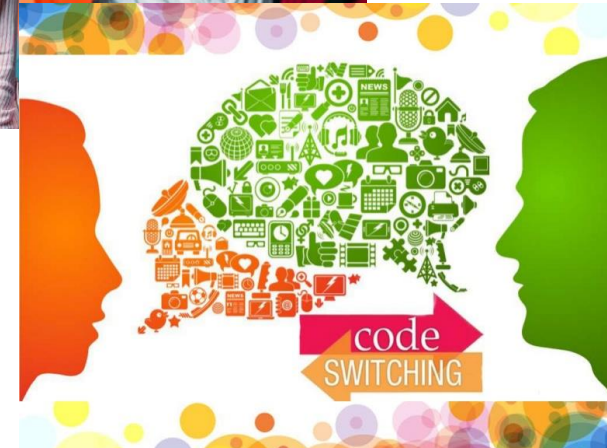


Myth #1: *“They’re Just Their Heritage Culture.”*



Reality #1: Distinct Cognitions, Needs, Choices

- Cross-cultural navigation → frame-switching fosters integrative, context-sensitive thinking
- Identity is actively managed; self-expression needs (distinctiveness) emerge
- Expect different attitudes/behaviors than either heritage or mainstream alone

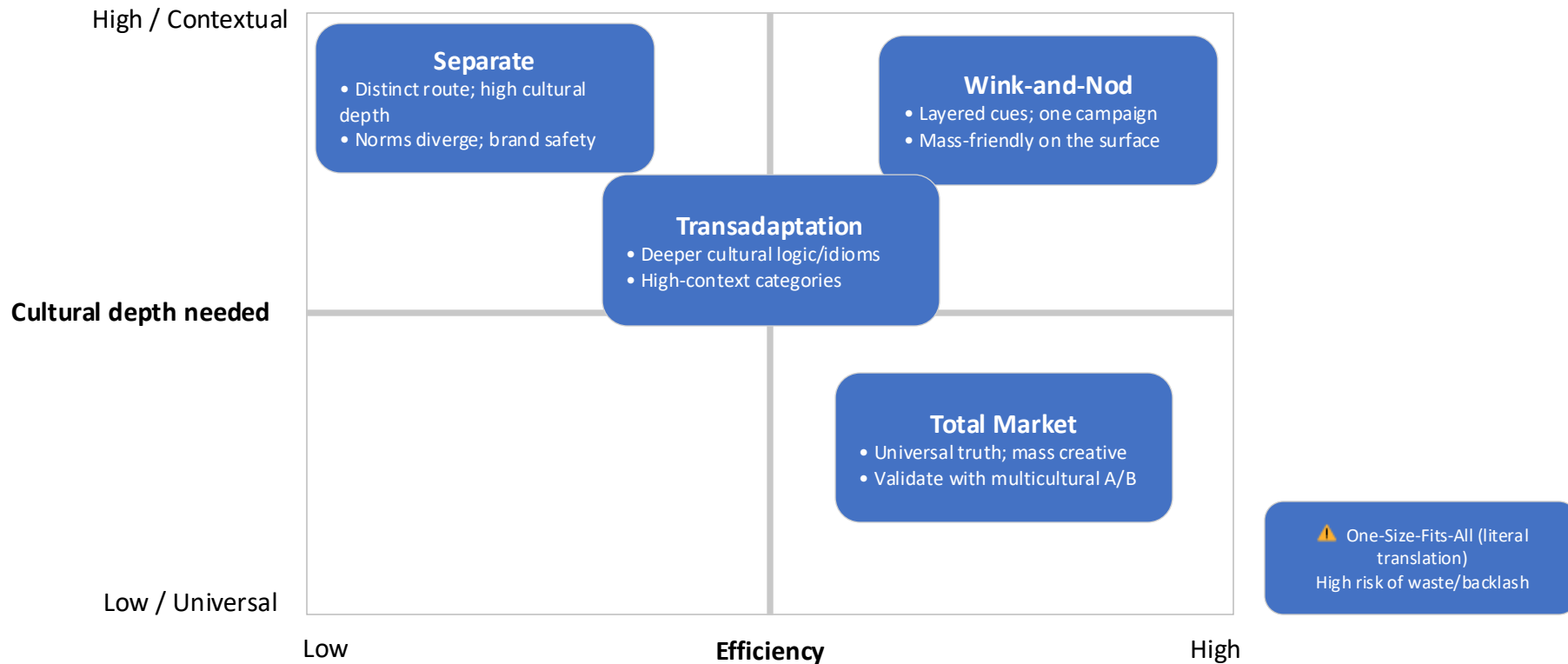


Myth #2: *“Translate and You’re Done.”*



Reality #2: Strategy Choice Matters

Choose by Cultural depth × Efficiency





Myth #3: *“They’re Just Novelty Seekers.”*



Reality #3: It's Uniqueness, Not Thrill-Seeking



Multicultural consumers navigate dynamics of multiple cultural identities → pull to fit in/conform



Need for uniqueness can be triggered by situations that promote high similarity

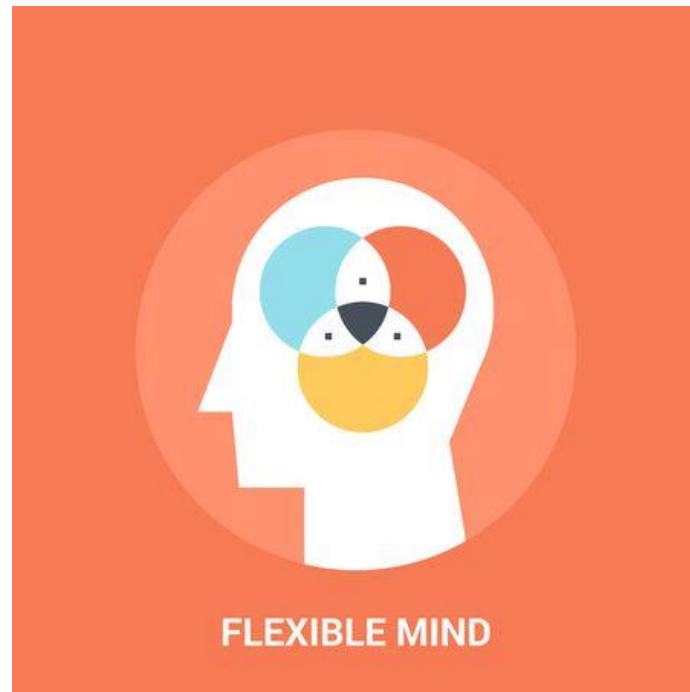
Who We Mean by “Multicultural” (Identity, Not Just Ancestry)

- **Dual-identified** consumers who actively identify with two or more cultures (vs. heritage label alone)
- **Within-group differences > between-group labels** for predicting responses
- **Manager lens:** plan, test, and target by identity dynamics, not stereotypes



Why They Process Differently (What the Literature Shows)

- **Cognitive flexibility:** Frequent cross-cultural navigation links to more integrative, context-sensitive thinking—people can hold “both/and,” not just “either/or”
- **Frame-switching:** Cues (language, symbols, settings) can shift which values are salient in the moment, changing message and choice





Building Brands for the Emerging Bicultural Market: The Appeal of Paradox Brands

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Bicultural consumers now represent a third of the US population and are the fastest growing demographic group in the United States. This shift in consumer markets presents a challenge for marketers as they try to design brand strategies to serve this important group. In this article, the authors show that certain types of brands, specifically paradox brands that incorporate contradictory brand meanings, are particularly appealing to bicultural consumers. Results from seven studies reveal that bicultural consumers evaluate paradox brands more favorably and choose paradox brands more than traditional brands without contradictions. Furthermore, bicultural consumers exhibit more favorable evaluations and greater choice of paradox brands than do monocultural consumers. These cultural differences are attributable to greater cognitive flexibility found among biculturals, particularly those who adopt an acculturation strategy of integrating their different cultural identities. Greater cognitive flexibility, in turn, prompts stronger engagement with a paradox brand, which contributes to more favorable brand evaluations and choice. Contributions of this research for understanding bicultural consumers, marketing to bicultural consumers, and directions for future research are discussed.

Keywords: brands, brand management, biculturalism, cognitive flexibility, engagement

DATA & INSIGHTS

Being a 'Paradox Brand' Is Key to Reaching Minority Consumers

Marketer-turned-academic Maria Rodas on what it takes to stand out in a changing nation



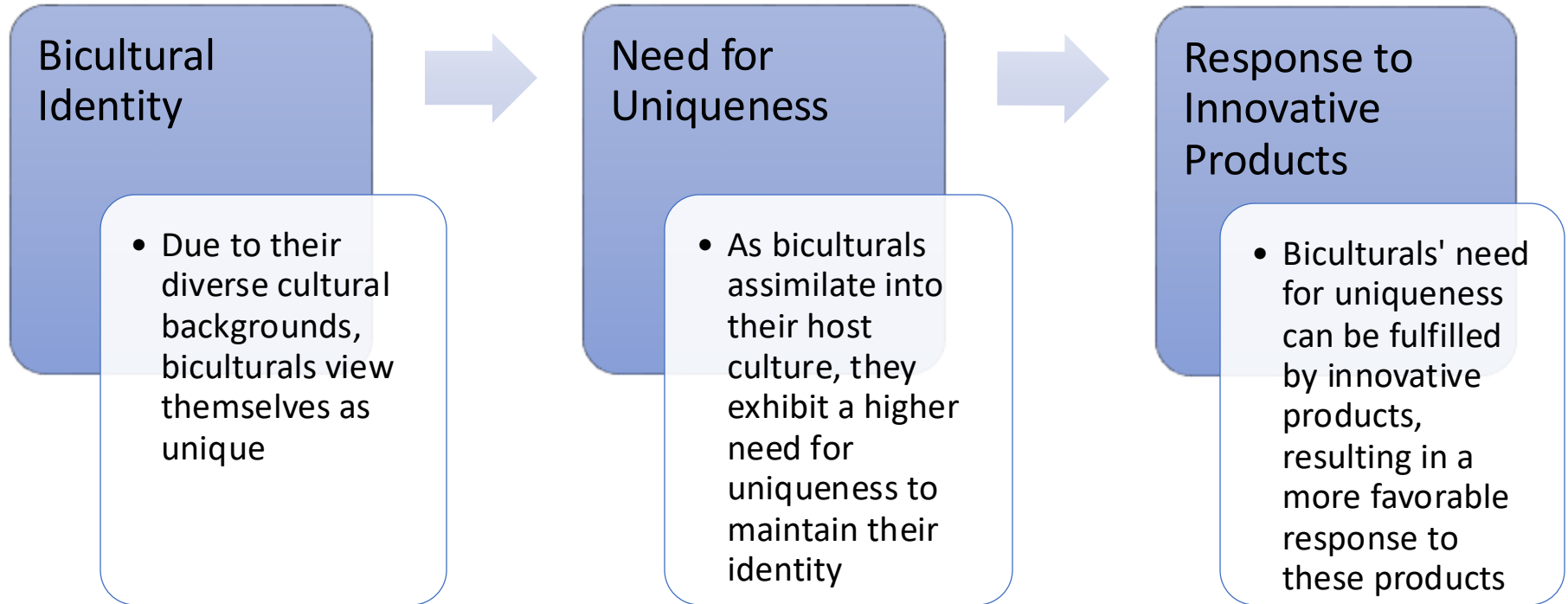
Embrace being rugged and sophisticated to get noticed. Getty/Adweek

What You'll See Next (From Insight to Impact)

- **Proof:** Multicultural consumers choose the new more often (field + consequential choice; watch for the signature uplift figure)
- **Mechanism:** It's Need for Uniqueness (NFU)—not novelty/risk—that drives attitudes and adoption
- **When/Who to prioritize:** Identity-salient cues and high frame-switchers amplify response—translating into a practical playbook (segment, message, scale)



The Manager Model



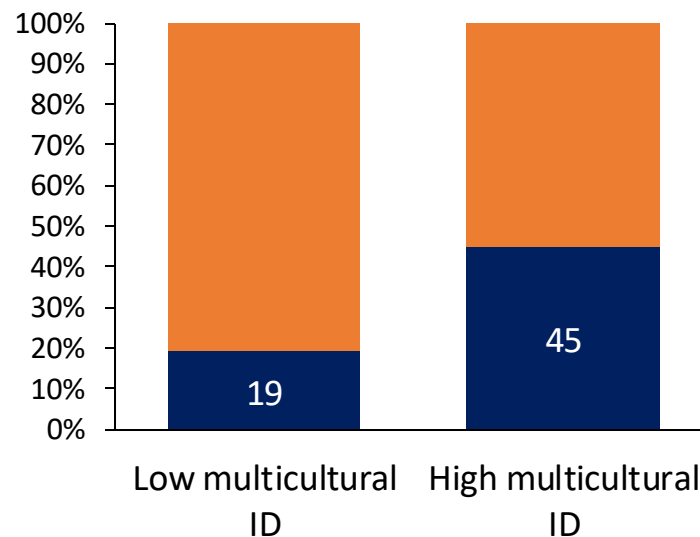
Evidence I: They Choose the New

Innovative

Control



Spanish Rice with Asian Veggies Spanish Rice with Mexican Veggies



Evidence II: Consistent Across Categories

- Fusion
- Really new products
- Articles on innovation
- AI-adoption

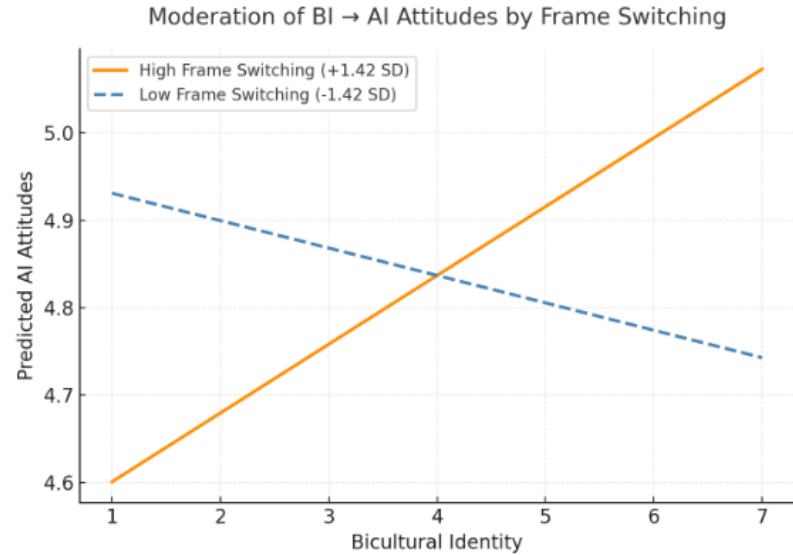


Evidence III: The Why

- **NFU mediates identity → innovation attitudes/choice** (indirect effect significant across studies)
- **Controls don't explain it:** novelty-seeking, risk-taking drop out once NFU is entered
- **Design cue:** Position the offer as self-expressive/distinctive (not “edgy/dangerous”)



Evidence IV: Context Cues & Very New Tech



The Multicultural Innovation Playbook

Segment	Position & Message	Scale
<ul style="list-style-type: none"> • Focus on dual-identified consumers; prioritize high frame-switchers (proxies: dual-language use, bilingual search/social, code-switching in reviews). • Over-sample them in concept tests and early betas (early-demand panels). 	<ul style="list-style-type: none"> • Lead with distinctiveness/self-expression (NFU) in the value proposition. • Use authentic identity cues (bilingual, transadaptation); wink-and-nod when deeper cultural meaning is needed. 	<ul style="list-style-type: none"> • A/B by segment (really-new vs incremental); track trial→repeat and identity-engagement signals. • Promote when lift holds; graduate pilots to broader audiences.

Key Takeaways

- ❑ Treat multicultural consumers as an innovation demand pool
- ❑ Design for Uniqueness in messaging
- ❑ Find high frame-switchers for cutting-edge launches
- ❑ Prove it, then scale it (A/B by segment; track trial → repeat & language/engagement)

Q&A: Your Move



¡Gracias!



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