Self-categorization as a nonmarket strategy for MNE subsidiaries: Tracking the international expansion of an online platform

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Abstract
This article examines how MNE subsidiaries develop nonmarket strategies to create a fit between a global market strategy and a local nonmarket framework. Derived from an analysis of archives and interviews on eBay’s expansion into France, our findings suggest that MNE subsidiaries engage in defensive and proactive self-categorization to create their nonmarket strategic fit. Specifically, through the purposeful use of labels, rhetoric and narratives, self-categorization enables subsidiaries to strategically position themselves vis-à-vis both regulators and local incumbents, thereby exercising agency to influence the nonmarket environment in their preferred direction. The findings contribute to the institution-based view of international strategy by shedding new light on the interaction between MNE subsidiaries and local institutional authorities in a context of international expansion. Furthermore, we theorize how subsidiaries use self-categorization to transfer global organizational practices to the host country.

Keywords
Nonmarket strategy, MNE subsidiaries, Institution-based view, Self-categorization, Organizational practice transfer.

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