MARKET ORIENTATION FOR IMMIGRANT AND ETHNIC SMALL AND MEDIUM-SIZED BRAZILIAN IMMIGRANT VENTURES OVERSEAS

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ABSTRACT

Objective: contribute to the entrepreneurship field of study, in the context of ethnic or immigrant companies, by analyzing variables that define their market orientation and the strategic decisions taken, deepening the knowledge on the subject.

Method: the data collection was comprised of multi-method strategies (quantitative and qualitative), the main strategy being an in-depth interview, which comprises the analysis of multiple cases of overseas entrepreneurs, from different Brazilian communities. This information was triangulated, based on data from surveys carried out with Brazilians in Australia, Canada, Portugal and Estonia, from netnography and document analysis. Therefore, intra and inter-case analyzes were carried out, aiming to find similarities and differences in the results achieved.

Originality/Relevance: the article focuses on an important issue, which involves the world's major economies - immigrants. Given the difficulties in their insertion in host societies, they tend to be identified as "social problems". On the other hand, the application of business models and proposals for immigrant entrepreneurs’ market orientation enables a path for their economic and social ascension. By becoming successful entrepreneurs, they can reverse this discriminatory perception of themselves.

Results: based on the data collected as well as the analysis of articles from the existing literature, four different market orientations were identified: (1) focus on ethnic market niche, (2) focus on specific interests, (3) focus on exotic products for the local customer, and (4) focus on highly competitive markets. The authors present a 2x2 matrix including the variables: (a) degree of affiliation of entrepreneurs with their ethnic communities and target audience, e (b) market segments in which they focus.

Theoretical/Methodological contributions: the main theoretical contribution of the paper is supporting the discussion on market orientation of immigrants and ethnic firms, as well as their target audience decisions. In addition, the article innovates by discussing strategic decisions in the context of small and medium Brazilians businesses established overseas.

1 INTRODUCTION

Virtually all of the nations of capitalist societies harbor "disadvantaged minorities" (Jones, Barrett, & McEvoy, 2000). Part of these minorities, represented by different ethnic groups, generates thousands of ethnic or immigrant-owned firms. The United Nations reported a worldwide flow of 258 million immigrants in 2017. Among them, 78 million live in Europe and 58 million in North America, being 50 million just in the United States (United Nations, 2017).

Despite their difficulties, many of these immigrants become entrepreneurs abroad. Vandor and Franke (2016) highlight that the intercultural experiences of these people increase the capacities of individuals in identifying promising business ideas. Thus, they find new products, services, identify customer preferences and develop communication strategies, creating innovative solutions in their new host countries.

The reality, for the vast majority of these entrepreneurs, is found in the specificities of their ethnic and co-ethnic communities, the so-called ethnic enclaves (Drori, Honig, & Wright, 2009). These enclaves determine their market orientation strategies, strategic decisions, survival and segmentation, configuring many firms that focus on necessity-driven entrepreneurship (Rath & Kloosterman, 2000).

Seminal works address the relationship between ethnicity and entrepreneurship (Aldrich & Waldinger, 1990), concentrating on ethnic characteristics of individual entrepreneurs, linking entrepreneurship to self-employment or start-up companies (Rath & Kloosterman, 2000).

Both Altinay (2009), Wang and Altinay (2012) aimed to discuss entrepreneurial orientation in small ethnic companies, revealing that they operate within a strong sociocultural environment, which influences their market orientation. Altinay (2009), for example, evidenced that by staying within their ethnic communities, these companies are not able to attract local customers who are outside the boundaries of ethnic enclaves and face difficulties in responding to changing market conditions. Thus, its market orientation is the result of the interaction between changes in ethnic and traditional business environments (Altinay & Altinay, 2008).

Although extant literature has explored many aspects of small ethnic or immigrant firms, they are linked to the social and cultural understanding of business (Saxenian, 2007; Aliaga-Isla & Rialp, 2013; Elo & Volovelsky, 2016). However, there is still a remaining theoretical gap, towards deepening the knowledge, through a conceptual
analysis matrix that seeks to identify possible market orientations for ethnic or immigrant entrepreneurs (see Elo, 2016; Elo et al., 2018).

In this sense, the present work deepens the knowledge upon initial efforts of (1) sociological research (for example, Zhou, 2004), which outlined a categorization of market opportunities in the ethnic niche; and in the field of (2) international business, such as the works of Wang and Altinay (2012), who analyzed specific cases of ethnic firms. The gap that this article intends to explore, therefore, rests precisely on the intersection between diaspora entrepreneurship studies and ethnic entrepreneurship, in the search for evidencing variables that influence market strategies of ethnic or immigrant ventures.

While setting this matrix, the authors explore aspects of immigrant entrepreneurs who did not necessarily experience ‘diasporic’ trajectories, but who immigrated in isolation. In addition, this research contributes to the field of ethnic or immigrant entrepreneurship studies, introducing management concepts in discussions related to business and marketing opportunities. The matrix traces, therefore, possible relationships between (a) the level of affiliation of entrepreneurs (Schimmele & Wu, 2015) with their ethnic communities and (b) their target audiences choices – either ethnic customers or local customers (for example, Bonacich, 1973).

The main research questions that guided this study are the following:

[RQ1] Would immigrant (or ethnic) entrepreneurs be influenced by their affiliation with ethnic communities while choosing their market orientation, or during their strategic decisions?

[RQ2] Which definition of target audience of firms (ethnic and co-ethnic or local consumers or customers) would lead to different market orientations?

In order to achieve the objectives of the study, a robust qualitative data collection was performed, complemented by other data collection strategies. More than six years of fieldwork, including in-depth interviews and observation of small immigrant entrepreneurs, helped the authors to design a matrix that aims to address conceptual gaps within the theories of immigrant entrepreneurship, especially linked to enclave economies and market decisions (Zhou, 2004), anchored in works arising from the field of sociology.

Brazilian entrepreneurs were chosen as the focus of data collection, although the matrix was also based on a systematic review of extant literature on ethnic or immigrant
entrepreneurship conducted within the most varied ethnic communities - reinforcing the idea of refining the theory ethnic entrepreneurship through comparative studies with other immigrant communities (Jones & Ram, 2010).

2 THEORETICAL REFERENCES

This section is divided into two main themes: (1) a literature review was carried out, including both seminal and more recent authors, which addresses the issue of ethnic enclaves and their influence on the decisions of immigrant firms, exploring the intersection between the decisions of ethnic ventures and their market orientations; and (2) issues regarding the market orientation of ethnic firms were addressed by analyzing and comparing the literature on international entrepreneurship, diaspora, immigrant and ethnic entrepreneurship.

Multiple and interdisciplinary lenses can be used to understand the phenomenon of immigrant and ethnic entrepreneurship, which naturally occurs in several layers (Coviello & Yli-Renko, 2016; Etemad, 2017). This is explained by the diversity of topics encompassed by that phenomenon, including geography, politics, international migration, international human resources, sociology and human capital.

According to Etemad (2018), recent work on ethnic or immigrant entrepreneurship has made an effort to connect some inherently difficult concepts in International Entrepreneurship (IE), due to their international background and their previous experiences (Elo, 2016; Elo et al., 2018). Consequently, migrant and diaspora entrepreneurs bring their experiential knowledge resulting from their cultural backgrounds and experience in their domestic markets of origin, reflecting on a business expertise, which may be suitable to operate in international contexts (Etemad, 2017) and transnational companies (Drori, Honig, & Wright, 2009).

Riddle and Brinkerhoff (2011) highlight three gaps in the disciplines of management and marketing, which have long focused on aspects of how the acculturation of migrants affects their behavior in host countries: (1) the way in which the exploitation of opportunities occur; (2) the influence of social capital and their networks on corporate decisions; and (3) the influence of the environment in determining strategies or market focus.

The study of immigrant or ethnic entrepreneurs has evolved within two main strands of academic literature: (1) the international entrepreneurship, which studies the
market globalization phenomenon and its effects on transnational markets (for example, Drori, Honig & Wright, 2009; Dimitratos, Plakoyiannaki, Pitsoulaki, & Tüselmann, 2010); (2) the microenvironmental factors, that interfere in ethnic companies, discussing the difficulties of adaptation and the configuration of networks within ethnic enclaves (for example, Portes & Zhou, 1992; Achidi-Ndofor & Priem, 2011), which will be better explained in the following sections.

2.1 ETHNIC ENCLAVES AND THEIR INFLUENCE ON THE DECISIONS OF IMMIGRANT VENTURES

Ethnic enclaves, while reducing barriers to new immigrants, also increase economic opportunities, forming safety nets, which leverage resources for the establishment of immigrant firms (Drori, Honig, & Wright, 2009). Although the cultural environment of their own community involves them, aspects of the host country affect these companies, such as economic, political and sociocultural issues (Barrett, Jones, & McEvoy, 1996). They benefit from the availability of ethnic workers, often informal, who agree to earn lower wages (Portes & Zhou, 1992).

Ethnic enclaves are also a channel for disseminating business practices, accessing information of key markets or to specific and reliable suppliers. In addition, ethnic communities can also promote access to informal credit, in addition to formal mechanisms, which are often excluded due to illegal migration conditions (Light, Bhachu, & Karageorgis, 1993).

However, Portes and Zhou (1992) argue that ethnic entrepreneurship promotes an alternative form of economic mobility. The authors draw a rich theoretical framework showing how newcomers are experiencing rapid economic growth with profits sent to their countries of origin. Another crucial discovery of his research was “bounded trust” or solidarity among enclave participants. According these authors, enclaves are culturally integrated entities that promote bonds of solidarity and trust between partakers. Local individuals often treat immigrants differently, which can generate greater awareness of their common national symbols and a feeling of mutual support. That promotes a kind of “safety net”, encompassing the consumption of items associated with their countries of origin and appreciation of coethnic labor.

Recently, Tata and Prasad (2015) presented an advanced understanding of how the general social capital of family business owners influences business performance.
In addition, Tolciu (2011) establishes that the phenomenon of migrant entrepreneurship can only be understood when accounting for the firm’s external variables and internal limitations. The author highlights a bounded rationality approach, in which business outputs can be seen as a matter of optimization under constraints. In addition, according to Riddle and Brinkerhoff (2011), in settlement countries, diasporas face institutional environments that are generally significantly different from their home countries, causing firms to be exposed and to adopt institutional roles and relationships associated with a new culture.

Cruz, Falcão and Barreto (2017) demonstrated that in some Brazilian communities abroad, the relationships of mutual support, identified by Portes and Zhou (1992), were incipient or did not exist. In many cases, a feeling of distrust and even disgust or shame was evidenced when they attended to typical Brazilian cultural environments. A low degree of association among entrepreneurs, reinforced by the difficulties of organizing themselves in a network, were evidenced by these authors, who researched the Brazilian communities overseas.

The importance of the social capital of immigrants is also shown in other European and North American contexts, by authors such as Forsander (2004), Cheong, Edwards, Goulbourne and Solomos (2007) and by Herreros and Criado (2009). In this regard, entrepreneurs, who operate in isolation, lose political, economic and social relations strength, when compared to other ethnic groups associations. Thus, successful small-scale Brazilian entrepreneurship abroad seems to derive from the initiatives of energetic and self-motivated individuals, who have a high degree of personal confidence and/or are prone to the inherent risk of venturing overseas (Cruz, Falcão, & Barreto, 2017).

It is also noteworthy, regarding social capital, that the existing literature on immigrant entrepreneurship is concentrated in specific conditions, resulting from the exploitation of support networks for immigrants (see: Luken & Tranmer, 2010; Hurtado-de-Mendoza, Gonzales, Serrano, & Kaltman, 2014), explained below. In addition, she suggests that these types of companies are not limited to promoting self-employment (self-employment) and establishment in the host country, but are guided by sources of competitive advantage, given the capabilities of their entrepreneurs (Zolin & Schlosser, 2013), which can cover both its internal and its social relations.
Furthermore, according to Safran (1991), another important definition is about the diaspora phenomenon, which relates to immigrants and their descendants who maintain a close connection to their countries of origin. Therefore, diaspora members are immigrants who settle in one place and regroup, being in a continuous state of formation (Cohen, 2008). Riddle, Hrivnak & Nielsen (2010), on the other hand, defines transnational diaspora entrepreneurs as migrants and their descendants who establish entrepreneurial activities encompassing business environments of both their countries of origin and residence.

Several scholars, such as Portes and Zhou (1992), Barret, Jones and McEvoy (1996), Rath and Kloosterman (2000) as well as Cruz, Falcão and Barreto (2017), researched the general characteristics of ethnic entrepreneurship, including its social environment. These seminal authors emphasized the sociological aspects of the phenomenon (Aliaga-Isla & Rialp, 2013) due to the impact of support networks for immigrants during the beginning of business (Saxenian, 2007) or social entrepreneurship (Elo & Volovelsky, 2016). Therefore, social networks are based on connections with consumers and inter-organizational alliances that influence the co-creation of opportunities through the articulation of commercial disputes (Brinkerhoff, 2016).

Another crucial aspect within the social networks of immigrants is their degree of assimilation (Alba & Nee, 1997). According to Achidi-Ndofor and Priem (2011), immigrant entrepreneurs who are socially identified with their ethnic communities are more likely to become entrepreneurs of ethnic enclaves, while they are linked to their communities by tradition, prestige or even by mere destiny. Therefore, it is not uncommon for them to engage in activities that improve their community status, such as raising funds to build community facilities, helping a future competitor in their establishment in the country, or in the same ethnic enclave (Lee, 1999). However, immigrant entrepreneurs, while serving their ethnic communities, use their relationships to gain access to key resources, such as suppliers and labor force (Portes & Zhou, 1992).

On the other hand, there are entrepreneurs who are not identified with their ethnic groups (Ellemers, Van Rijswijk, Roefs, & Simons, 1997) or eventually despise them (Spears, Doosje, & Ellemers, 1997). According to Rusinovic (2008), second generation
ethnic entrepreneurs are more active in local markets. Therefore, these entrepreneurs change from one market to another due to the strategic use of their ethnicity.

In a more recent study, Tata and Prasad (2015) presented an advanced understanding on how the social capital of family entrepreneurs influences the performance of their businesses. In addition, Tolciu (2011) postulates that the understanding of the phenomenon of migrant entrepreneurship must consider both the external variables of the company and its internal limitations.

2.2 MARKET ORIENTATION OF ETHNIC FIRMS

Market orientation and business performance are strongly associated (Kara, Spillan, & DeShields, 2005; Kirca, Jayachandran, & Bearden, 2005; Matsuno, Mentzer, & Rentz, 2005; Slater & Narver, 1994). According to Agarwal, Erramilli and Dev (2003), when a company is oriented towards the market, it tends to be better coordinated internally, being also superior in terms of its capacity to link customers and to detect markets.

Ethnic firms, which aim to serve their countrymen, can use an effectual approach (Sarasvasthy, 2001) for business inception. Therefore, their orientation towards the market may arise naturally due to the cultural background of their entrepreneurs (Slater & Narver, 1994).

As pointed out by Altinay (2009), market orientation is composed of three key elements: (1) customer orientation - encompasses a continuous and proactive attitude towards customer requirements and feedbacks; (2) the competitor's orientation - encompasses understanding of both the short-term competitive strengths and weaknesses and the long-term capabilities and strategies of competitors (current and potential); (3) cross-functional coordination - encompasses organizational learning, related to the sharing of information between departments, the development and implementation of business strategies (Deng & Dart, 1994; Slater & Narver, 1994).

Zhou (2004), also addresses the structures of opportunity for immigrant entrepreneurs, identifying three focuses for these entrepreneurs: (1) ethnic market niches; (2) opportunities in the conventional market; (3) selling exotic products to local customers.

Although management plays a significant role in shaping the market orientation of small businesses (Jaworski & Kohli, 1993), it is no different in ethnic businesses.
Risk attitudes, mentality and cultural backgrounds can influence their market orientation. In addition, the greater the instability in the market and the greater the intensity of competition, the stronger the link between market orientation and business performance is.

Small ethnic firms have greater flexibility and proximity to their customers and markets. It results in quick decisions and implementation of strategies (McCartan-Quinn & Carson, 2003). Therefore, closer relationships with their ethnic clients create competitive advantages (Tzokas, Carter, & Kyriazopoulos, 2001).

In addition, the small business is generally simplistic, internally oriented and uses an effectual approach to business planning (Sarasvathy, 2001), following a logic of using the resources available at the moment, instead of being attached to a business plan. According to Pelham (2000), this effectual form of entrepreneurship works in a short-term view.

However, the influence of ethnicity on both sides of the product and service offer - consumers and suppliers - also need to be considered for ethnic firms. Their affiliation and ethnic values are related to commonly shared characteristics, involving a sense of common customs, food, language, clothing, religion and norms (Jamal, 2003), which can affect business transactions between ethnic and co-ethnic firms, as well as traditional customer relations.

In addition, ethnic companies provide a platform for cultural exchange between ethnic entrepreneurs and their traditional customers. They develop, for example, strategies to identify markets niche and facilitate the consumption of ethnic products among local customers, offering ethnic products at competitive prices and educating and informing local customers (Altinay, 2009).

To conclude, Altinay (2009) also postulates that the centralized structure of ethnic companies, managed and managed by the owners, has implications for different dimensions of market orientation. This is because such companies benefit from close and informal contact with their customers, through the involvement of their owners (or family members) with business transactions.

Thus, companies that, in the past, were restricted to the ethnic market niche, and competed only with their co-ethnic peers for survival; today, they see traditional retailers selling ethnic products, and continuously attracting “second generation immigrants”, whose needs and desires are more in line with those of their host country
This scenario, therefore, puts greater pressure on ethnic companies, leading them to expand their scope, in order to maintain them in the market.

On the other hand, the focus on the ethnic niche has certain competitive advantages, which relate to a “market development” strategy proposed by Ansoff (1957) in its matrix. Therefore, its business model captures value through an ethnic approach to valued products and services, featuring a specific strategic choice (see Moussetis, 2011; Novo & Padilha, 2017).

According to Nkongolo-Bakenda and Chrysostome, (2013) for members of the “diaspora” who engage in business activities, identifying business opportunities is both a crucial step and a critical factor in achieving success. In addition, these authors define entrepreneurial opportunities as a situation in which new goods or services can be introduced and sold at a price higher than their cost of production.

3 METHODOLOGICAL PROCEDURES

3.1 DATA COLLECTION

Brazilian entrepreneurs were chosen as the focus of the study, as the growing phenomenon of Brazilian entrepreneurship abroad continues to be insufficiently studied.

All interviews were conducted in the participants’ native language (Portuguese), which helped to develop personal relationships with entrepreneurs, facilitating understanding the sense of ethnic community. In addition, the fact that the researchers are also Brazilian has facilitated their access to informants from their own ethnic minority (Blackburn & Kovalainen, 2009).

Data collection covered a period of six years. This long period of data collection allowed the research team to establish deeper connections with Brazilian immigrant entrepreneurs, helping them to better understand certain patterns, behaviors and meanings inherent in the culture of Brazilian immigrant entrepreneurs.

Given that the objective of the research was to fill the theoretical gap in order to propose a conceptual matrix that can be replicated later on a larger scale, seeking to identify possible market orientations for ethnic or immigrant entrepreneurs (see Elo, 2016; Elo et al., 2018), several data collection strategies were carried out in order to evaluate the multiple cases, as explained below.
For four years, 90 in-depth interviews were conducted, based on McCracken’s (1988) interview method, with entrepreneurs from three Brazilian immigrant communities, in: Florida (Orlando, Pompano Beach and Doral). The choice for these communities was due to their condition as the second largest Brazilian ethnic geographic concentration (Bloem, 2015) in the USA, behind the Boston region only.

Along the way, to get closer to the universe of immigrants, researchers gained insights and perspectives, difficult to achieve through less sustained involvement. Therefore, there was a need to create a script for in-depth interviews (Figure 1), which followed the protocol of Marschan-Piekkari and Welch (2011), and was also inspired by the research by Zhou (2004) and Rocha, Esteves, Mello and Silva (2015).

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<table>
<thead>
<tr>
<th>General Topics</th>
<th>Topics of the semi-structured interview script</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information about the entrepreneur when he still lived in Brazil</td>
<td>Profile of the individual and his family, economic activities, etc.</td>
</tr>
<tr>
<td>Information about leaving Brazil</td>
<td>Motivation to leave Brazil, time of the process, mode of entry into the foreign country, if the family went together, etc.</td>
</tr>
<tr>
<td>Information on opening the company abroad</td>
<td>The process, difficulties faced, etc.</td>
</tr>
<tr>
<td>Up-to-date information about the company</td>
<td>Clients, support networks, management model, etc.</td>
</tr>
<tr>
<td>Prospects for the future</td>
<td>Intentions to return to Brazil, do business with Brazil (transnationalism)</td>
</tr>
</tbody>
</table>

Figure 1. Interview script
Source: Own development

The triangulation with community stakeholders (lawyers, community leaders and accountants) through interviews and meetings aiming at understanding the legal aspects of the constituted immigrant companies and their perception of them.
The qualitative data collection strategies, reported above, enabled deeper contact with immigrant entrepreneurs by the research team. However, they have been complemented with the following research strategies and sources:

(1) Contacts via Skype and e-mail with 10 Brazilian-Japanese immigrants (dekasseguis) residing in Japan and with a Jewish-Brazilian businessman who undertook in Israel;

(2) In-depth interviews with 15 other Brazilian entrepreneurs in Australia and eight in Estonia;

(3) Document analysis of websites and fanpages, as well as the realization of netnography in several virtual communities of Brazilians on Facebook - in Australia (‘Brazilians in Sydney’, ‘Brazilians in Perth’, among others), Spain (‘Brazilians in Ibiza’, among others), Denmark (‘Brazilians in Denmark’, among others), Portugal (‘Brazilians in Aveiro’, ‘Support Brazilians in Lisbon’ among others), Canada (‘Brazilians in Toronto’, among others), Estonia (‘Brazilians in Estonia’, among others) and Japan (‘NNBJ’ [Network of Brazilians in Japan] ‘Brazilians in Japan’, among others). For this, the research protocols of netnography were used (Kozinets, 2002);

(4) Confrontation with the existing literature on Brazilian ethnic communities (for example, Bloem, 2015; Teixeira & Souza, 2014; Teixeira, 2014; Rocha, Esteves, Mello & Silva, 2015), and with literature regarding other ethnic groups, such as: Chinese, Mexicans, Dominicans (for example, Portes & Zhou, 1992), Portuguese (Teixeira, 2001) and Turks (Wang & Altinay, 2012).

(5) Surveys with Brazilians in Australia (N = 610), Canada (N = 676), Portugal (N = 625) and Estonia (N = 50) to identify the profile of Brazilian immigrants in these countries, their motivations for emigrating and for their settlement in host countries. The survey script (Figure 2) was inspired by Evans et al. (2007), focusing on Brazilians in London.

<table>
<thead>
<tr>
<th>Topics</th>
<th>Survey items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information about the individual while still living in Brazil</td>
<td>Socioeconomic profile of the individual and his family, education, etc.</td>
</tr>
<tr>
<td>Information about leaving Brazil</td>
<td>Motivation to leave Brazil, way of entering the foreign country, why did the country attracted the respondent, what was the purpose, what were the initial difficulties, etc.</td>
</tr>
<tr>
<td>Updated information on the respondent</td>
<td>Who do you live with, what are the current difficulties, how are you supporting yourself, etc.</td>
</tr>
<tr>
<td>Prospects for the future</td>
<td>Intentions to return to Brazil, if intends to undertake in the country you are living in.</td>
</tr>
</tbody>
</table>

Figure 2. Survey description
Source: own development
A small example of the data collected by the surveys is shown in the table below.

<table>
<thead>
<tr>
<th>Table 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic information collected in the Survey</strong></td>
</tr>
<tr>
<td><strong>Gender</strong></td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td><strong>Age</strong></td>
</tr>
<tr>
<td>Under 20</td>
</tr>
<tr>
<td>21 to 30</td>
</tr>
<tr>
<td>31 to 40</td>
</tr>
<tr>
<td>41 to 50</td>
</tr>
<tr>
<td>51 and over</td>
</tr>
<tr>
<td><strong>Schooling</strong></td>
</tr>
<tr>
<td>Elementary</td>
</tr>
<tr>
<td>High school</td>
</tr>
<tr>
<td>University</td>
</tr>
<tr>
<td>Postgraduate</td>
</tr>
</tbody>
</table>

Source: Survey data

It is worth explaining that: (a) the different data collection methodologies and techniques, included by the researchers, were combined, in a systematic and growing way (Stake, 2013; Marschan-Piekkari & Welch, 2011); (b) Skype and videoconferences served as alternatives to budgetary limitations for traveling to more distant countries; and (c) the documentary analysis and the confrontation with the literature on the subject, allowed the authors to develop their own contributions to the theory (Denzin & Lincoln, 2011).

The abductive approach (Dubois & Gadde, 2002) adopted by the research team was characterized by an interactive process of empirical data with field observation. Thus, research evolved gradually as fieldwork and latent theory interacted continuously and cyclically, allowing relevant facts to occur in this interactive process. In this sense, during the period of immersion, points of view changed, allowing researchers to record their experiences and observe certain situations, such as entrepreneurial behaviors and decisions. In addition, as they deepened their contact and access to the informants, they were considered by the communities as important...
'consultants'. Furthermore, this approach brought a more critical view of the theories existing in the field of study.

The documented interviews totaled 123 hours of testimonials with 90 Brazilian businessmen established abroad. The personal bias between the different researchers who conducted face-to-face interviews was minimal, because two of the researchers conducted most of the interviews.

3.2 DATA ANALYSIS

The analysis procedure followed a qualitative approach (O'Donnell & Cummins, 1999; Denzin & Lincoln, 2011) using the AtlasTi software and an examination protocol in several stages.

After carrying out multiple methods for data collection (with predominance of in-depth interviews), as reported in the previous section, several quotations were extracted as examples of typical perceptions and behaviors of entrepreneurs (step 1). In step 2, two macro themes emerged from the quotes and were identified as, namely, “perceptions of ethnic communities” and “business orientation”. In step 3, these two macro themes were divided into two other subcategories. The first macro theme (“perceptions of ethnic communities”) was further divided to reflect participants’ “positive” and “negative” perceptions of their ethnic communities. In the second macro theme (“business orientation”), factors were identified leading them to favor both their ethnic groups and locals, encompassing the main audience. This analysis protocol helped organize a proposition of four different strategic choices for the entrepreneur, shown in the Figure 4.

4 DISCUSSION ON MARKET ORIENTATION

Zhou (2004) presented an approach on different categories that would reflect the structures of opportunity for immigrant entrepreneurs based on three market focuses: (1) ethnic niche markets, involving meeting the specific tastes (food, clothing, etc.) of ethnic communities; (2) Opportunities in the conventional (local) market, for example, filling demands not met by local entrepreneurs, in poor neighborhoods, such as pharmacies, grocery stores or convenience stores; (3) Sale of exotic products to local customers. In addition, the author, despite citing these market guidelines, does not
highlight categorization, as it is a sociological text that analyzes the Chinatown community in New York.

On the other hand, the empirical evidence raised by the authors of the present article, pointed to a fourth category, which had not been pointed out by Zhou (2004). This category would involve the separation of opportunities in the conventional market into two: (1) specific interests and businesses of intermediary minorities; and (2) local generic market.

To arrive at this matrix with four categories, the authors used, in addition to the field evidence, seminal and revisited texts on strategy and market orientation such as Ansoff (1957), Stonehouse and Snowdon (2007), Hinterhuber (2013) and Novo and Padilha (2017).

The final output of this new approach gives a more managerial focus to Zhou's (2004) proposal, in addition to seek categorize, through a 2x2 matrix, the possible axes that guide the marketing choices of immigrant or ethnic entrepreneurs: (i) affiliation with the ethnic enclave, the result of its social capital and social networks; and (ii) the chosen target audience (market). Figure 3 presents field evidence collected in Brazilian immigrant communities established abroad, as described in the methodology section.
### Development of categories

<table>
<thead>
<tr>
<th>Preliminary organization categories</th>
<th>Respondents quotes</th>
<th>Feelings and perceptions</th>
<th>Final categories</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Perceptions of ethnic communities</strong></td>
<td>Place where I feel safe - Easy to get a job</td>
<td>safety</td>
<td>Have affiliation</td>
</tr>
<tr>
<td></td>
<td>I cook food at home and sell it door to door - Churches support us</td>
<td>support</td>
<td>(Schimmele &amp; Wu, 2015)</td>
</tr>
<tr>
<td></td>
<td>Speak my language - We party on weekends</td>
<td>inclusion</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I didn't come here to live with my countrymen, so I stayed in my country</td>
<td>repulse</td>
<td>Have no affiliation</td>
</tr>
<tr>
<td></td>
<td>The consulate doesn't care for us - Lack leadership</td>
<td>helplessness</td>
<td>(Schimmele &amp; Wu, 2015; Cruz, Falcão &amp; Barreto, 2017)</td>
</tr>
<tr>
<td></td>
<td>Co-ethnic people are more organized - There are many lawyers who deceive you in the</td>
<td>mistrust</td>
<td></td>
</tr>
<tr>
<td></td>
<td>legalization process - You have to be careful, because there are smart guys - It's</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>all naughty - Matches and does not comply</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Business orientation concerns</strong></td>
<td>The local market is much more competitive - I understand everything about meat, so</td>
<td>knowledge</td>
<td>Focus on the ethnic market</td>
</tr>
<tr>
<td></td>
<td>I opened a steakhouse - I worked with car dealership and learned the tricks - I'm</td>
<td></td>
<td>(Achidi-Ndofor &amp; Priem, 2011)</td>
</tr>
<tr>
<td></td>
<td>a journalist, when I got here I realized that I could edit a newspaper without</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>having to validate my diploma</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Countrymen miss ethnic companies - People miss the &quot;home&quot; product</td>
<td>willingness to undertake</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I can communicate better with customers in my country</td>
<td>comfort</td>
<td></td>
</tr>
<tr>
<td></td>
<td>There are a lot of tourists here, even more expensive than in local companies, the</td>
<td>opportunity</td>
<td>Focus on the local market</td>
</tr>
<tr>
<td></td>
<td>products are still cheaper than in their own country - As I knew how to make</td>
<td></td>
<td>(Altinay, 2009)</td>
</tr>
<tr>
<td></td>
<td>breads and sweets, I opened a bakery - I graduated in tourism, saw the opportunity</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>and opened the business</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I was desperate until I found a restaurant with food from my own country</td>
<td>missing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I don't like working for my countrymen because they don't want to pay the right</td>
<td>disgust</td>
<td></td>
</tr>
<tr>
<td></td>
<td>salaries</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The local market is much larger and yields more profit</td>
<td>opportunity</td>
<td>Accepts both possibilities</td>
</tr>
<tr>
<td></td>
<td>My local work experience was instrumental in opening my business</td>
<td>knowledge</td>
<td></td>
</tr>
<tr>
<td></td>
<td>They needed someone to do the job speaking their language</td>
<td>opportunity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I couldn't find suppliers to repeat the business I did in my country</td>
<td>difficulty to undertake</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 3.** Emerging categories of field evidence  
Source: own development
When organizing the field evidence, it is clear that two components were present in the speeches of Brazilian immigrant entrepreneurs abroad: (1) their relationship with the enclave and (2) their market perception. Thus, these components became the two main axes of the proposed matrix.

Specifically with regard to the relationship with ethnic communities or ethnic enclaves, the authors realized that there were two groups of conflicting feelings: (1) positive (ex: security, support and inclusion) and (2) negative (ex: disgust, mistrust, distrust and helplessness). The phenomenon of mistrust and withdrawal identified in some Brazilian communities (Cruz, Falcão, & Barreto, 2017), had not been described in the previous literature on immigrant entrepreneurship. It cannot be said that it is a phenomenon exclusively associated with Brazilians, however, the authors of this article, corroborating the previous work of Cruz, Falcão and Barreto, (2017) believe that as the literature on the subject advances topic, other reports may give robustness to the subject.

Regarding the orientation of immigrant businesses, the field evidence clearly points to a group of entrepreneurs who focus on the enclave itself (ethnic and co-ethnic) and others who seek the local market (the national citizen of the host country). Figure 4, therefore, results from this attempt to systematize the research findings, including the two identified axes.

<table>
<thead>
<tr>
<th>Target Audience (Market)</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethnic and co-ethnic</td>
<td>Ethnic niche market</td>
<td>Specific interests and intermediary minority businesses</td>
</tr>
<tr>
<td>Local consumer</td>
<td>Exotic market for local customers</td>
<td>Local generic market</td>
</tr>
</tbody>
</table>

Figure 4. Market opportunities for immigrant entrepreneurs
Source: Own development

The four marketing guidelines derived from affiliation and the choice of target audiences (markets) are described and discussed below.
4.1 Ethnic niche market

Language limitations promote communication barriers for foreign immigrants when entering new environments. This is an important factor for ethnicity among immigrants (Schimmele & Wu, 2015). On the other hand, protected markets, such as those within the enclave environment, can promote linguistic and cultural barriers to competition. In addition, ethnic companies draw on their traditional knowledge and their “know-how” on how to serve their countrymen, especially customers of ethnic products such as food, clothing, ethnic services and religious items (Altinay, 2009).

One of its implications is related to the focus of ethnic companies in establishing themselves within the enclave, which offers specific ethnic demands (Portes & Zhou, 1992).

According to Achidi-Ndofor and Priem (2011), when immigrant entrepreneurs are socially identified with their ethnic communities, they become more likely to seek to provide products and services to consumers in the enclave, being linked to their communities whether by tradition, prestige or destiny. The in-depth interviews showed that this marketing choice is typical of entrepreneurs who have experienced irregular immigration trajectories. Some arrive in the host country on a tourist or student visa (and decide to stay in the country after being able to support themselves). Others, however, try their luck through illegal entry into the host country, without undergoing the permission process.

The market choice of the ethnic niche, however, is not exclusive to this type of immigrant entrepreneur. Entrepreneurs with regular trajectories (expatriate executives, citizens with dual citizenship or migrants with scheduled weddings) could choose to cater to the ethnic market because of some reasons explained below. This opportunity becomes effective due to the affiliation of a less competitive environment due to the number of companies competing in the enclave - generally this competition is much less than the high competition in the main market. Thus, the types of companies that are part of this group include:

(A) Companies without a product or service with ethnic appeal, but that use their “national” origin to become references of service to the immigrant community, taking the advantage of a “special touch” or the “Brazilian way”. In this case, the important thing is to take advantage of a cultural identity, which leverages relationships and networking to serve customers according to their “ethnic”
expectations (Cruz, Falcão, & Barreto, 2018). Examples: supply companies and general services, such as air conditioning installations, car dealerships, printing companies, accounting offices, opticians, tourism companies, etc.

(B) Companies that use the ethnic appeal to offer goods and services abroad, in the same way as in their native land, but sometimes, with certain adaptations to local inputs, such as spices or some ingredients (less or more spicy, replacing tapioca with wheat flour etc.); local regulations; and import logistics requirements, in relation to the typical ingredients of traditional recipes (Teixeira, 2001; Teixeira, 2014; Teixeira & Souza, 2014). Examples: steakhouses, Brazilian fast-food franchises and specialized bakeries.

(C) Ethnic media companies: local newspapers and magazines (print or digital), focused on the ethnic market niche. These publications were found in all Brazilian communities abroad, although they are also common to other groups. In this case, due to operating costs and the type of advertiser, it can be more sustainable, when developed in larger ethnic communities, with a number of potential advertisers.

4.2 SPECIFIC INTERESTS AND INTERMEDIARY MINORITIES BUSINESSES

Despite the size of the opportunities involved in certain ethnic markets (for example, Chinatown), some entrepreneurs avoid coexistence or commercial relationships with their ethnic groups. They often try to dissociate themselves from them, as suggested by Ellemers, Van Rijswijk, Roefs and Simons (1997) or Spears, Doosje and Ellemers (1997). These entrepreneurs envision a different (and more competitive) market opportunity while using their ethnic competitive advantages (Novo & Padilha, 2017) to serve the local public.

The seminal articles on intermediary minorities - from the original “middleman minorities” (Bonacich, 1973) inspired this category, which includes entrepreneurs who seek to profit from ethnic markets, although without community involvement.

The Jewish diaspora in Eastern Europe and the Mediterranean countries are the best examples of the transnational trade networks of intermediary minorities (Safran, 1991, 2005). Another typical example is the Chinese diaspora in South Asia (Gerke & Menkhoff, 2003), or Indian in East Africa (Adam, 2015), which dominate certain sectors of the economy. More recently, the Chinese have also developed the same type of
The typical activities of ‘intermediate minorities’, according to Bonacich (1973), are: business agents, contractors, rent collectors, moneylenders and traders in general. Such agents serve as intermediaries between producers and consumers. Zhou (2004) reinforces the definitions presented by Bonacich (1973), noting that they fill a status gap between the elites of local societies and the masses of consumers. Specific interests relate to certain activities that could be profitable, such as tourism, construction, commerce, etc. For example, due to the emergence of popular tourist destinations around the world, some ethnic entrepreneurs decide to open small guesthouses, restaurants or ethnic stores. In the Brazilian case, the city of Orlando is a typical example, where, as reported by Liston (2014), this market choice is due to the concentration of Brazilian tourist. In that location, shop owners promote their trade, regardless of their relationship with the local ethnic enclave. A particular characteristic of all these entrepreneurs is the use of the Portuguese language as a justification for applying higher margins to specific products, which symbolize the consumption of fashion by Brazilians to this day. It is worth noting that the majority are Brazilians, but there are also shopkeepers from different Latin American backgrounds, who take advantage of familiarity with the Portuguese language. It is curious that North American entrepreneurs do not venture into this specific niche of the market, probably due to language barriers.

It should be noted that the focus here is not on the immigrant community, but on the tourist consumer, whether from the same origin as the entrepreneur, or similar - Latin. Examples of the Brazilian case are companies that sell food supplements, electronics and cell phones.

The city of Orlando is a top-of-mind destination, with regard to this type of tourist business, according to the Brazilian Association of Travel Agencies (ABAV, 2019). Today, thanks to blogs, social media and tourism websites, it is possible to identify these stores with the ethnic strategy, when planning their trips.

Another strategic advantage, presented by these companies, concerns the availability of certain products. By being in constant contact with its target consumers, they can predict a high demand for certain products (for example, a Michael Kors handbag, which was shown in a Brazilian soap opera, or the newly launched iPhone).
One of the Brazilian target stores, for example, purchased a full container of iPhone devices, while, in official stores, they were sold out and possibly unavailable. In fact, these entrepreneurs decided to charge 35% more than the regular Apple store, as reported by an interviewed entrepreneur. According to one of the customers of this store: "for me it is worth it, because ... in Brazil, it would still cost more than double".

4.3 EXOTIC MARKET FOR LOCAL CUSTOMERS

Ethnic networks provide “stocks of labor”, suppliers, knowledge and customers (Barret, Jones, & McEvoy, 1996). However, some entrepreneurs use their traditional knowledge and connections to improve their profits, while selling to the local market, which is called by Altinay (2009) “traditional customers”. This market focus is related to the “market development” strategy proposed by Ansoff's seminal work (1957).

This type of entrepreneur can take advantage of the globalized fashion trend of ethnic products (for example, sushi bars, Argentinian and Brazilian steakhouses, Mexican tacos or Belgian and Swiss chocolates). Some may even try to develop a consumer culture in certain areas of the world, where there is no immigration or established fashion.

In the Brazilian case, examples are rodizio steakhouses, Brazilian açai smoothies, martial arts training - Brazilian jiu-jitsu, Brazilian-style hair removal and manicure services, and sexy Brazilian bikinis (see Teixeira, 2014; Rocha, Esteves, Mello, & Silva, 2015). In addition, the entrepreneurial opportunity receives a facilitating factor from a demand created by the very desire to know or experience this novelty.

In addition, some immigrants try to persuade traditional customers to incorporate these products or services into their daily lives (Wang & Altinay, 2012). In the case of Brazilian communities, some products and services stand out, such as teaching capoeira or less known products, such as fried pastries and cheese buns.

This market opportunity to sell exotic Brazilian products is similarly used by small groups of immigrants or refugees arriving in Brazil. For example, Arab cuisine relative to the story of the Syrian refugee Talal-Al Tinawi, who lives in São Paulo, being a former engineer who arrived in Brazil in 2013 and made a fortune selling his delicacies (Azevedo, 2015). On his daughter's birthday, he decided to throw a party with typical dishes and ended up delighting the new Brazilian friends who soon asked for his Arab dishes. Another friend made his Facebook fan page for promotion and then...
participated in fairs at the local mosque, at the Immigration Museum and in events of various refugee organizations in the city. A volunteer from a refugee aid organization suggested a Brazilian crowdfunding website as a means of raising capital to open his own restaurant or food truck. Thanks to this help and digital tools, he finally opened his restaurant in 2016 (Brandino, 2016). Although there is an established Arab community in São Paulo, and local residents already know Syrian-Lebanese food, when presenting the original recipe for their homeland, customers will welcome it, also appreciating the “refugee success story” that it naturally symbolizes.

The same glamour can be seen in jiu-jitsu fighters who became celebrities in the USA after winning “ultimate fighting” championships, driving the business of “Brazilian Jiu Jitsu” training centers in North American lands (see Rocha, Esteves, Mello, & Silva, 2015).

4.4 LOCAL GENERIC MARKET

Two factors influence the orientation to serve the highly competitive local generic market: (1) the existence of a significant (or profitable) community of ethnic consumers; or (2) “complete” assimilation of immigrants by their local community (Alba & Nee, 1997). This type of company could be classified as “just another company” in the market; therefore, the immigrant entrepreneurship literature hardly addresses this phenomenon.

However, according to Cruz, Falcão and Barreto (2017), a novelty was found among the Brazilian communities of entrepreneurs - a certain “limited distrust”. In addition, in relation to Brazilians, their orientation towards the market is related to pre-established commercial relations with local suppliers and customers or to the lack of cultural affiliation.

In this context, the entrepreneur will be subject to the forces of Novo and Padilha (2017) without the benefit of reducing competition. Although the market prospects are much broader in this case, entrepreneurs are likely to face stiff competition.

Some immigrant entrepreneurs, for example, decide to open insurance offices, technology companies, restaurants with no ethnic appeal, dry cleaning services, or any type of business. In this case, it is worth noting that these ventures are not aimed at any particular group, such as those mentioned earlier in this section.
5 FINAL CONSIDERATIONS

The world faces a complex challenge to the growth of immigration, which includes the flows of minds, ideas, goods and individuals. Some of these individuals come from entrepreneurial immigrant minorities.

In view of the theoretical gap, observed at the intersection between the studies of diaspora and ethnic entrepreneurship, this research, which had the purpose of feeding the discussion on the subject, showed, through the systematization of knowledge, under a managerial approach, variables subject to influence the definition of market strategies of ethnic or immigrant companies. Furthermore, this study was able to answer questions related to the influence of ethnic affiliation and its implications in the choice of different marketing strategies and guidelines, as well as the question about the definition of the target audience of companies (ethnic, co-ethnic, consumers or local customers).

In view of what was exposed in the previous section, the research contributes to the analysis and understanding of entrepreneurial activities of immigrants or diaspora citizens in their host countries, as it confronts a robust data collection with a comprehensive review of the literature on the subject. Immigrant entrepreneurship, in its broadest sense, appears as a way of connecting and developing people, cultural groups and markets. In addition, immigrant companies have favorable effects on the re-socialization of individuals, generating both income and non-economic benefits.

Starting from two points raised by Min and Bozorgmehr (2000) - whether ethnic resources are more important for the establishment of immigrant or ethnic companies; and if there is a causal connection between ethnic businesses and ethnic solidarity - it is concluded that it is possible to discuss specificities within the same ethnic group. For example, Brazilians with low educational levels (human capital) or few local connections (social capital), tend to rely more on ethnic resources to work in their businesses, choosing this audience to serve. On the other hand, Brazilians who have a higher human and social capital, or even those who were expatriates, can show similar patterns to those of Iranian immigrants, developing larger, more dispersed businesses and focused on serving local consumers.

Still corroborating the findings of Min and Bozorgmehr (2000), Brazilians, who attend to their ethnicity, faced tough competition within their ethnic group; while those who chose to serve non-ethnic customers, such as Iranians, bypassed it. Therefore, it
is concluded that the intermediary companies, which sell exotic products to local consumers, or target specific interests, are the ones that strengthen their ethnic solidarity. However, even though they know that all types of immigrant or ethnic enterprises can contribute to ethnic affiliation, some are more attached to their groups than others.

One of the main theoretical contributions of this article is to support, through the introduction of elements associated with strategic decisions, the discussion about the market orientation of small and medium immigrant businesses and ethnic Brazilian ventures abroad, and about the choice of type target audience to be served.

This corroborates what Elo et al. (2018) point out, regarding the numerous implications related to the resource base, the challenges in the complex and multidisciplinary nature of immigrant entrepreneurship, and the need for a multilayered analysis. Thus, this study also considers that the change from rigid structures to a broader and deeper understanding increases the wealth of knowledge related to immigrant entrepreneurship, contributing to theory and practice. However, there is still room for improvement in the definitions and conceptual treatment presented here, especially when it comes to comparing different contexts.

Even if based on literature that addresses other ethnicities, and having presented insights to support future comparative studies on immigrant and ethnic entrepreneurship, conducted within other communities, this research was limited to analyzing a specific ethnic group (Brazilians), with a data collection based on a qualitative approach. It is therefore suggested that further studies be conducted, guided by quantitative analyzes, in order to statistically validate and generalize the findings presented here to other contexts.

As Brazilian citizens are also descendants of various ethnic origins (Asian, Arab, European, African and indigenous), and Brazil is, at the same time, an emitter and host country of immigrants, composed of a melting pot of races, it is configured as an observation field that allows a more eclectic look at the phenomenon studied. This points to paths for comparative research, with other immigrant communities, which can even provide new dimensions related to market orientation processes and the strategic decisions of small immigrant and ethnic companies, linking them to IE theories.

The implications for policy formulation include the contribution of this study to areas that go beyond entrepreneurship. Migration and integration policies, as well as
social development and market opportunities (Brinkerhoff, 2016) can benefit from the results presented, following the example of Newland and Tanaka (2010). Notably, the affiliation and target audience of companies can also contribute to improving formal institutional aspects and fostering other modes of social integration (Etemad, 2018).

With regard to practical implications, this paper presents a guideline for future immigrant entrepreneurs, who face dilemmas related both to their market orientation and to the direction of their business decisions. In addition, it can assist entrepreneurs with theoretical reflections on their activities.

In this sense, a broader academic debate on the subject, involving the analysis of different groups of immigrants, not yet observed in the academic literature, will be welcome. A particularly interesting bias, for later studies, includes the use of the matrix now presented, in longitudinal studies, capturing the possible evolution (or change of status) between its quadrants. Other possible research paths include the incorporation of the “liabilities of outsidership and foreignness” of the Upsalla Model (Johanson & Vahlne, 2009) in the matrix analysis.

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