

## SOME USEFUL TOOLS FOR MARKET SEGMENTATION: CRITERIA, STRATEGIES AND METHODS

**Codruța Dura**, *Assoc.Prof., Ph.D., University of Petroșani, Romania*, [codrutadura@yahoo.com](mailto:codrutadura@yahoo.com)

**Imola Drigă**, *Assoc.Prof., Ph.D., University of Petroșani, Romania*, [imola.driga@gmail.com](mailto:imola.driga@gmail.com)

**ABSTRACT:** *The market is made up of a variety of types of consumers, each with different tastes, demands and expectations. Market segmentation designates the process of identifying and determining the various groups of customers that place a demand on a specific market, who have common features of consumption and meet certain conditions of classification according to various criteria. The segmentation criteria represent the variables used for the delimitation of the segments that form the internal structure of a global market. According to Philip Kotler's approach, there are four main segmentation criteria for the goods market: demographic criteria, geographic, behavioural and psychographic criteria. Our paper employs the typological analysis by accumulation in order to identify certain types of consumers, based on their similar characteristics, and to draw up focussed strategies tailored to each market segment.*

**KEYWORDS:** *market segmentation; segmentation criteria; the typological analysis by accumulation; types of consumers.*

### 1. INTRODUCTION

Global market research in the context of marketing research is an extremely difficult approach, if not impossible to complete in certain conditions. That's why most businesses restrain the sphere of the market research, focusing on the sectors or the segments of demands which seem more appealing, with characteristics that correspond to their objectives and potential. These *typical groups or classes of customers* are called *market segments*.

The market is made up of a variety of types of consumers, each with different tastes, demands and expectations. Men, for example, will not call for feminine perfumes and deodorants, youngsters wouldn't like to dress in dark colours, women would not consume spirits, elderly people prefer less crowded tourist destinations for their holidays, people with low incomes will buy cheap products and the examples could continue.

Market segmentation means *the operation of identifying and determining the various groups of customers that place a demand on a specific market, who have common characteristics of consumption (use) and satisfy a certain condition of classification according to various criteria.*

### 2. THE SEGMENTATION CRITERIA

The segmentation criteria represent *the variables used for the delimitation of the segments that form the internal structure of a global market.* Their choice depends on many factors: the nature of the products sold on the market in question, their destination, the size and

characteristics of the global market, the possible consumer behaviours etc.

The list of segmentation criteria which is available to those who carry out market researches is extremely comprehensive. Philip Kotler completed logic systematization, identifying - for the goods market - four main categories: demographic criteria, geographic, behavioural and psychographic criteria. These are presented in table 1, along with the typical market segments that can be determined with their help.

*Table 1: Segmentation criteria of the consumer goods market*

CRITERIA	TYPICAL SEGMENTS
I. Demographic	
Age (years)	< 6 years; 6-14; 15-20; 21-30; 31-40; 41-59; > 60
Sex	Men; Women
Marital status	Single; Married; Bachelor; Widowed.
Nationality	Romanian; Hungarian; German; Italian; Arabic etc.
Religion	Orthodox; Catholic; Greek-catholic; Muslim etc.
Education	Illiterates; Elementary school; Secondary school; College; University; Master Degree; Postgraduates; Doctors Degree
Occupation	Specialists with higher education; Clerks; Craftsmen; Workers; Farmers; Pupils; Students; Housewives; Unemployed; Employers etc.

Size of family	1-2 members; 3-4 members; > 5 members.
Family life span	Single youngsters; married youngsters, without children; married youngsters, with children; married old people, without children; married mature with children (under 18, and above 80 respectively); single seniors; other categories
Income	Low; Medium; High.
II. Geographic	
Region (area)	Transylvania, Moldavia, Banat-Crişana, Muntenia, Maramureş, Oltenia, Dobrogea etc.
Country	Romania, Hungary, USA, France, Italy, Great Britain etc.
City (size)	Less than 5000 inhabitants; 5000-20.000; 20.000-50.000; 50.000-100.000 etc.
Medium	Urban; Rural
Climate	Warm; Cold; Dry; Wet.
Landforms	Mountain; Plain; Hill.
III. Psychographic	
Personality and temper	Introvert; Extrovert; Phlegmatic; Sorrowful; Impulsive; Bossy; Passionate; Conservative; Anxious etc.
Social class	Lower class; Middle class; Higher class.
Life style	Implementer; Egotist; Pragmatic; Fighter; Ecologist; Whimsical etc.
IV. Behavioural	
Attitude towards the product	Enthusiastic; Positive; Indifference; Hostile
Loyalty	Absolute; Medium; Random; Weak
Usage Rate	Reduced; Medium; Intense
Advantages	Quality; Prestige; Comfort; Utility; Price; Services; Economies etc.
Status of user	Non-consumer (absolute or relative); Ex-consumer; Potential consumer; Regular consumer; Casual consumer etc.
Importance of shopping	Great; Medium; Reduced
Decision of purchasing	Unconscious; Conscious; Informed; Interested; Intentional etc.
Time allotted to purchasing	Rushed customers; in transit; Available.

Of course, the inventory of possible segmentation criteria and "typical" categories of clients is far from being exhausted in the columns of the table above. Without claiming an exhaustive approach, we were limited to presenting those criteria and market segments that make their presence felt ever more frequently

among the marketing guidelines of contemporary enterprises.

Although theoretically the staging seems logical and easy to implement, choosing the appropriate segmentation criterion is not easily achieved in practice, especially in situations where several variables seem to have an approximately equal value. In such situations it is necessary, as a rule, to conduct a sample survey, followed by the use of some methods for segmentation purposes. The methods and techniques for structuring (segmentation) the market can be summarized into two main categories [12]: *methods of market typology* and *methods of market segmentation*, respectively. In the first category we come across the *typological analysis through accumulation* and *typological analysis through concentration*, while the second category includes the most commonly applied  $\chi^2$  test, the *Belson method* and *multiple linear discriminator*.

### 3. SPECIFIC MARKETING STRATEGIES

There are two extreme approaches of the market (applicable, however, in quite rare cases) - *mass marketing* and *differentiated marketing*, among which we may find a third approach prefigured by the content of this paragraph - *target marketing*.

*Mass marketing* (undifferentiated) deliberately ignores the differences between clients; therefore the offer is addressed to an "average consumer". The market is considered to be homogeneous, and the product is designed to meet the requirements expressed at an acceptable level. For example, at some point Henry Ford sold all its purchasers the same model of black car. Mc Donald's restaurants offer almost identical fast food menus worldwide.

The main advantage of non-differentiated marketing orientation is that it enables a substantial reduction in the level of production costs through the exploitation of scale economies. Therefore the costs of logistics activities, marketing researches or promotional campaigns are distributed on a high volume of goods of the same type. Accordingly, the average cost decreases, and the profits are likely to increase.

The disadvantage of this strategy is the risk of penetration of new competitors on the market using a differentiated marketing approach and adapting the offer so as to meet the requirements at a higher level of some market segments that can be attracted this way.

*Differentiated (individualized) marketing* provides a wide and broad range of products targeted to meet consumer requirements, identifying the distinct market segments. This alternative is extremely expensive and difficult to carry out, due to increased complexity of administrative and coordination activities, and as a result of the proliferation of distribution channels and promotion actions. There are still economic sectors where the peculiarity of the activity requires the production of custom made goods and services: tailor made clothing, building of houses, manufacturing luxury cars, production and deliveries of complex industrial equipment with outstanding performances etc. This is the strategy that best satisfies customers,

although the high costs needed for its implementation increase prices that consumers must be able to pay.

*Target marketing* represents the modern optics of enterprises, which are concerned with the delimitation of distinct and relatively homogeneous segments of the global market, as well as with the adjustment of supply and marketing policies to each distinct group. The advantages of this marketing guideline are as follows [9]:

- *effective use of marketing resources*, which focuses on a limited number of market areas;
- *diversification of risks generated by the loss of some traditional market segments*;
- *deeper knowledge of customer needs*, marketing researches being carried out on a smaller number of consumers organized in relatively homogeneous subsets;
- *retaining the clientele* due to the possibility of meeting the requirements of buyers at a higher level;
- *raising awareness with regard to the actions of competitors*; they are easier to monitor on relevant market segments as compared to global markets;
- *ability to establish and achieve levels of objectives and performances* that are more realistic and easier to put into practice.

The target marketing strategy presents several disadvantages as well:

- *there is a possibility to neglect some consumer segments* as a result of targeting other sectors of the market, potentially more profitable;
- *high level of production and marketing costs*, as a consequence of differentiated treatments applied to the targeted market segments in terms of product policy, price, promotion and distribution policies.

Despite these drawbacks, however, outweighed by the numerous benefits reported, target marketing is currently the strategy and approach of the market that is most often used by businesses in most areas of activity.

#### 4. MARKET SEGMENTATION USING THE TYPOLOGICAL ANALYSIS BY ACCUMULATION

This method is aimed at dividing a community of consumers into categories which bring together individuals of the same type, with common or very similar features. Therefore the typology groups marketing phenomena into categories (classes), starting from the discovery of similarities in the behavior of consumers included in the same subdivision. The particularities of each class are highlighted through the initiation of a quantitative marketing research based on a selective survey, applied to a sample of consumers, representative for the total population. The questionnaires which help carry out the market survey, include questions that capture the essential characteristics of consumers in accordance with the established typology criteria.

In order to illustrate the procedure for applying the method of typological analysis by accumulation in practice, we shall consider the case of "Style" company, producing women's clothing. With the aim of knowing

the structural characteristics of the market, the company carried out a survey upon a sample consisting of consumers of five of the most popular products (symbolized  $M_1, M_2, M_3, M_4, M_5$ ). The survey is conducted based on a questionnaire that includes a series of questions about the essential features of consumers, thus forming the actual typology criteria established in a previous stage of the market research. It is desirable to identify four distinct types of consumers, so that marketers should be able to develop differentiated strategies for each segment individually.

The questionnaire included the following questions and choices:

1) The monthly net revenues of consumers fall into one of the following categories:

- a) below 1500 lei;
- b) between 1500-2500 lei;
- c) between 2500-5000 lei;
- d) more than 5000 lei.

2) The age of consumers ranges:

- a) between 18-35 years;
- b) 36-50 years;
- c) over 50 years.

3) The preferred distribution channel is represented by:

- a) classical shops;
- b) Internet (e-shops);
- c) supermarkets and hypermarkets.

4) The chosen type of clothing:

- a)  $M_1$ ;
- b)  $M_2$ ;
- c)  $M_3$ ;
- d)  $M_4$ .

The answers to the first 12 questionnaires are those listed in the table below (the encoding of the table of responses is based on the following agreement: "1" symbolizes an affirmative response to one of the choices of the question and "0" symbolizes a negative response).

Table 2: Responses of consumers of "Style" to the questionnaire

	1			2			3			4				
	a	b	c	a	b	c	a	b	c	a	b	c	d	e
1	0	0	1	1	0	0	1	0	0	0	1	0	0	0
2	0	0	1	0	1	0	0	0	1	0	0	0	1	0
3	1	0	0	1	0	0	0	1	0	1	0	0	0	0
4	0	1	0	0	0	1	1	0	0	0	1	0	0	0
5	1	0	0	0	1	0	1	0	0	0	1	0	0	0
6	1	0	0	0	1	0	0	0	1	0	0	0	0	1
7	0	0	1	1	0	0	0	0	1	0	0	1	0	0
8	0	1	0	1	0	0	0	1	0	1	0	0	0	0
9	1	0	0	0	1	0	0	0	1	0	0	0	1	0
10	0	0	1	0	1	0	0	1	0	0	1	0	0	0
11	0	1	0	0	1	0	1	0	0	1	0	0	0	0
12	1	0	0	0	1	0	0	1	0	1	0	0	0	0

We shall determine, gradually, the types of consumers starting from the first one. There are some steps that must be followed:

**1. the maximum typological distance between two elements of the sample can be determined using the following relation:**

$$D = \frac{2n}{N} \quad (1)$$

where:  $D$  – the maximum typological distance;  $n$  – the number of questions within the survey;  $2n$  – the maximum number of possible non-coincidences in the answers of two consumers (in case their answers to each question are different);  $N$  – the total number of possible choices to every question of the questionnaire

$$N = \sum_{i=1}^n k_i \quad (2)$$

$k_i$  – the number of possible choices to question  $i$ .

We've mentioned previously that the managers of 'Style' wish to identify four distinct types of consumers, with the aim of drawing up some tailored strategies; therefore, the number of acceptable types is  $N_t=4$ . The number of questions within the questionnaire which helps carrying out the selective investigation is also equal to 4 ( $n = 4$ ); while the total number of possible answers (variants) to the questions that make up the questionnaire is given by the sum of:

$$N = k_1 + k_2 + k_3 + k_4 = 3 + 3 + 3 + 5 = 14$$

As a consequence, the maximum typological distance shall be determined as follows:

$$D = \frac{2n}{N} = \frac{2 \cdot 4}{14} = 0,57$$

**2. the exigency threshold is calculated next using the formula:**

$$F = \frac{D}{N_t} \quad (3)$$

$$\text{Thus, } F = \frac{0,57}{4} = 0,1425$$

**3. let us consider the questionnaires filled out by two different consumers marked as "a" and "b" and calculate the typological distances between their responses:**

$$D_{ab} = \frac{1}{N} \sum_{i=1}^n \sum_{j=1}^{k_i} |a_{ij} - b_{ij}| \quad (4)$$

where:  $a_{ij}$  – the choice of consumer a for the response j to question  $i$  ( $j = \overline{1, k_i}$ );  $b_{ij}$  – the choice of consumer b for the response j to question  $i$  ( $j = \overline{1, k_i}$ ).

If the choices for the response j to question  $i$  are opposite, then  $|a_{ij} - b_{ij}| = 1$ , whereas these answers are identical then  $|a_{ij} - b_{ij}| = 0$ .

For starters, we shall compare the responses within the first two questionnaires:

$$D_{1,2} = \frac{1}{14} \cdot (0+0+0+1+1+0+1+0+1+0+1+0) = \frac{6}{14} = 0,428 = \frac{8}{14} = 0,57 > F$$

**4. the exigency threshold  $F$  is compared with the typological distance  $D_{ab}$ . The following two situations may occur:**

-  $D_{ab} \leq F$ , in which case the two consumers will both fall into the same category;

-  $D_{ab} > F$ , in which case the two consumers fall into separate categories.

In our case,  $D_{1,2} > F$ , as a consequence consumers 1 and 2 are of different types.

During this phase of the survey one can notice two different types of consumers: type  $t_1$  consisting of client no. 1; type  $t_2$  consisting of client no. 2

**5. The responses to the following questionnaires are then analyzed, repeating steps 3 and 4 for each of them, until the number of acceptable types ( $N_t$ ) is exhausted.**

If a type is made up of  $p$  elements ( $p \geq 2$ ), it is necessary to recalculate the coordinates of this type of composite using the relation:

$$t_{kij} = \frac{\sum_{r=1}^p c_{rij}}{p} \quad (5)$$

where:  $t_{kij}$  – the time coordinate "t<sub>k</sub>" for question  $i$  and response  $j$ ;  $c_{rij}$  – the response of consumer  $r$  belonging to type  $k$  to question  $i$ , and response  $j$  ( $c_{rij}=1$  if the response is positive and  $c_{rij}=0$  in case the response is negative);  $p$  – the number of consumers belonging to type "k".

-Analyzing the questionnaire filled out by consumer no. 3 makes us calculate the typological distances:

$$D_{1,3} = \frac{1}{14} \cdot (1+0+1+0+0+0+1+1+0+1+1+0+0+0) = \frac{6}{14} = 0,428 > F$$

$$D_{2,3} = \frac{1}{14} \cdot (1+0+1+1+1+0+0+1+1+1+0+0+1+0) = \frac{8}{14} = 0,57 > F$$

As a consequence, a new type of consumer marked  $t_3$  comes into existence and it is made up, for starters, of consumer no. 3.

**- Questionnaire no. 4:**

$$D_{1,4} = \frac{1}{14} \cdot (0+1+1+1+0+1+0+0+0+0+0+0+0+0) = \frac{4}{14} = 0,285 > F$$

$$D_{2,4} = \frac{1}{14} \cdot (0+1+1+0+1+1+1+0+1+0+1+0+1+0) = \frac{8}{14} = 0,57 > F$$

$$D_{3,4} = \frac{1}{14} \cdot (1+1+0+1+0+1+1+1+0+1+1+0+0+0) = \frac{8}{14} = 0,57 > F$$

$$D_{1,2} = \frac{1}{14} \cdot (0+0+0+1+1+0+1+0+1+0+1+0) = \frac{6}{14} = 0,428 = \frac{8}{14} = 0,57 > F$$

As a result of comparing every typological distance calculated, in this case, using the exigency threshold determined in step 2, there appears a new type, type  $t_4$ , which is made up of consumer no. 4. It is worth mentioning that by this time all possible types have been exhausted, therefore no additional types can be further developed.

6. After determining the acceptable number of categories, **the responses to the following questionnaire are then analyzed**, calculating the typological distance towards each type:

$$D_{ik,h} = \frac{1}{N} \sum_{i=1}^n \sum_{j=1}^k |t_{kij} - h_{ij}|, k = \overline{1, N_i} \quad (6)$$

where:  $t_k$  – type  $t_k$  and  $h$  – the next consumer;

$t_{kij}$ ,  $h_{ij}$  – coordinates of type  $k$  and consumer  $h$ , respectively to question  $i$  the response  $j$ .

Based on the result of comparison with the exigency threshold, there are two possibilities:

- if  $D_{ik,h} \leq F$ , then consumer  $h$  belongs to type  $t_k$  and implicitly, the coordinates of this type must be reevaluated with the relation (5); the analysis carries on with the questionnaire filled out by consumer no.  $h+1$ ;

- if  $D_{ik,h} > F$ , for any  $k = \overline{1, N_i}$ , there are more types to be developed. In this case, we face two possibilities: we can either include consumer  $h$  into one of the categories formed previously (taking into consideration the minimum typological distance); or we can merge two types that have already been formed, thus creating an available category for consumer  $h$ . In order to adopt the best of the two possibilities, the *movable indicator* must be determined by the product of the number of questions and the typological distance.

It is also necessary to find two variants for the minimum movable variable:

1. the movable variable between consumer  $h$  and the type towards which the minimum typological distance is registered:

$$(\Delta_{k,h})_{min} = n \cdot (D_{ik,h})_{min} \quad (7)$$

2. the movable variables between the types of consumers distinguished so far:

$$\Delta_{k,m} = n \cdot D_{ik,m}, k \neq m \quad (8)$$

If  $(\Delta_{k,h})_{min} \leq (\Delta_{k,m})_{min}$ , then consumer  $h$  belongs to type  $t_k$ ; if  $(\Delta_{k,h})_{min} > (\Delta_{k,m})_{min}$ , then the types of consumers  $t_k$  and  $t_m$  blend together, and consumer  $h$  will form a distinct type.

#### - Questionnaire no. 5:

As opposed to the previous four types, the typological distances of the responses in questionnaire 5 can be determined based on the relation (4) and they can be compared with the exigency threshold:

$$D_{t_1,5} = \frac{4}{14} = 0,285 > F \quad D_{t_2,5} = \frac{6}{14} = 0,428 > F$$

$$D_{t_3,5} = \frac{6}{14} = 0,428 > F \quad D_{t_4,5} = \frac{4}{14} = 0,285 > F$$

Since the number of pre-established types is used up, consumer 5 can no longer form a different type from the ones already formed.

In order to choose the best variant according to determinations in step 6, *the minimum movable variable* must be calculated:

1<sup>o</sup>. between types of consumers already formed:

$$\Delta_{t_1,t_2} = n \cdot Dt_{1,t_2} = 4 \cdot 0,428 = 1,712$$

$$\Delta_{t_1,t_3} = n \cdot Dt_{1,t_3} = 4 \cdot 0,428 = 1,712$$

$$\Delta_{t_1,t_4} = n \cdot Dt_{1,t_4} = 4 \cdot 0,285 = 1,14$$

$$\Delta_{t_2,t_3} = n \cdot Dt_{2,t_3} = 4 \cdot 0,570 = 2,28$$

$$\Delta_{t_2,t_4} = n \cdot Dt_{2,t_4} = 4 \cdot 0,570 = 2,28$$

$$\Delta_{t_3,t_4} = n \cdot Dt_{3,t_4} = 4 \cdot 0,570 = 2,28$$

2<sup>o</sup>. between consumer 5 and the types  $t_1$  and  $t_4$ , respectively:

$$\Delta_{t_1,5} = n \cdot Dt_{1,5} = 4 \cdot 0,285 = 1,14$$

$$\Delta_{t_4,5} = n \cdot Dt_{4,5} = 4 \cdot 0,285 = 1,14$$

As a result, we have the following equality:

$$\Delta_{t_1,t_4} = \Delta_{t_1,5} = \Delta_{t_4,5}$$

which helps outlining the following three options:

- consumer 5 can be included in type  $t_1$ ;

- consumer 5 can be part of type  $t_4$

- consumers 1 and 4 can merge, while consumer 5 forms a distinct type.

Each of the mentioned solutions is correct; however, in order to highlight the most appropriate one, we shall analyze the responses to questionnaires 1, 4 and 5. Following this analysis, we consider it more appropriate to include consumer 5 in the type  $t_4$ , because unlike the responses to questions 1 and 2 which are very different, the responses in questionnaire 5 are somewhat closer to those in questionnaire 4, as compared to questionnaire 1. Based on the decision to include consumer 5 into the type  $t_4$ , a new type of consumer will be formed, marked  $t_4^1$ , the coordinates of which are recalculated using the relation 5 and they are listed in the table below:

Table 3: Coordinates of consumer type  $t_4^1$

Ty pe	1			2			3			4				
	a	b	c	a	b	c	a	b	c	a	b	c	d	e
$t_4^1$	0,5	0,5	0	0	0,5	0,5	-	0	0	0	-	0	0	0

7. **The acceptable exigency threshold** must be reevaluated based on exponential smoothing. The formula used in this respect is the following:

$$F^1 = \alpha \cdot F + (1 - \alpha) \cdot \Delta_{min} \quad (9)$$

where:  $\alpha$  - smoothing coefficient ( $0 < \alpha < 1$ );

$$\Delta_{min} = \min\{(\Delta_{k,h})_{min}; (\Delta_{k,m})_{min}\} \quad (10)$$

In our case study, the new exigency threshold shall be:

$$F^1 = \alpha \cdot F + (1 - \alpha) \cdot \Delta_{min} = 0,8 \cdot 0,1425 + (1 - 0,8) \cdot 1,14 = 0,342$$

Further on, we shall analyze the questionnaires filled out by the other consumers:

#### - Questionnaire no. 6:

$$D_{t_1,6} = \frac{8}{14} = 0,57 > F^1 \quad D_{t_2,6} = \frac{4}{14} = 0,285 < F^1$$

$$D_{t_3,6} = \frac{6}{14} = 0,428 > F^1 \quad D_{t_4,6} = \frac{6}{14} = 0,428 > F^1$$

Comparing the calculated typological distances with the new exigency threshold is followed by the fact that that the answers of the questionnaire 6 are closest to the coordinates of type  $t_2$ . As a result of including consumer 6 into type  $t_2$ , there appears a new type of consumers marked  $t_2^1$ , the reevaluated coordinates of which can be found below:

Table 4: Coordinates of consumer type  $t_2^1$

Ty pe	1			2			3			4				
	a	b	c	a	b	c	a	b	c	a	b	c	d	e
$t_2^1$	0,5	0	0,5	0	-	0	0	0	-	0	0	0	0,5	0,5

Steps 3-7 are successive, until exhausting all the 12 questionnaires, the structure and the coordinates responses of consumers in table 2. Thus, after analyzing of the types already formed is presented as follows:

Table 5: Coordinates of the four types of consumers

Type	Consumer	1			2			3			4				
		a	b	c	a	b	c	a	b	c	a	b	c	d	e
T <sub>1</sub> (t <sub>1</sub> <sup>1</sup> )	1,7	0	0	1	1	0	0	0,5	0	0,5	0	0,5	0,5	0	0
T <sub>2</sub> (t <sub>2</sub> <sup>2</sup> )	2,6,9	0,67	0	0,33	0	1	0	0	0	1	0	0	0	0,67	0,33
T <sub>3</sub> (t <sub>2</sub> <sup>2</sup> )	3,8,12	0,67	0,33	0	0,67	0,25	0	0	1	0	1	0	0	0	0
T <sub>4</sub> (t <sub>4</sub> <sup>3</sup> )	4,5,10,11	0,25	0,50	0,25	0	0,75	0,25	0,75	0,25	0	0,25	0,75	0	0	0

Analyzing the four types of consumers and their coordinates, one can draw the following conclusions:

- Type T<sub>1</sub> – consists exclusively of people with monthly incomes over 5000 lei, between 18 and 35 years of age. This type of consumers equally uses the Internet and classic shops for purchasing “Style” products. The types of clothing demanded by this category are M<sub>2</sub> and M<sub>3</sub>;

- Type T<sub>2</sub> – is made up mostly of people with low income (below 2500 lei/month), with ages between 36 and 50 years. The method of purchasing products is through classic shops, while the preferred models are M<sub>4</sub> and M<sub>5</sub>;

- Type T<sub>3</sub> – groups mainly people with incomes below 2500 lei, between 18 and 50 years of age. “Style” products are purchased from supermarkets and hypermarkets, exclusively. The model demanded by this type of consumers is M<sub>1</sub>;

- Type T<sub>4</sub> – includes consumers with various incomes, mainly between 2500-5000 lei/month. People in this category are 36-50 years old or over 50 years (a reduced proportion). The preferred channels of distribution are the Internet, supermarkets and hypermarkets. The favorite clothing products for this type of consumers are M<sub>2</sub> and M<sub>1</sub>.

As we can see, the main disadvantage of the typological analysis by accumulation is that this method can be applied only to small samples of consumers. If a larger number of questionnaires were processed using this method, the larger the number of consumers included in a type, the greater the diffusion of the identified characteristics within a type is, while the dispersion of the types tends to decrease. Under the circumstances, the accuracy of the analysis is compromised because the actual individualization of distinct types of consumers becomes an impossible task.

## 5. CONCLUSIONS:

As it was initially coined, the term “market segmentation”, assumed that consumers were static and immutable. Nowadays, we know that global markets sum up a wide range of people which display much different buying behaviour. That reality is well known by modern marketers, responsible of drawing product development strategies or pricing and promotion policies. Instead of directing companies in suiting their products and services to the categories of consumers most likely to purchase them, marketing segmentation has become an old technique with a new focus: media advertising and message. Thus, many

advertisers conceived target commercials in order to attract a certain group of viewers which identify with their slogans.

In our way of thinking, segmentation should remain a valuable tool both for companies and consumers, supporting at the same time, the identification of clusters which feed the company’s profits and the features of product and service offerings which tailor the very group of clients interested in buying them.

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