

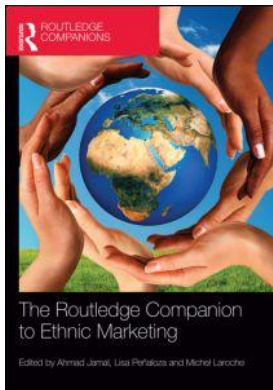
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## The Routledge Companion to Ethnic Marketing

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### **Ethnic marketing, ethnic entrepreneurship and social innovation**

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# Ethnic marketing, ethnic entrepreneurship and social innovation

*Abid Mehmood, Ahmad Jamal and Ven Sriram*

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## Introduction

This chapter provides a novel perspective on ethnic marketing by looking at the specific case of social innovation as a marketing strategy employed by ethnic entrepreneurs. Ethnic marketing reflects the practice of marketing to one or more segments of consumers with a specific ethnicity. Such practices are often used by mainstream marketers interested in capitalizing on the opportunities arising out of a growing cultural diversity in the marketplace. In this context, Pires and Stanton (2005) emphasize the importance of understanding culturally specific needs and developing resonant ethnic marketing strategies. Ethnic minority entrepreneurs (henceforth, ethnic entrepreneurs) are best placed in serving the unique cultural needs of ethnic minority consumers given they share the same or similar cultural values, traditions and histories.

Steady rise in ethnic minority populations across the Western countries and subsequent growth in demand for ethnic products have provided significant entrepreneurial opportunities, as well as competitive advantage to those who know and share specific needs of ethnic minority cultures by moving into niche areas that require low economies of scale, have low or unstable market demand and are ignored by mainstream business enterprises (Jamal 2005; Morris and Schindehutte 2005). Networks of small ethnic enterprises act as distinct marketing systems within the national economies. Iyer and Shapiro (1999) and Jamal (2005) argue to consider the marketing strategies adopted by such enterprises as a benchmark against which to develop relevant ethnic marketing strategies. Others argue that ethnic minorities act not only as consumers but also as producers (e.g. Peñaloza and Gilly 1999) playing a significant role in the socio-economic development. Ethnic entrepreneurs take an active interest in identity-based relations acting as cultural intermediaries and facilitators of culture swapping (Oswald 1999) and 'frame switching' (Luna *et al.* 2008). They are hugely successful in developing and implementing innovative ethnic marketing strategies (Jamal 2003; 2005).

Despite this, the extant ethnic marketing literature largely ignores the creative and innovative practices (in particular those which are socially innovative in nature) adopted by ethnic entrepreneurs. This is surprising, given socially innovative initiatives potentially contribute not only to market co-creation of customer value but also help achieve wider social, economic and environmental sustainability of the markets (Peñaloza and Mish 2011). This chapter aims to fill this void in the literature by exploring some key social innovations especially through the

norms, relationships and networks of trust and reciprocity adopted by ethnic entrepreneurs in their efforts to develop effective ethnic marketing strategies. In doing so, the chapter reviews literature relevant to ethnic entrepreneurship and highlights relevant issues for ethnic marketing. The aim is to further enrich theory development by advancing substantive understanding of intercultural market dynamics, knowledge generation and future research relevant to ethnic marketing. The main beneficiaries of this knowledge are likely to be the mainstream marketers interested in targeting ethnic minorities who can further enhance their understanding of the cultural mechanisms at play in developing socially innovative ethnic marketing programs.

The chapter also aims to contribute towards the extant entrepreneurship literature that tends to focus largely on discussing a) the impact of ethnic minority entrepreneurial actions on local economies and b) involvement of entrepreneurs within respective ethnic minority groups in a specific context or country. Examples include studying Brazilian and Hispanic entrepreneurs and their actions in the US (Siqueira 2007; Wang and Li 2007). The literature also places a considerable emphasis on the self-employment aspect of ethnic entrepreneurship as a survival strategy in the context of social and economic exclusion that ethnic minorities face in Western economies. However, the literature fails to take into account deliberative aspects of ethnic entrepreneurship and the extent to which highly motivated individuals and ethnic minority groups change and shape their careers and destinies by engaging in social innovation practices, and the impact their entrepreneurial actions have on local communities. The chapter aims to fill this gap in the literature by highlighting the ethnic marketing/ethnic entrepreneurship interface, and in particular the cultural networking and social innovation aspects of ethnic entrepreneurial marketing activities.

In the following sections, we first elaborate on the concept of ethnic entrepreneurship and its economic and social impacts in a multicultural marketplace. We then focus on discussing the role of social capital in building and bridging social and economic relations through ethnic entrepreneurship. Next, we argue for social innovation as a marketing mechanism for ethnic entrepreneurs. Finally, we examine the importance of ethnic entrepreneurship as an ethno-marketing strategy and its impact on social and economic development and prosperity.

## Understanding ethnic entrepreneurs

One can develop a better understanding of ethnic entrepreneurs by looking at the notion of entrepreneurship, which can be defined in different ways and in different national social, cultural and economic contexts. The conventional approaches see an entrepreneur as a person who starts-up a small, successful business, but also as a risk taker who identifies opportunities and manages scarce capital and resources. For our purpose in this chapter, we adopt a more specific definition provided by Joseph Schumpeter (1934) who stresses the role of entrepreneurship in fostering innovation and change. His socio-economic views consider an entrepreneur as a creative innovator who can bring new ideas, approaches, objectives and procedures, or attempt a combination of all (Becker *et al.* 2011) especially for the purpose of market access and strategy-making.

Key defining features of ethnic entrepreneurs can also be better understood by looking into the ethnic entrepreneurship literature, which brings together two distant categories: a socio-cultural category such as ethnicity and a socio-economic category that reflects self-employment (Kloosterman 2010). Ethnicity and ethnic entrepreneurship thus are different but interlinked concepts. Ethnicity refers to a common identity that can be based on language, traditions, culture, heritage or norms (Tapsell and Woods 2008). Ethnic entrepreneurship brings together 'a set of connections and regular patterns of interaction among people sharing common national background or migration experiences' (Waldinger *et al.* 1990). It is not simply based on ethnic

grouping, but refers to the levels of involvement of an entrepreneur in the community (Chaganti and Greene 2002).

A number of studies have looked at the patterns of relationships that lead to new marketing initiatives through a combination of various support mechanisms within specific communities of ethnic entrepreneurs. These particularly include, in the United States, Japanese Americans in California, Chinese Americans in New York, Cubans in Florida, Koreans in Atlanta and Pakistanis in Texas (Chaganti and Greene 2002). In Europe, there are examples of Turkish and Vietnamese entrepreneurs in Germany, Moroccans in Belgium, Algerians in France, Indonesians in Netherlands and generally South Asians in the UK. The processes of social and economic marginalization and exclusion also mean that ethnic enterprises tend to locate in the informal sector and specific areas (Samers 1998; Mingione 1999). Such initiatives can take advantage of the opportunity structures at the individual, community or institutional levels (Kloosterman 2010). Coming back to the statement by Chaganti and Greene (2002) on the importance of engagement in a community, it can be argued that this is the major distinguishing factor that sets ethnic entrepreneurship apart from other forms of entrepreneurial initiatives in terms of its innovative content and opportunity space for developing specific marketing strategies.

The literature has long recognized the 'push' and 'pull' motivations, sometimes characterized as 'negative' and 'positive' motivations (Dawson and Henley 2012) that serve as an impetus for entrepreneurship. In the case of ethnic entrepreneurship, these factors are also important, although the specifics may be different in each case. For instance, while lack of employment opportunities or job dissatisfaction may 'pull' groups, language barriers or the non-acceptance of qualifications and credentials earned in another country are much more likely to be a factor that 'pushes' immigrants to become entrepreneurs. The Global Entrepreneurship Monitor (GEM) has a similar classification – 'necessity' entrepreneurs are those 'pushed' into self-employment as a result of limited available alternatives to earn an income whereas 'opportunity' entrepreneurs are 'pulled' into it by perceiving economic opportunity. Dawson and Henley (2012), however, caution that more clarity is needed in identifying these motives, whereas Williams and Williams (2014) argue for moving away from the necessity/opportunity dichotomy of entrepreneurial motivation since motivations change over time, frequently shifting between necessity and opportunity, and that the motivations are often a mixture of both compulsions. However, success or failure of ethno-marketing strategies may also depend on the extent ethnic entrepreneurs are pulled or pushed into the economic cycle.

Ethnic entrepreneurs contribute to society in many different ways, which can be broadly divided into economic and non-economic benefits. First, self-employment circumvents the barriers that exist in the form of fewer opportunities for employment, limited access to resources, insufficient knowledge of opportunities or discrimination from the employers. Second, there are opportunities for further job creation in the form of apprenticeships and employment from the self-employed ethnic entrepreneurs, sometimes leading to the emergence of local social networks and identification of new market potential. There tends to be a strong sense of social-capital-building for ethnic entrepreneurs through networks within their own ethnic communities and by bridging with their suppliers, customers and other networks associated with their businesses (Waldinger 1986; Deakins *et al.* 2007). Ethnic entrepreneurs also help fill the gaps left vacant by other entrepreneurs or businesses in specific sectors. In terms of non-economic benefits, the location of business helps shape a strong sense of citizenship and connection with the place, thus revitalizing and reviving local neighbourhoods and new marketing opportunities. There are also opportunities for more social and economic integration and cohesion within and among the communities in those neighbourhoods. This is particularly important in the wake of transnational monopoly capitalism and the large business corporations that have restricted the role

of entrepreneurship to the marginal sectors such as artisanal activities, craftsmanship, cottage industries and creative arts (Jenkins 2013).

### **Ethnic entrepreneurship and social capital**

Social capital refers to such networks and norms of co-operation and reciprocity that offer opportunities for individual progress, ethnic entrepreneurship, civic engagement and economic advancement besides a number of personal and social benefits (Candland 2004). Pierre Bourdieu (1986) defines it as ‘the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition – or in other words, to membership in a group’. Bourdieu designates social capital as benefits that can be obtained either from a sustainable and long-lasting network of relations or from belonging to a specific group. In this category, social capital brings its own exclusionary dynamics and hierarchical social relationships. Hence, ethnic entrepreneurs take advantage of the social capital when they have long standing relationships or strong internal contacts for marketing within the community.

On the other hand, James Coleman stresses that social capital does not belong to individual agents, but emerges from the network of relations between the actors. Accordingly ‘persons’ actions are shaped, redirected, constrained by the social context; norms, interpersonal trust, social networks, and social organization are important in the functioning not only of the society but also of the economy’ (Coleman 1988, p. 96). Here, social capital is just one among the many resources available to an agent besides the human capital (own expertise), physical capital (tangible assets) and economic capital (investment and finance). Hence, ethnic entrepreneurs with good links in the community (based on trust, friendships and family ties) will have access to a specific form of social capital (and market) that may not be available to the others.

Robert Putnam defines social capital in terms of the ‘features of social organization such as networks, norms, and social trust that facilitate coordination and co-operation for mutual benefit’ (1995, p. 67). Personal trust, for Putnam, is transformed into social trust through the application of norms of reciprocity and networks of civic commitment. This provides a public and ethical face to ethnic entrepreneurship wherein community relations are bilateral and are based on real commitment of the entrepreneur towards the community and society. Ethnic marketing strategy in this instance would essentially build on mutual trust.

The literature also highlights the ‘linking’ role of social capital that refers to the ‘norms of respect and networks of trusting relationships between people who are interacting across explicit, formal, or institutionalized power or authority gradients in society’ (Szreter and Woolcock 2004). Examples may include vertical interaction relationship with the institutions and groups that are not on similar social, economic or power status. Based on these notions, the Organisation for Economic Co-operation and Development (OECD) defines social capital as comprising of ‘networks together with shared norms, values and understandings that facilitate co-operation within or among groups’ (OECD 2007, p. 103). These groups are defined by the UK’s Office of National Statistics (ONS) as referring to: geographical groups (based on people living in a specific location), professional groups (based on occupations, or memberships of specific organizations), social groups (based on family, religious or ethnic ties) and virtual groups (linked through social media or special interests) (ONS 2013). The access to social capital can also determine the success or failure of ethnic marketing strategy, where personal relations that are based on ethnicity can provide more opportunities based on trust. Access to specific forms of social capital, therefore, helps ethnic entrepreneurs to become socially innovative. Subsequently, successful social innovations can contribute to social learning and help strengthen

the stocks of social capital (Baker and Mehmood 2015). Peñaloza (2009), while making the case for the criticality of community development in social marketing, refers to the importance of social differences in terms of ethnicity, race, gender, religion and mobility in market development. This can help, she argues, to understand the role of cultural and social capital and social relations in specific consumer markets.

## Entrepreneurship and innovation

The ethnic entrepreneurship literature has traditionally focused on the market-based economic aspects of self-employment through entrepreneurial activities (e.g., how the economic strategies of ethnic actors become more competitive to promote local economies by catering for co-ethnic groups, serving as middlemen entrepreneurs, or reaching out to the larger markets). However, an area that remains underexplored is the bottom-up initiatives for economic survival by accessing social capital for entrepreneurial activities (bonding and bridging social capital) and developing social relations and the possibility to engage with the society at large. This weakness can be mended by looking at the socially innovative character of an enterprise and the community (or market) it primarily serves. The social innovation lens here can help address the bipolar social/economic views of ethnic entrepreneurship and provide an integrated approach to the contributions of ethnic enterprises to the society and economy with more positive societal understandings and relations at different spatial scales (local, regional, national). Drawing on research from ethnic minority enterprises in Scotland, Deakins *et al.* (1997) argue that innovation plays a key role in the success and development of such enterprises and their marketing strategies. They further demonstrate that effective networks and personal contacts are a major source of bridging social capital in the peripheral markets. However, access to finance remains a crucial barrier to their effective marketization and diversification.

## Social innovation and ethnic marketing

Social innovation can be generally defined as innovation in fulfilling social and economic needs that are beneficial to the communities (Phills *et al.* 2008; Murray *et al.* 2010). These innovations can be in the form of new ideas, products, services, management systems, marketing mechanisms or actions that are more effective than the conventional charitable, market-led or public policy approaches in meeting social and economic issues in a society (MacCallum *et al.* 2009). It therefore refers to the individual or collective entrepreneurial initiatives that have stood the test of time, space and geographical boundaries (Moulaert *et al.* 2013).

In market economy terms, social innovation can be seen as a set of social and economic practices embedded in the activities and institutions ranging from the everyday family and community life to the norms of production, consumption and social relations. These views require that the producers and consumers should not be looked at from pure economic rationale only. It demands taking into account the different kinds of social and economic capitals, relationships and practices from the micro to the macro level, thus providing a new vision to ethnic marketing. Such an approach can help ethnic marketers and entrepreneurs develop cultural relational capability (e.g. Ngugi *et al.* 2010), enabling them to cope with diverse cultural systems in the multicultural marketplace. The approach is also in line with the new service dominant logic in marketing (Vargo and Lusch 2004), which elaborates on how multiple actors co-create value together with emphasis on building relationships, sharing of knowledge resources and multiple interactions. As value can be created in different ways, ethnic marketers can build and operate alternative structures to provide goods and services addressing social and cultural needs and,

hence, develop and maintain social harmony in situations where a lack of will by mainstream marketers prevent effectively addressing important social needs.

The focus on social marketing aspects of innovation can be traced to the emergence of Irish Loan Funds in the 1720s as socially innovative and independent microfinance institutions, complementing the banking system. Besides offering relatively higher loans at lower interest rates to the poor, their success is attributed to the use of social monitoring and peer pressure to ensure regular repayments and recovery at minimal costs in the wake of extreme social, economic, political and geographical conditions (Hollis and Sweetman 2001). The Funds proved a valuable measure during the Great Famine. Social innovation, therefore, emerged as a reformist ideology stemming from the theories of social, economic and political organization (Godin 2012). The approach re-emerged in the 1980s to describe 'practices that are more or less directly aimed at allowing an individual or a group of individuals to deal with a social need or a set of needs which could not be satisfied by other means' (Chambon *et al.* 1982, p. 8). More contemporary definition regards social innovation as 'a novel solution to a social problem that is more effective, efficient, sustainable, or just than existing solutions and for which the value created accrues primarily to society as a whole rather than private individuals'. (Phills *et al.* 2008, p. 36).

There are two conventional foci of social innovation in entrepreneurship literature and applications. The first focus is on the social nature of an enterprise, i.e. the firm as a point of interaction for social relations in a community. Here technological innovation goes hand in hand with the innovation in social relations. Technological innovations, such as new marketing strategies in this case, would remain ineffective if they do not take into account the social needs of the target customers. The second focus assumes the enterprise playing an active social role in a society. In ethnic marketing terms, the enterprise should establish its image as a socially responsible entity. Activities in this respect may range from corporate implementing social responsibility, to the promotion of social economy initiatives that are ecologically robust, socially sustainable and follow sustainable businesses models (Moulaert and Nussbaumer 2008).

These two foci are criticized by Moulaert (2009) as an attempt towards the commodification of social relations within and across the enterprises. Instead he suggests a model of social innovation that is practiced by social economy enterprises, i.e. to build bridges (bridging social capital) between the improvement in social relations and emancipation of collective action. He proposes three basic but interrelated tenets of social innovation for the benefit of communities: satisfaction of basic needs of the population, improvement in social relations among people and community empowerment. Empowerment in our case refers to how the needs of ethnic and minority communities are acknowledged and how migrant populations and ethnic groups can have equal opportunities to engage in the social and economic activities in a society (Moulaert *et al.* 2007). Not only does this provide an alternative in the cases where traditional market mechanisms of protectionism tend to fail, but also promotes the practices of social solidarity and reciprocity in a community (Moulaert and Nussbaumer 2005).

In a related domain, ethnic marketing can be seen as a vehicle of innovation through the role of social enterprise. From practitioners' perspective, any entrepreneurial initiative designed to help people, whether for- or non-profit, can be classified as a social enterprise. A more nuanced approach considers only those ventures that are socially innovative but have the vision for a transformational impact as social enterprises (Martin and Osberg 2007). Typically, these organizations have an 'enterprise' side and a 'mission' side where the former generates part or all of the revenues to fund the latter. In some cases, the enterprise is able to integrate the two. Nicholls (2006, p. 23) defines social entrepreneurship as 'innovation and effective activities that focus strategically on resolving social market failures and creating opportunities to add social

value systematically by using a range of organizational formats to maximize social impact and bring about change'. In addition to creating economic value, social entrepreneurship focuses on creating social value although the innovative pursuit of social value can occur across different contexts, spaces and organization forms (Smith and Stevens 2010). However, our review of literature identifies little empirical research investigating the extent to which ethnic entrepreneurs engage in social entrepreneurial activities and the value of such activities for ethnic marketing. Despite many national governments promoting policies to support and increase the number of social enterprises, it remains a relatively excluded area for ethnic communities. From a study of third sector ethnic minority organizations in East London, Sepulveda *et al.* (2013) argue that there is very little policy support for ethnic entrepreneurs to establish and nourish social enterprises.

There are certain barriers to innovation that are typically faced by ethnic entrepreneurs in the marketing and promotion of their businesses. For smaller (or new) entrepreneurs these may include barriers to developing and establishing the enterprise, lack of sufficient information and training, problems with access to material goods, marketing to the larger consumer base and interpreting the legislative framework (Lapie 2000). Based on a qualitative survey of new migrants in the UK, Jones *et al.* (2012) term such barriers as structural disadvantages. Ethnic entrepreneurs are particularly expected to suffer from these structural patterns of handicaps. It is here that social capital and network ties can be useful to such entrepreneurs both in navigating these barriers as well as providing a source of informal financing through embeddedness in ethnic and social groups.

There are some interesting cases of support mechanisms to counter such barriers. One of the pioneering research comes from Hillman (2009) who uses the examples of Turkish and Vietnamese migrants in Berlin to discuss how entrepreneurial initiatives for simple survival slowly achieve formal recognition in the society and become an integral part of the local economic revival. She illustrates the potential of social innovations – initiated in response to marginalization of ethnic entrepreneurs and unsatisfied needs of ethnic consumers – to achieve broader benefits and to help bring about progressive institutional change. Hillman criticizes the narrow interpretation of ethnic entrepreneurship in the literature as mere survival strategies from social and economic exclusion. She argues that ethnic entrepreneurs can become main agents in the processes of social innovation and contribute to the social economy. For example, ethnic communities as urban citizens can build close collaborations with advocacy groups to design inclusive local policies in accordance with the needs of such communities (Varsany 2006). Associated with the trend of ethnicization of cultural activities, Hillman (2009, pp. 159–60) refers to the rise of 'ethno-marketing' as a way to connect the ethnic entrepreneurs besides providing an advertising platform. One such example of success is the magazine *Ethnotrade* in Berlin (Germany). Since Autumn 2002, the magazine is published quarterly with a circulation of 20,000 copies of about fifty pages in each issue. The magazine forms part of a set of marketing strategies for ethnic entrepreneurs. It regularly organizes public fairs, annually awards the most successful entrepreneur of the year and considers the variety of ethno-cultures as stimulants for marketing strategies.

### **Ethnic entrepreneurs as ethno-marketers**

Continuing with the approaches to ethnic entrepreneurship as a set of connections (Waldinger *et al.* 1990), social capital helps bond the ethnicity-based collaborative networks while bridging and extending the relations of respect and trust between individuals and networks outside the ethnic community. The socially innovative character of ethnic entrepreneurship provides



ethnic entrepreneurs with alternative opportunities to promote their businesses and maintain their market shares. These alternative strategies may both emerge from informal networks as well as deliberative attitudes towards risk taking. These attitudes might also emanate from the specific cultural features of the respective ethnic and migrant groups in terms of dedication to hard work, strong sense of belonging to a community, solidarity relations, reciprocity and compliance with the social value systems (Masurel *et al.* 2004). It also helps with the opportunity space offered by the local environment in the local economy. This environment allows possibilities for absorption and economic mobility (Volery 2007).

These traits also potentially bring ethnic entrepreneurs in direct confrontation with large retailers. Although the scale economies of large retailers do not relate with the small niche entrepreneurs, the sense of mutual co-existence is often disrupted when larger stores start catering to the needs of geographic, cultural, ethnic and religious groupings in a city or neighbourhood. With wider infrastructure and price advantages, large stores tend to put the smaller ethnic retailers out of their comfort zones. This, however, is not always the case and there are examples of many ethnic enterprises that continue to innovate and survive in the difficult climates. They do so by means of innovative business practices (social innovations), strong community ties (social capital) and holding on to their market base.

Scholarly work exploring the marketing/entrepreneurship interface (Carson and Gilmore 2000) provides useful insights in highlighting the competency (using inherent and learned skills and knowledge in communicating to and with all parties in a timely manner), networking and innovation (in the whole spectrum of marketing) dimensions of ethnic entrepreneurial marketing. For example, Jamal (2005) explored the marketing strategies of ethnic entrepreneurs and found strong evidence in support of ethnic entrepreneurs engaging in social networking and innovation practices for satisfying personal, social and cultural needs of different stakeholders. At a social and cultural level, ethnic entrepreneurs take an active interest in identity-based relations in business and social life (Iyer and Shapiro 1999) and act as bi-cultural mediators facilitating the construction and maintenance of multiple identities in a multicultural marketplace (Jamal 2005).

Peñaloza and Gilly (1999) relate adaptability as a main characteristic of ethnic entrepreneurs. Their empirical model looks at the role of ethnic entrepreneurs as ethno-marketers through cultural mediation. The model uses patterns of consumption and ethnic cultural characteristics, and considers how these are transformed into the business, consumption and market patterns in the new place. Such interactions help create new cultural dynamics between the ethno-marketer and the local consumer. These new cultures can also contribute to market co-creation with new norms and practices, as well as contributing to social, economic and environmental sustainability of the markets (Peñaloza and Mish 2011). Ethnic entrepreneurs as ethno-marketers embedded in the communities, therefore, contribute to redefining the market logics by bringing new perspectives to the value systems, new market ethics, new relationships between marketers and consumers, reimagining the differences between local and international subcultures and spurring reflexivity for socio-cultural developments (Peñaloza and Venkatesh 2006).

There are also many empirical cases of how ethnic entrepreneurs embrace innovative strategies to transfer business cultures, marketing systems, management trends, shared values and adapt to their clientele in a global marketplace. From an empirical study of marketing strategies employed by family firms belonging to Chinese, Jewish, Korean and South Asian groups of entrepreneurs in the USA, Iyer and Shapiro (1999) argue that many of such small businesses have larger international social and economic impacts. These ethnic entrepreneurs are a key part of international supply chains besides creating market niches and transmitting business values. Often such firms become a major source of foreign direct investment.

An illustrative example is the role of ethnic entrepreneurship in the development of halal food supply chains across major cities in Europe, and particularly in the UK (Lever and Miele 2012). Studies document the perceived value and usefulness of halal labelling among the Muslim community (e.g. Jamal and Sharifuddin 2015). Islamic law specifies foods that are halal (lawful) or haram (unlawful). In particular Islam forbids consumption of pork and alcohol. The term halal, an all-encompassing concept with wide social and cultural connotations, encourages Muslims to use products that promote goodness and social welfare in all aspects of life (Alserhan 2010). Since the large scale migration of Muslim communities to Europe in the 1950s and 1960s, mainly from South Asia, Middle East and Africa, ethnic entrepreneurs have played a significant role in fulfilling an acute religious and cultural need that mainstream businesses were unable to fulfil. With the steady rise in the British Muslim population, demand for halal food and halal meat grew steadily not only for the in-home consumption but also for consumption at schools, hospitals, prisons, airlines, universities, work places, restaurants, takeaways and halal food supermarkets. An extensive network of ethnic enterprises now process and sell fresh halal meat across major cities in the UK, propelling some mainstream supermarkets to follow suit and sell packed halal meat in neighbourhoods with a substantial British Muslim population (Ahmed 2008). Ethnic entrepreneurs were also instrumental in developing halal certification bodies (e.g., Halal Food Authority, Halal Monitoring Committee, etc.) for monitoring, inspecting and certifying halal meat, and thus significantly adding value to overall shopping experiences of British Muslims. Similar examples can be traced in other product areas such as ethnic clothing, music, media and financial instruments where ethnic entrepreneurs serve important social, religious and cultural market related needs; areas largely ignored by other agencies, government and mainstream businesses.

### Assessing the impacts

In order to continue to support social innovation and effective marketing strategy-making among ethnic entrepreneurs, it becomes important to understand whether these strategies and innovations, and the enterprises that deliver them, are successful and have a meaningful impact. While examples of successes abound, research needs to move from anecdotes to more robust and systematic assessments of impact and success. When measurement takes place, it is often the inputs and tasks completed that are measured – number of loans made, awards received, products distributed, etc – rather than output or specific changes such as increased social cohesion or increased well-being of target communities.

One potentially valuable approach to performance assessment is that outlined by London (2009). While originally developed to assess the impact of initiatives aimed for people at the Base of the Pyramid (BoP), the process can easily be adapted and expanded to marketing strategies and innovations that are targeted at other desirable social changes. For example, Mersha *et al.* (2014) apply a modified BoP Impact Assessment process to evaluate the activities of three social enterprises in Africa. London (2009) argues that his framework is a forward-looking tool rather than one based on justifying past results, and looks at both the positive and negative impacts, just as any social innovation should. Impact is determined based on:

- ‘Who’ is being affected? Three potential beneficiaries are identified – sellers, customers and the community in which the enterprise or innovation operates.
- ‘How’ are they affected? London suggests that the one impact could be economic – access to borrowing, increased or reduced debt, income, prices, etc. Another potential impact could be on capabilities such as skills, education, increased self-esteem and well-being of the

community. Finally, social inclusion, new partnerships and networks within the community and enhanced social status could be relationship impacts. There is of course the possibility that some of these impacts may be negative – greater gender and social equality could cause tensions and disrupt traditions in some communities, resulting in social exclusion.

Once the full gamut of the social innovation effects are understood, London recommends that each effect be evaluated on two dimensions: the anticipated magnitude of the effect and the likelihood of it occurring. Clearly, high-magnitude and high-likelihood outcomes are most important in assessing the impacts of ethnic enterprise or their ethno-marketing innovation and the low-magnitude, low-likelihood ones merit the least attention.

## Conclusion

From the discussion above, it can be argued that ethnic entrepreneurs are unique in the sense that they are able to identify the gaps in the market and are in a position to fill those gaps through socially innovative actions and strategies. They are proactive risk takers, aware of the potential competition in the market. They are resilient, although there can be a steep learning curve with high chances of failure, but as social innovators they have the ability to adapt their strategies with new business approaches, environments, demands, and the shifts in consumer base.

This chapter has attempted to explore key academic literature and empirical examples in social innovations especially through the norms, relationships and networks of trust and reciprocity by ethnic entrepreneurs in developing and implementing ethno-marketing strategies. These entrepreneurs increasingly face competition with large retailers over the niche market segments, often through cultural mediation market co-creation and building new relationships with customers through community engagement and sustainable market ethics.

While social innovations can arise from many places and organizations, including social, ethnic and community entrepreneurship, the focus here has been on how ethnic entrepreneurs can leverage their social capital and embeddedness in social networks to create innovative and sustainable solutions that produce value for the local communities as well as for society as a whole. Whereas the anecdotal evidence for the existence of these innovations is strong, we have also proposed a more systematic process for assessing the impact of these innovations and the enterprises that often drive them. By these means, ethnic marketers can also embrace socially innovative strategies to co-produce and transmit business cultures, marketing systems, management practices and shared values, and even broaden their prospects to a global marketplace.

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