

# Ethnomarketing applied to Digital financial inclusion

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**Abstract:** This study addresses Ethnomarketing as a methodology for understanding and cultural intervention in markets. It resorts to the theoretical review of the study of consumption and unfolds a practical ethnographic method on digital financial inclusion.

It focuses on the cultural logics that the use of money acquires in the popular sector. The goal will be to achieve a comprehensive understanding of the cultural factors behind them.

The two parts of monetary transactions are studied: users and merchants of the popular sectors. Digital payment is determined as the meeting point between the two, in which an agreement is established and a relationship is affirmed, according to the forms of community they acquire.

Finally, the contributions of the Ethnomarketing method for the cultural understanding of consumers as citizens are analyzed.

**Keywords:** Ethnomarketing, consumption, digital money, emerging markets, financial inclusion

## 1. Introduction

We analyze how financial transactions operate in daily life, understanding their material and symbolic logics that surround them. Transactions are seen as points of interest for social analysis, understanding their implications since it is possible to understand that the element "money" is part of the moments and actions of daily development.

Therefore, it seeks to understand the sociocultural codes that encompass money, at the level of discourses and symbols that define it. The messages and icons that accompany it allow us to translate and re-signify the forms that financial transactions take.

Finally, the relevance of the ethnographic method for the study of the anthropology of consumption is discussed, as well as for promoting changes in consumer behavior and obtaining elements of effective innovation.

We use an Ethnomarketing process to afford the whole comprehension of a cultural traces beyond the use of digital money and consumption like a social act.

In the Latin American reality, modern consumer spaces coexist with traditional channels, so there is an alternation between the two places. They can be presented with our identity logics and, of course, with their own characteristics but whose channels differ from those of Europe or the United States (Jacinto 2012: 68).

## **2. Conceptual framework**

Etnomarketing is a cultural vision applied to business. It involves an immersion and mentality change process for the researcher. A process of knowledge generation based on the understanding of a specific society from anthropology, sociology, religion, history, economy, politics, society, arts, linguistics, etc. (Nortiz, 2016).

Ethnologist has a commercial origin. Ethnologist being officials of the commercial outpost to other worlds (America, Asia, Africa, Oceania, Eastern Europe) to obtain the cultural codes of commercial exchange. With this, natural resources and communities could be understood and controlled. The anthropology of consumption would arise from the need to understand the influence of culture and society on the decisions of contemporary subjects who resort to the market to survive, compete and collect symbolic meanings for their daily lives. This discipline, by operating on the objective and subconscious matter of behavior, nurtures from cultural studies the ways in which goods acquire symbolic values for people, beyond their instrumental benefits; symbolism or subjective consensus on which the dynamics of modern economies and societies would revolve.

Due to the importance of ethnological-cultural analysis to assimilate products and brands to the symbols of the markets, experts or circles of cultural studies of consumption known as the Cultural Theories of Consumption (Theory of Consumer Culture), which integrate cultural studies, an interdisciplinary science led by anthropology along with literature, art, communication, among others.

### **2.1 Consumption Social Studies**

Since 1899, Thorstein Veblen, a sociologist interested in crossing the studies of economics with anthropology, part of Marx's studies on the market and capital to analyze consumer behavior. For Veblen, any expense can have some excuse for being ostentatious (Thorstein Veblen, 1899).

In 1988, Pierre Bourdieu, renowned French sociologist, presented a sociological analysis of the aesthetic perceptions and consumption of French bourgeois society through its consumption of cultural goods and habits based on a quantitative-qualitative study of French society.

Douglas and Isherwood propose, based on the studies of economic anthropology, an anthropology of consumption that reconciles the social and cultural analysis of the exchange of goods (Douglas and Isherwood, 1990). An instrumental view of consumption as a language or socializing vehicle; a kind of bridge between the subject and the groups with which it is linked. The fields of consumption and culture are dynamic and frontal spaces (Douglas and Isherwood, 1990).

For Marc Augé, the new spaces of consumption are also environments of social and individual transformation, since consumption would invigorate culture from those intimate changes that globalization produces at the level of people. For Augé, there is no identity without the presence of others. Or there is no identity without alterity” (Augé 1998: 57). Consumption becomes part of those intimate changes that globalization produces at the level of people, from shared spaces and co-desired objects.

Los consumidores se convierten en ciudadanos cuando acceden a servicios y productos fundamentales a través del consumo. Genera un empoderamiento y presencia cívica en un contexto actual de economía de Mercado (García Canclini, 1995).

And specifically for anthropologists, the study of consumption processes could be a way of opportunity for new social dimensions rather than a work of analysis of cultural containment. While for economists, consumption is ultimately destruction, in anthropological works its creative aspect is emphasized more” (Huber, 2002).

Likewise, Hofstede defines culture as the collective mental programming of people in different social settings. In his research on culture and organizations (Hofstede, 2010), he developed a model, based on five variables, that reflects the cultural characteristics and dimensions of each country.

Clotaire Rapaille refers to the way in which a civilization or part of it constitutes its common meanings and, by extension, makes decisions based on socio-cultural criteria; which are then incorporated into subjectivity (Veneziani (2014).

## **2.2 Cultural value of Money**

According to Menger (1871), goods are not valuable in themselves. Indeed, its importance lies in its ability to satisfy needs, since our well-being depends on it (Menger, 1871). We can say that this reference to economic history serves as the foundation for subsequent questioning of the rational agent of classical economics.

In the consumer society, attention has been paid to behavior for the development of sales strategies, such as installment sales and credit cards. (Carrasco, 2007, cited in Raiteri, 2016). The consumer inhabits the social space and is therefore subject to constraints, which eventually direct behavior. Del Olmo (2005) maintains that social factors are determined as the groups to which an individual feels identified; and conditions their behavior based on the preferences of the group, either to achieve a status symbol or to follow an opinion leader. There are established a critique of the economic notion of the consumer (Kahneman, 2011) as an entity that makes decisions based on cost benefit. With Ariely, desire is stronger than needs and create their own rationality (Ariely, 2008).

If we talk about the meaning of money, we refer to the subjective value of money not from the subject as an ideal agent, but from this circumscribed in a form of culture (Zelizer, 2011).

According to ICEM (2017), it is not only the ecosystem but also cultural aspects that determine the low penetration of digital money in Latin America, as is the case of the incentive to anonymity that informality promotes. The adoption of digital means of payments requires a multifactorial or rather complex explanation; beyond the concept of rational agent, commonly used in classical economics.

### **3. Methodology**

The study of primary sources was carried out, through unstructured interviews with (05) specialists<sup>1</sup> on the subject: Public sector, Banking, microfinance, academia, digital entrepreneurship.

Likewise, in-depth interviews were conducted with (08) micro entrepreneurs and (08) consumers of 4 popular areas of Lima: Center, North, South, East. It is complemented with observations and accompaniment in work sessions of the target audience, which allow a real and direct record<sup>2</sup> of beliefs, attitudes and habits. The 4 popular areas of Lima are identified. Finally, a survey of 400 cases confirms some elements of habits, uses and beliefs about digital money.

*In addition, (400) surveys were also made of people in the periphery of Lima.*

The general objective of the research is to determine the socio-cultural factors around the use of money in the social class in economic mobilization (emerging middle class); building trends and opportunities for the use of electronic financial transactions.

Specifically, the following objectives were determined:

- a) Community Ecosystem: The state of digital money use and financial inclusion. The understanding of the traits that group the ways of thinking, feeling and relating to the public.
  - Environment: urban planning, space, context of life of the public.

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<sup>1</sup>Interview with specialists:

1. Carolina Trivelli, director of Instituto de Estudios Peruanos, Ex Minister of Inclusión Social and Director of BIM program of ASBANC – Business Union
2. Hilario Chong, Chief of Consumer Knowledge – Banco de Crédito del Perú
3. Beatrice Dellepiane, Director of app Abaxto and specialist on E – Commerce
4. Violeta Vargas, CMO of GS1 – International supply for logistics and bar codes.
5. Gabriela Cárdenas, Gerent of Financial Inclusion, MIBANCO

- Identity: the map of the key characters of the community, hierarchies and keys to identity.
- b) Daily Relationship: Attitudes and intentions towards the use of digital money. Perceived value and efforts of digital money. The registration, description and interpretation of everyday life forms and their relationship with the object of study.
- Economy: the ways of obtaining and spending the resources obtained; in this case it is vital as we talk about money as an object.
  - Rituals: ways of using the object; and rituals in their daily lives. Key community activities that give relevant connotations to the object of study.
- c) Symbolic Codes: Analyze the social factors that determine the use of digital money. Social influence and relationships around the object. The organization of the symbolic elements that have relevance in this community.
- Values: norms, beliefs, attitudes, expectations and perceptions towards money, technology and success.
  - Symbols: verbal, non-verbal, iconic, cultural and commercial language that surrounds the universe of meaning around the object.
- d) Keys to Change: Determine the elements that determine the adoption of technology and digital money. Systematize digital money adoption strategies. Socio-cultural motivators that promote the adoption of digital money.
- Motivators
  - Barriers

A later stage of qualitative - quantitative study with users is proposed to validate the current state of digital money, attitudes, social factors and strategies

#### **4. Results**

Organized around the proposed objectives, the following analysis scheme of sociocultural factors of technology adoption is proposed. This study allows us to formulate conclusions about the ways of approaching technology adoption processes; that allow behavioral understanding to intervene in its modification:

As a result of the surveys carried out, the main means of payment is cash (90%) but within the alternative means, the main one is a credit card, debit card and then a bank agent.

##### **4.1. Community Ecosystem of digital money**

Money is linked to aspects as relevant as work, leisure, goals, security and family union. And its obtaining, through work, is linked to a particular reality that is not uniform in all communities. Spending is going to be organized by adding an emotional character to it.

Specialists	Merchants
<p>It is important to understand money as an artifact. The transition from cash to digital money is a change of support that supposes comprehensive incentives to achieve it; or overcoming existing barriers. The use of smartphones could allow the development of financial inclusion; however, they are inaccessible for most. From what we can assume, there is a dimension that constitutes a gap for digital inclusion.</p>	<p>Cash flows easily between the parts that make up the money ecosystem: user, seller, direct, without the intermediation of banks or authorities.</p> <p>It is direct, without intermediaries or exogenous factors. It is "effective" and it is "the best means of payment" mainly because "they avoid interest payments" and "It is faster".</p>

Digital money is effective when it touches the various aspects of the work, family, residential and business environment; becoming another means to mobilize its digital economy; and not the total transformation or denial of cash. Despite having financial difficulties, there is an emotional use of money.

**4.2. Everyday relationships around digital money**

Money is an element that mediates in social relationships, symbolically or materially. Its flow depends on the constant and trust relationships between user, merchant and suppliers.

Some financial service providers have employed third parties known as bank agents to offer their services to their customer base. They approach the location of the target audience and provide a human image while fulfilling digital literacy work.

Specialists	Merchants
<p>Merchants and users should share the same culture around digitization for digital money to be embraced. The ignorance of any of the parties or distrust of the payment solution, interrupts the relationship between the parties. They assure that it is necessary to</p>	<p>The horizontal and community relationship established between the user and the merchant is vital and key when understanding financial transactions. It is based on this that cash transcends, since it is an element that reaffirms the trust among</p>

guide the learning and adaptation to the use of the tool.	those who negotiate, due to the convenience and immediacy it entails.
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The moment of purchase is also an opportunity for mutual learning, where there is an advisory relationship on the objects of purchase and business that are relevant; and brings the user and merchant into the present when there is a constant relationship as neighbors or co-inhabitants of the sales space.

This moment is key, and the payment consolidates the moment and the relationship between the parties; marked many times by rituals of conformity of transactions. Being present at this moment of consumption is decisive, making the transaction an element of confirmation of the established relationship.

**4.3. Symbolic codes of digital money**

Cash generates a "prison" by having to be mentally and physically aware of its flow, neglecting your personal life. Digital Money is a clear sign of modernity. It is associated with sophisticated technological equipment, modern shopping spaces, formalization, technical knowledge and constant learning

There would be a favorable, but distant, attitude with the use of digital money. And it is because it is related to daily activities; where cash fulfills immediate and routine functions.

Specialists	Merchants
Attitudes towards digital money are not an impediment to its adoption. In general, they rule out that there is a denial towards the use of this medium; rather, the conditions of impulse, technological access and trust in the system would not exist to ensure the sustainability and systematic use of its use.	Digital payment methods have been used as users, but they are not used in your business. In some way, they would be a process alien to the one already instituted on a daily basis. It would imply a convenience for your customers and, at the same time, for your suppliers; so they are not willing to make the effort to require its use from counterparts

**4.4. Keys to Change for the adoption of digital money**

One of the motivators to sustain the use of cash is the decision to remain invisibility of the authorities and other relatives. Money should be used discreetly and with the fewest number of witnesses or trace.

Specialists	Merchants
<p>Payment ecosystem: reliable network coverage between payment methods, telecommunications, banking, channels and regulators</p> <ul style="list-style-type: none"> <li>- Technological Access: affordable electronic devices</li> <li>- Commercial Relationship: profitable marketing approach between consumer and customer</li> <li>- Trust: apps and content with cultural relevance that focus on the benefits of payment transparency</li> </ul>	<p>Population usually makes more than three payments a day. They prefer to pay with Card for large expenses and with Cash for small expenses.</p> <p>The evolution from cash to digital money begins through an agent (bank), which is a service offered by local stores through official terminals.</p> <p>Agents are spaces for human interaction with the financial system. They present irregularities in the schedule and system, but the human and local interface would give them confidence.</p>

## 5. Conclusions

The previous study of adoption of digital money, show us how the rutinary use of money and consumption is a sociocultural act and phenomenum. The use of digital money transcends a monetary interaction to be a part of social relationships.

At this stage, digital money can be associated with the evolution of social relationships that both the consumer and the emerging class entrepreneur build; both sharing the same context and evolving social reality. Confirmation of payments is confirmation of the relationship of success and trust.

For the use of digital money, direct contact between parties that know each other, such as the merchant and provider, or the merchant with the user, is relevant to achieve a preference for digital money. Despite the educational and promotional efforts that the means of payment may generate, it is vital that both parties share the learning experience in use; and the encouragement to sustain the behaviour”.

This allows us to reflect on how Ethnomarketing transcends the logic of a method, and turns into a process of understanding a community. EthnoMarketing, in the context of emerging economies, allows building the cultural codes of the growing and new middle class in the country. This is relevant, as they are modelers of consumption in the near future given their growing economic, social and cultural relevance; along with its notorious prominence in



the mass media. Anthropology also contributes to finding diversions from the frontiers of "normality", focusing on the processes of change and cultural intersection, distancing itself from conformity with the average referent or the schematization of human behavior.

For this reason, cultural studies of consumption are relevant to understand the dynamics of the market, allowing to recognize the constant social transformation of groups; strategic aspect to operate in a context of accelerated changes in information, social and economic matters. Likewise, they would fulfill an inclusive role, by generating visibility of previously marginalized sectors by turning them into important consumer actors; but still today with a materialistic and exotic approach.

As before were public squares, shopping centers are ideal spaces for the study of social dynamics and transformations in the current generation. For emerging consumers, Shopping Centers are anchored in their local realities given that they are witnesses of how these are transforming the daily beach into places of consumption, work and affective relationships.

Create contexts of socialization that promote a subtle and daily struggle for recognition and inclusion, in a historical framework where citizenship seems to be acquired from becoming subjects of consumption.

The ethnological analysis of consumption puts concrete objects in perspective, allowing us to interpret their symbolic role in current markets and advertising. As the individual and their groups are introduced into the market dynamics, the symbolic of consumption becomes more necessary and explicit.

As a reflection on the method, the ethnography of consumption requires the creation of an atmosphere of trust, contingency and empathy that conversation in a natural environment provokes. It allows to reveal unexpected angles of the subject, relativizing the importance of consumer objects to the consumer's life context. The ethnographer is exposed to discover, and does not just ask.

The battery of ethnographic techniques allows a deep, systematic and detailed recognition of homes, communities or public spaces; understanding culture as an integrating system of social identity.

In the postmodern scene, ethnographic conversations before structured interviews allow us to capture the emotional situation of the subjects because it requires an understanding of the context in which it occurs, as well as the state of the person to be intervened. Likewise, it is not a subject in question submitted by questions from an interlocutor situated in the condition of an expert, but a dynamic that flows from two or more subjects under the same material and symbolic situation.

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