

INTERNATIONAL MARKET SEGMENTATION AS PRACTICE

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ABSTRACT

Today, understanding how managers in companies segment international customers is important because firms—small or large, local or global, new or old—are increasingly seeking to expand abroad. With the globalization of markets and unprecedented levels of global migration, managers in international companies face significant customer heterogeneity when they enter select countries. For example, managers in international financial service, media, and travel firms that enter the United States, United Kingdom, and Canada, among other countries, face increasingly diverse customers due to immigration. To illustrate, in the United States, in 2007, the foreign-born population represented 12.6% of the U.S. population, that is, 38.1 million people who were 53.6% from Latin America, 26.8% from Asia, and 13.1% from Europe. There is a lack of research about how international managers faced with such a diverse marketplace segment customers.

The author takes a strategy-as-practice approach to extend theories about international market segmentation. Strategy-as-practice scholars draw from Giddens' structuration theory, which emphasizes a recursive relationship between agency and structure, that is, the relationship between what people do to produce social structures and how these same social structures configure what people do in an ongoing manner. Interested in understanding strategy development, strategy-as-practice scholars focus on what strategists do, that is, on human action, rather than focusing on normative models of science that emphasize firm and industry level analysis.

In the case of international market segmentation, this means understanding how people in international firms segment diverse customers through every day practices and how these practices shape (i.e., enable or constrain) strategies, recursively. The author is currently gathering data in an international financial service firm that has entered the United States. She is using an organizational ethnographic approach, which triangulates in-depth interviews, participant and non-participant observations, and analysis of archival documents, to understand international market segmentation.

References Available on Request.