The Case of Rhode Island Latino Youth Entrepreneurship Program: How Local Institutions Can Adapt Segmentation Strategies to Effectively Service Culturally Diverse Students

Matthew G. Kenney, Franklin University, USA
Nile Khanfar, of Nova Southeastern University, USA

Abstract: Leaders of academic institutions can benefit by embracing market segmentation principles. This brief case study clearly and concisely demonstrates how a program administrator can take advantage of two globally proven marketing strategies: Demographic and Geographic segmentation. Additionally, academic program leaders identify the influence of cultural dimensions on student perceptions. This case is ideal for Master of Education program faculty interested in providing a case study illustrating the integration between culture, student perceptions and program delivery.

Introduction:

Kenneth Proudfoot, founder and executive director of the Rhode Island Youth Entrepreneurship program agreed to participate in this project as his organization is seeking opportunities to diversify. During a personal interview and email exchange Mr. Proudfoot noted his desire to create a program targeted to Hispanic high-school students. This paper will utilize demographic and geographic segmentation techniques to define the market for the aforementioned project. According to Mr. Proudfoot:

Young Latinos have been left out of the nation’s growing trend of entrepreneurship education. While the reasons are not clear, the demand for an entrepreneurially-trained workforce and the opportunities for greater business ownership throughout this country continue to grow. The greatest educational needs are at the middle and high schools. Limited classroom and technology-driven education solutions have been created in a handful of communities nationwide, but there is no integrated educational strategy to deliver continuous and reliable entrepreneurship programs to Rhode Island’s young Latino population. The Latino Youth Entrepreneurship Project will develop and provide comprehensive education content, entrepreneurial skills, and practical business training appropriate for public high school students (K. Proudfoot, personal communication, April 26, 2007).

While Mr. Proudfoot has a bold vision there has been no secondary data collected to support that his idea is truly an opportunity. Thus, demographic and geographic segmentation will be performed to determine how many Rhode Island residents fit the
target profile, and where within the state’s 39 cities and towns (State of Rhode Island, 2007), Hispanic youth are congregated. This will allow Mr. Proudfoot to focus his marketing approach.

**Literature Review**

Demographic segmentation is the process of classifying members of a population by shared characteristics. Common demographic segmentation categories include age, income, gender, and race (Moller, 2004). For this analysis race and age are the two variables that will be quantified.

The number of Latinos in Rhode Island has increased six-fold since 1984 (Frank, 2005). According to the U.S. Census Bureau (2005) there are 112,722 Hispanics in Rhode Island, which represents 10.9% of the state’s population. The Hispanic market is growing rapidly in the state due largely to an influx of immigrants. 46.9% of all Rhode Island Hispanics were born outside the country (Public Relations Society of America, 2005).

According to the RI Department of Education (2006) there are 26,559 Hispanic students in Rhode Island public schools, representing 17.3% of the state’s 153,417 public school students. Fifteen percent of the 45,263 students in grades 9-12 are of Hispanic origin (Department of Education, 2003), placing the size of the market at 6,890 students.

Now that the market has been quantified the next step is to identify where exactly the majority of the target market is located. According to Public Relations Society of America (2006):

> The Latino community continues to be concentrated in Providence County with a population of 103,000 or 92% of the Latino population of the state. Within Providence County, the population estimates continue to show the highest concentration of Hispanics in the City Of Providence (60K) where this community represents 37% of the population.

Based on this data it is evident that the RI youth entrepreneurship program should concentrate on Providence County. However, Providence County is comprised of several major cities including Providence, Cranston, Pawtucket and Central Falls. A forensic examination of Rhode Island Department of Education (2007) enrollment data for the current school year reveals that 4,392 (63.7%) of Hispanic 9-12 grade students are located in the City of Providence.
<table>
<thead>
<tr>
<th>City</th>
<th>Total Hispanic Student (grades 9-12)</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providence</td>
<td>4,392</td>
<td>63.7%</td>
</tr>
<tr>
<td>Cranston (East &amp; West)</td>
<td>393</td>
<td>5.7%</td>
</tr>
<tr>
<td>Pawtucket</td>
<td>727</td>
<td>10.6%</td>
</tr>
<tr>
<td>Central Falls</td>
<td>706</td>
<td>10.25%</td>
</tr>
</tbody>
</table>

Table 2: Adapted from RI Department of Education (2007)

Geographic segmentation reveals that 90.25% of the Hispanic high-school students can be reached by focusing on the cities of Providence, Cranston, Pawtucket and Central Falls. Clearly, marketing efforts should begin in Providence, and expand to the schools with a smaller population once the prototype service offering has been proven viable.

**Application of Segmentation Strategies**

The preceding demographic and geographic segmentation demonstrates the power and benefit of market segmentation strategy. In this case, an entrepreneur intuitively knew that an opportunity existed, but did not know exactly how to quantify the opportunity. Demographic segmentation shows how many students fit the profile of potential students, and geographic segmentation shows exactly what schools should be targeted.

This descriptive analysis does not help us determine if there is, in fact, a need for this service since no qualitative data has been generated to determine if the audience in question would perceive any benefit. However, the foundation is in place to begin collecting benefit segmentation data.

Mr. Proudfoot should reach-out to high school administrators and Hispanic community leaders in Providence, Cranston, Pawtucket and Central Falls. Since many of the potential beneficiaries appear to be emigrating from Latin America, which generally has a collectivist culture (Chaván de Matviuk, 2002) he should use an approach that emphasizes the role entrepreneurship plays in enhancing relationships, rather than the profit oriented aspects that may be sought by students rooted in America’s Individualistic society.
References


