

Christian Grönroos Interview (10 May 2013, Newcastle, Australia)

Pires:

I am interviewing Professor Christian Grönroos for the Ethnic Marketing book. I have provided some questions to possibly guide the discussion. All that is being taped is going to be transcribed and sent to you for approval before it will be used in any way in the text. Once the transcription is approved, I may use excerpts in the text or combine this data with other data from other colleagues and use it to support evidence or create new ideas.

For this text, we are interviewing a number of selected scholars, not necessarily self-recognised experts in Ethnic Marketing but certainly knowledgeable in Marketing. Here the idea is that, if you do not practice ethnic marketing because you don't agree that ethnic marketing is important, then this is very important for ethnic marketing.

As we start, I must note that you stated that you never actually reflected on ethnic marketing issues as a marketing professional so the statements that follow reflect your understanding of the world, not the result of scholarly research.

Grönroos:

Exactly. It is important to say this because these thoughts are kind of a personal perception, not based on research.

Pires: The first question is - what is ethnic marketing?

Grönroos:

The phenomenon of the inflow of people from abroad settling anywhere in the world is only recent in Finland. People are coming from abroad for various reasons: looking for work, as refugees, and this means that when Finland opened up at least it was not to bring in workforce. It was more to allow refugees to get a place. We have a problem here that immigrants do not easily get a job, although there are jobs available, because we are not used to it, to immigrants, to foreigners who don't speak Finnish or Swedish but mainly Finnish, being the major language. So the situation is different to many other countries. Now what I understand with ethnic marketing is that you firmly and deliberately consider target groups of people that have a cultural context other than that of the mainstream context. I would briefly say this is what I think it is.

Pires: In the global world where we live, not too many years ago there was this movement towards globalization where we start talking about the global consumer, and this a little bit against the direction of these groups, identified by their ethnicity or by their

culture. Although you may have not had first-hand experience doing research in those areas, can you see the importance that those groups might have for marketing, to the extent they might justify targeting?

Grönroos:

Yes, if they grow big enough. Otherwise it would probably not be cost efficient for the marketer.

Pires: Unfortunately we had a technological failure and did not record what you were saying. We were talking about your perception of the Latinos and the Hispanics in the United States.

Grönroos:

Yes. I said I lived for some time in Phoenix, Arizona, as a Visiting Professor at the Arizona State University. Of course there is a huge Mexican population there and I have seen the situation. I can relate to it and it's very clear to me that there is a lot of what I would at least understand as ethnic marketing going on there, where you establish restaurants, stores, grocery stores and probably other types of establishments that directly are, let's say, ethnic related and also develop marketing programs around that. TV commercials are what I have mostly been exposed to, not too much of other types. It really does a lot of sense to market in the Spanish language and I also understand the difference in how the same program would be implemented to an English background or let's say, to an English speaking community or target group. So, yes, I can understand where ethnic marketing might be justified, and that this happens because the target group is big enough. I mean, it's really big.

Pires: Substance is a very important issue.

Grönroos: I think so.

Pires: One of the other issues would be a common cultural background. That means that there must be some degree of homogeneity within the group and of heterogeneity in relation to the other groups, to the mainstream, otherwise there is no justification to target the group separately. If you react to marketing stimulus in the way that everybody else does, then we don't have any need for special marketing programs. It's just the same marketing programs for everybody.

Grönroos: Yes, unless there is a language problem.

Pires: Language is also an important factor. Would you say that the Mexicans are part of the Hispanics?

Grönroos:

Well, to me they are, but I may not have an in-depth enough understanding now of the ethnic situation or background. So I say yes, but it may be wrong. I mean, the Americans tend to say that Europeans are Europeans, but there is even a huge cultural difference between Fins, Swedes, Norwegians and Danes, who are supposedly four people speaking languages that are partly similar, but partly are not.

Pires: Globalization, European Union, countries that are perceived by politicians as being supra countries, supra nations. Chancellor Merkel recently suggested that countries should give up a little bit of their autonomy to look at these groups. I am not interested in the politics of the issue but the reactions have been that this is dangerous.

Grönroos: They are very worrying and dangerous yes. That is my perception as well.

Pires: What we need to do is to maintain our independency of thought, regarding...

Grönroos:

Rather, my perception is not give up too much of our independency, not beyond a point that we can bare.

Pires: Focusing on technology and ease of transport. We are much more mobile than before, or at least we can be much more mobile. That makes that consumers can move from areas to areas without necessarily feeling the need to integrate themselves. Do you think that information and communications technology, the Internet, the ability to communicate with friends on a daily basis, with families in your home country although you may be thousands of kilometers away, affect your perceived need to try to shed some of your cultural characteristics and preferences and adapt to the host country? That is, do you think that ethnic marketing can become more important because there is ease of transportation and communications so that you can keep your cultural characteristics or, in contrast, we are going to become all the same?

Grönroos:

Without knowing anything based on research, my spontaneous reaction would be that it is more complicated than that and more the other way around perhaps. I am worried about the culture of imperialism of those who are in power, not the political imperialism, because they are the European Union. As you know, the countries will very often say that enough is enough so to speak. Some more determined say yes, they might go a little bit according to Merkel's suggestion - maybe it was not a suggestion, only a thought. But I

don't think these go in parallel sometimes and are not connected. The political development and the possible drive towards political imperialism means that we would go towards the federal European Union and the cultural imperialism, which is what we see in marketing. And it's quite clear, and I guess, everywhere. But what I see in Scandinavia, that the younger generation are born with the Internet and the international contacts that the Internet is increasingly offering, and also the one unified language, English, that the Internet not only offers but almost demands. And that is what I mean when referring to a kind of an imperialist culture. We don't know where that will lead. Will that not affect the need for thinking in terms of ethnic marketing or will it lead to a more unified English/American/Anglo Saxon cultural marketing influence? It's too early to say.

Pires: One argument is that improved technology allows you to communicate with your own home country, with your family, with your friends, to listen to radio from your own home country. This will create a lesser need for a migrant family, for example, to try to integrate themselves. The idea is that they don't want to become the same as the people in the host country. They are simply living there, adapt to the rules of the host country, but keep their identity. What this means is that they are stable as a group.

Grönroos: Yes, I know about that argument.

Pires: Therefore, stability is awfully important since, once we have substance, we have stability, and we have conditions that marketers can target. In contrast, some say that if I live in a country and I am satisfying my needs with the help of technology, I actually do not need to accommodate myself to the group of my countryman in this country. So there is less need for businesses to look at my own needs because I am satisfying myself otherwise.

Grönroos

Yes, my spontaneous reaction, well maybe not spontaneous, as I have thought about it – as a normal citizen with an academic background - is that there are many forces that are pushing in different directions. What I said about cultural imperialism is one force which is very strong indeed.

But, you know, on one hand people in the mainstream group still communicate with each other in the social media in Swedish, in Finnish and in the other languages; but when they go global in the social media, playing games or in other ways getting in contact with people from other countries, then there is this one unified almost imperialistic influence from the English language. With the language, I think, comes the Anglo Saxon culture to some extent. And then there is the force that you mentioned here... 'I belong to an ethnic group and with the new technology I can keep in contact with my group in my home

country and other countries', and that again will draw towards maintaining an ethnic cultural situation. And all these forces, and there are probably others, are there with various strengths for various people or various groups of people, creating an influx and I have no idea where that will lead.

I mean, I know the discussion about cultural background, ethnic cultural background, religious habits following from ethics or religious backgrounds that are maintained more in the new country than before, where this doesn't at all fit the demands of the culture and how we should behave. For example, there are discussions about how you treat girls and so on, and there are even examples in the Nordic countries about what may happen when this cultural ethnic religious thoughts and habits persistently are maintained and then implemented.

Then there is the other thought that other ethnic people want to integrate and learn the language and don't want to stay just with their own ethnic group and all these forces.

Pires: So, what is business to do?. Just give up or ...

Grönroos:

No. I think there is a huge opportunity for niche market and niche firms, once the ethnic group grows big enough for that. And there is, I guess, a good idea that big firms stay away if the ethnic group doesn't grow to become attractive enough. It may not be big enough for specific ethnic marketing approaches that would require a different marketing program to some extent. Maybe even a different service and different products, and different advertising, and different argument, different media and things like that. So, I have no clear view about where are we really going but I see these conflicting forces that drive in various directions.

Pires: Did you say that there are at least four different groups, different cultures in Finland?

Grönroos:

I said in Scandinavia. I said Swedes, then Danes, the Norwegians then Icelandic which also belong there in that area. The Nordic area has a lot of similarities, but a lot of differences too. Finland belongs to the Nordic area together with the Scandinavian countries, and the culture is predominantly Scandinavian-centered, but the Finnish language is different from the other Nordic languages.

Pires: So you would not use the same marketing strategies in those countries?

Grönroos:

Well, the basic marketing strategy you would. But you look at, for example, advertising programs in Sweden and Finland. There is some of the imported global advertising that is just translated to the language and sometimes even used in English language. I mean, that's the cultural imperialism in marketing. But then much of it is distinctly different. The way a TV commercial is developed, how the story is told, how you argue, what you argue, what you are pointing at, how much the product is there or how much there is a story around it. There is clear difference.

Pires: Suppose a group of Norwegians, large enough, moves to Finland. It's large enough to make a group of its own, to create its own resources, but perhaps not large enough as a proportion of the population to attract the interest of the large organisations in Finland. Do you think there is an ethical issue here if the desires, the needs of this group are not met?

Grönroos:

No, when I said that there are cultural differences in Scandinavia, in the Nordic countries, I don't think they are big enough to warrant that. No, I don't think so. What I actually wanted to illustrate is that even in European countries, in close vicinity of each other, there are differences. They are not that big. So there is an example of Norwegians moving to Finland or Fins moving to Norway - that is more normal. There are lots of Fins working in hospitals as nurses in Norway, working in the oil industry or working in the fishing industry because they pay so much more.

But, as far as I understand, there is really no ethnic marketing in that sense. As far as I understand, I may be wrong, I think the cultural differences are not that big, so it really creates a problem for the Fins there and not for the Norwegians. Between people from the Nordic area and from the Mediterranean area there would be considerable cultural differences, although all are Europeans.

Pires: So the strength of the difference is likely to be important.

Grönroos:

Yes, I think so. But the conclusion would require theoretical thinking and I am going back to the Norwegian group coming to Finland. I don't think this would create a problem. The only problem would be language, until they perhaps learn. But there is some marketing Swedish do, depending on where they live in Finland, in Swedish. Of course Norwegians understand 100%.

Pires: You did make a very interesting point about how English is gaining as the common language, but one of the problems I identified in my own research many years ago, is that that the Portuguese community in Sydney involved a substantial number of

people that never actually learnt English and they still have no incentive to do that, because they live within the Portuguese community. They have all these Portuguese press, different TV channels, access to the Portuguese News and the Portuguese channels on the internet. What that means is that rather than that group becoming closer to the mainstream, they can easily remain separate. Also, I promise you that nobody in the mainstream group is actually looking at the Portuguese radio, or the Portuguese TV. So the point is that the Internet while creating this accessibility

Grönroos:

It also enables this encapsulating of yourself in your own culture and therefore driving them away. There are two forces. There are many forces that are conflicting. I can see that, yes. But there is also this imperialistic force that will ride towards one language, and with one language comes one culture. It's there and the question is how long it will continue the influence.

In the longer run, the younger people become more global in this sense, due to social media globalization, social contacts, games and various other things. I mean, this is nothing new. We just look, again, at the Scandinavian point of view. Now it's English, in the 18th century the French language and the French culture were influencing heavily the nobles and then it was dripping down towards the bourgeoisie to some extent - quite a lot in some places, whereas in rural areas not at all. In the 15th or 16th centuries, the German and the German culture did the same thing. So there is nothing new under the sun anywhere I guess. The methods are different and maybe the pace can be quicker or slower. I think quicker now but there will always be in my guess, conflicting forces.

Pires: So in your informed field, given the pace of technology change as it is recently, all the things that you can do today that you were not able to do in the past, where do you think this is going? Is ethnic marketing, the individuality of people being enabled or..

Grönroos:

Well, for the time being, I would think that there is a case for ethnic marketing, but in the future, I don't know and I don't dare to speculate.

Pires: Thank you very much.

END OF INTERVIEW