

The Economics of Halloween and Cultural Transgressions

By Alex Villamar | Senior Project Manager at Two West

Cultural traditions and celebrations represent a big opportunity for retailers and product manufacturers. But in order to capitalize on a specific occasion, it's important to know the origins of its cultural transgressions. By understanding the history of cultural celebrations, we can better predict the behavior of celebrants and produce the right products at the right time.

The exchange of cultural traditions in a diverse society is very common. Halloween has become one of the highest revenue producing traditions in the United States, representing \$21 billion each year, with a median of \$40 spent per family. This tradition continues to grow, presenting the opportunity to expand market share and increase revenue.

Halloween is a variation of the Celtic tradition of Samhain. They believed that on October 31, the ghosts of the dead returned to earth. Their return made it easier for the Druids, or Celtic Priests, to predict the future. Later, with the proliferation of Catholicism, Pope Boniface IV declared November 1 to be All Saints Day, which was pronounced in Middle English as Alholowmesse. The night before this celebration was the day of Samhain, and was called All-Hallows-Eve, eventually becoming Halloween.

Immigrants brought traditions to the United States, and Halloween became an important part of the culture. Over time, migrants in the U.S. combined traditions, creating their own and have taken them back to their homeland. Therefore, the emulation of Halloween in Latin American countries is highly influenced by the U.S. and allows for U.S. providers to effectively enter those markets.

As a country of immigrants, the U.S. has adopted and developed many different cultural traditions. In modern days with the large number of Latin immigrants, and with Latinos projected to become the largest minority in the country by 2025, a new transgression of culture is occurring.

The Day of the Dead (El Día de los Muertos) is a popular tradition predominantly in Mexico and parts of Central America, and is rooted on the Aztec tradition of honoring the dead. Aztecs used to honor the dead by talking to the spirits, dancing and celebrating death. They did not believe in the separation of life and death,

but believed life on earth was a dream from which a person only could awake through death.

The celebration of the dead by Aztecs took place during the ninth day of the solar calendar, which was roughly the month of August, and lasted the entire month. This celebration was dedicated to the goddess Mictecacihuatl, the "Lady of the Dead". Spaniards considered the exposure of human remains as a sacrilege and tried to eradicate this tradition. A way of doing this was to coincide the date of the festivity with All Saints Day, November 1. Just as the Celtic celebration of Samhain evolved and survived, so did the Day of the Dead.

These two cultural traditions have certain similarities in the ways they are celebrated. These similarities, combined with the development of new U.S.-Latin culture by second and third migrant generations, are once again transforming Halloween. This transformation may require companies to provide pumpkin pies and costumes alongside sugar and wooden skulls for the children who have passed away.

Although in the U.S. the Day of the Dead is being imported and influencing Halloween, Mexico and Central America are adopting Halloween and adapting the Day of the Dead. This transgression presents an opportunity for a new market. With this opportunity comes the challenge of marketing effectively while respecting the ancient traditions of these different cultures. The understanding of both celebrations and celebrants will help marketers develop strategies and even determine the types of products to sell.

Although the Day of the Dead and Halloween seem very similar, the origins and celebrations of each are very different. Companies and manufacturers with behavioral analysis can learn the type of food, music, clothing, toys, etc., needed to cater to both traditions and the different subcultures involved in this cultural transgression.

The knowledge and origin of traditions, as well as human behavior allows marketers to better analyze the market. During a recession the elasticity of products fluctuates, but when purchasing these products is attached to a deep cultural need, the economy will have little or no effect on the demand for these products. Knowing the sociological and psychological variables keeps marketers from making assumptions and helps them maintain a steady growth or an equilibrium point during tough economic times.

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