

MODERN VS POSTMODERN CONSUMER SEGMENTATION IN INTERNATIONAL BUSINESS: A COMPARATIVE ANALYSIS AND RESEARCH AGENDA

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ABSTRACT

Wendell Smith (1956) stated that segmentation "...consists of viewing a heterogeneous market (one characterized by divergent demand) as a number of smaller homogeneous markets." A more recent definition states that segmentation is "The process of subdividing a market into distinct subsets of customers that *behave in the same way* or have similar needs" (AMA 2005, emphasis added). The underlying assumption of these definitions is one of stability, premised upon the belief that customers *behave in stable patterns like one another*, thereby justifying segmentation according to shared characteristics. In addition, and perhaps more importantly, these so-called 'modern' segmentation methods assume that customers *demonstrate stability in their own individual attitudes and behaviors*.

These assumptions have long been accepted by modernists who look for universal designs and absolute truths to explain all features of existence. For modernists, discovery of truth occurs through continuing observation, accumulation of knowledge, and scientific study (Turner 1990, Thomas 1997). In contrast, postmodernists question these notions of stability, predictability, and sameness which lie at the heart of the modern theories of segmentation. Where modernists claim that there is a single universal truth which can explain any given event, postmodernists are comfortable accepting any number of explanations for that same event (Goulding 2003). Where modernists accept only measurable scientific results, postmodernists also accept non-measurable intangibles. Thus, principal differences between the two schools of thought can be summarized as follows: modernists seek homogeneity whereas postmodernists accept heterogeneity (Brown 1993). In short, postmodernists disagree with modernists' aims of explaining and controlling everything through scientific analysis. More specifically, postmodernists disagree with the proposition that individual consumers can be categorized once and for all into discrete market segments. This is a critical concern for international marketers who have traditionally relied on segmenting world markets simply on the basis of geography and demographic measures.

In this paper, we revisit our familiar understanding of market segmentation assumptions and methods. Based on a review of the marketing and international marketing literatures, we examine current thought and practice in segmenting international consumer markets. We explore assumptions behind modern segmentation methods and show how these methods fall short, especially in regard to segmenting sophisticated consumers across global markets. By means of analysis, discussion, and use of practical examples, we argue that cosmopolitan consumers are taking on increasingly complex and changing identities which defy simple categorization. Consumers' increasingly complex search for meaning, rather than simple product / service benefits, renders obsolete the modern belief that that consumers have only one stable, predictable, individual identity. We conclude our discussion by presenting a research agenda of questions for attention by global marketing managers, advertisers, and academic researchers.

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