

MARKET RESEARCH AND TARGET MARKET SEGMENTATION IN PLACE MARKETING PROCEDURE: A STRUCTURAL ANALYSIS

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ABSTRACT

The purpose of the paper is to present a structural analysis of market research and target market segmentation procedures in Place Marketing implementation. The paper focuses on city's internal and external environment in micro macroeconomical level, trying to set up a wide range of important questions concerning the planning and the successful performance of Place Marketing. The first part of the paper analyses Place Marketing as a strategic procedure. The second and the third parts examine the role of market research and target market segmentation in the Place Marketing process. The fourth part presents a structural analysis, by putting market research and target market segmentation procedures into city's internal and external environment, in a variety of areas of analysis. Furthermore, some very important questions related to each area and environment of analysis are discussed. The article supports that this structure is characterized by flexibility since it can be used in more specialized research fields, such as: tourism, culture, innovation, business activities, leisure and recreation etc. Target market research allows you to identify and define the target market that would be most attracted to your offering. Once you have settled on a target market and initiated your marketing activities, you can begin to identify potential niche markets within your target market. Isolating niche markets enables you to focus on those subdivisions within a target market audience which are defined by a shared interest or unique quality. One rule is very important to remember: **the more narrowly you can define a target audience, the easier it is to target.**

KEYWORDS: city's internal and external environment, market research, place marketing, target market segmentation.

INTRODUCTION

Place marketing constitutes one of the most interesting areas of research the last twenty years, since many cities globally and especially in Europe use promotion policies in order to support their images and become competitive among other cities supports that the marketing of place products should be based on the overall vision and the policy goals for the place, what influences which city products, and promotional images are targeted at which users. In addition argued that for a place to become a recognized destination presents a difficult marketing challenge, since to maintain a positive image in the minds of visitors may be even more difficult because alternative and competitive destinations are always pushing the limits of market competition. Place Marketing supporters, who begin with the traditional theory of Marketing 4ps. (product, price, place, promotion), identify local economic development and city competitiveness as goals, attributing the concept of .product. or .good. to the city itself, and recognizing the promotion strategies as one of the most important factors of cities competitiveness, knowing at the same time that city image promotion constitutes something more complicated and multi dimensional. They come short of the analysis of cities. internal and external environment, the justified identification of the potential target markets, the

development of particular strategies for potential target markets satisfaction and also the presentation of a specific methodology of Place Marketing effectiveness measurement. This very point is especially important since economic geographers mainly, talk about the Waste Strategies., phenomenon, that is the strategies for the attraction of potential target markets, which developed and performed without any kind of evaluation and consequently they do not generate any profit on local as well as on regional level.

MARKET RESEARCH

“Marketing Research is a systematic method of collecting, recording and analyzing of data, which is used to solve marketing problems.” Market research constitutes a very important part of an effective Place Marketing Plan implementation. The majority of studies focus on tourism and cultural development of cities and regions, using primary researches and econometric quantitative analysis. These researches concern the investigation of tourism trends globally, the analysis of tourists. behavior and their particular characteristics, the auditing of strengths and weaknesses of cities in order to become competitive in international tourism and cultural market etc. A company faces many marketing problems. It faces problems about consumers, product, market competition, sales promotion, etc. Marketing research helps to solve these problems. Marketing research is a systematic process. It first collects data about the marketing problem. Secondly, it records this data. Then it analysis this data and draws conclusions about it. After that, it gives suggestions for solving the marketing problem. So, marketing research helps to solve the marketing problems quickly, correctly and systematically. Marketing research collects full information about consumers. It finds out the needs and expectations of the consumers. So the company produces the goods according to the needs and expectations of the consumers. Marketing research helps the company to make its production and marketing policies. It helps the company to introduce new products in the market. It helps to identify new-markets. Marketing research also collects full information about the competitors. The company uses this information to fight competition. It also helps the marketing manager to take decisions. Marketing research is a special branch and soul of 'Marketing Management'. It is of recent origin and widely used by manufacturers, exporters, distributors and service organizations. Marketing research is very systematic, scientific, objective and organized. It has a wide scope. It includes product research, consumer research, packaging research, pricing research, etc. Marketing research is a continuous process. It has a few limitations. However, a company cannot survive and succeed without it.

TARGET MARKET SEGMENTATION

Target markets research and analysis is an important first step to any marketing campaign. When you define a target market, it means you have established a certain level of market segmentation and selected the target market segment that will present the most opportunity for profit. Target market segmentation is related to the focus on specific target markets and especially on tourist. Several studies used segmentation analysis in order to examine the most profitable segments in existing target groups that best maximize value to the destination.

Target markets are grouped by common measures such as:

1. **Geographic Target Market Segmentation** — for instance, a target audience that does business in a particular language, city, state/province, or country
2. **Firmographic Target Marketing Segmentation** — a company’s number of employees, industry or income bracket can define a target audience
3. **Psychographic Target Market Segmentation** — this kind of target market segmentation is especially useful for repeat clients, who may be drawn to anything from the price range, quality levels or the delivery terms
4. **Need-Driven Target Market Segmentation** - this can be the most difficult target audience to assess, but also one of the most fruitful. Ask, what is the motive behind a purchasing decision? What factors play into a company’s decision-making?

Market segmentation is about using market research to know all you can about your customers. The purpose is not just to sell products and services that you have, but to also inform research and development. Customers generally appreciate marketing that is directed to them, designed for them, and that efficiently presents the information they need to make purchase decisions. Learn some techniques for conducting market segmentation. The more that is known about a target market, the easier it becomes to differentiate a product. When a market researcher knows what is valued by a consumer group, she knows how to market the product or how to style the advertising to appeal to that group.

MARKET SEGMENTATION -- GET UP CLOSE AND PERSONAL

Market segmentation can be established by exploring and analyzing many different characteristics about potential consumers. It is helpful to think of market segmentation utilizing several tiers of categorical characteristics.

Tier One includes the most common attribute groups: Demographic, socioeconomic, and product usage.

Demographic:- This category includes attributes related age, city or region of residence, gender, race and ethnicity, and composition of household. While these are all important attributes, the relationship between these characteristics and consumer behavior may be quite small. Demographic attributes function best as a foundation for more specific segmentation research.

Socioeconomic :- This category includes attributes related to household income, level of educational attainment, occupation, neighborhood of residence, and membership in various associations. These characteristics tend to be more refined in terms of relationship to consumer behavior, particularly as a reflection of lifestyle, brand preference, array of services used, and price sensitivity.

Brand affinity / Product usage -- Consumers who exhibit brand affinity or actual product usage are segmented on the basis of their behavior. That this is true, makes brand affinity and product usage one of the strongest categories to use for developing market segments. This is why inbound marketing works as well as it does - essentially, the consumer creates his / her own segment through their inbound marketing activity.

Tier Two are really just extensions of the Tier One attribute group. Tier Two attributes are derived at by drilling

Psychographics:- This category includes attributes related to specific lifestyles, hobbies, personality, attitudes, opinion, and even voting behavior. The relationship between these psychographic characteristics and consumer behavior is fairly strong and can provide an effective avenue of communication with potential consumers.

Generation:- This category includes attributes related to a specific identifiable generation cohort group. Segmentation by generation addresses similarities in people who are born in the same time period. These generation cohorts tend to exhibit an orientation to life that has been (or is) strongly influenced by the economical, technological/scientific, political, educational, and political experiences they have shared.

Geography :- This category includes attributes that are related to the geographical area in which consumers reside and work. Consumers in this category may be similar along a number of important dimensions, such as political orientation, religious affiliation, and options for transportation and shopping. These consumers may share an affinity for regional cooking or show strong preferences for certain kinds of apparel.

Benefits sought:- This category of attributes is related to the benefits that consumers seek when they shop for products and services. The benefits that consumers seek can vary widely depending on what they are in the market to buy. Brand loyalty, brand affinity, and consumer brand attitude cannot be measured collectively. Rather, these attributes may be brand-specific, or maximally, categorically specific. For instance, a consumer may shop thrift stores for clothing or household goods, but shop for food only in expensive, organic food markets.

PUTTING MARKET RESEARCH AND TARGET MARKET SEGMENTATION IN CITY'S INTERNAL AND EXTERNAL ENVIRONMENT

4.1 MARKET RESEARCH IN CITY'S INTERNAL AND EXTERNAL ENVIRONMENT

Market research in cities internal and external environment concerns the analysis of various areas that are recognized as significant before the planning and the performance of a Place Marketing Plan. These areas have a common base, but their analysis is different, since in internal environment the analysis concerns the micro economical level, while the analysis of the external environment concerns the macro economical dimension. The areas of analysis are (table 1):

- a) Trends and attitudes in the city: This analysis concerns the identification and the evaluation of trends and attitudes on matters such as, the tourism, the culture, leisure activities, the technology and innovation, the character and the level of business actions, the values and the traditions of the place etc. The main aim is the investigation of the demands, the needs and the perceptions of the existing city's target markets and its region, as well. These target markets are: residents, enterprises, public economic organizations (i.e. chambers of commerce and industry), nonprofit organizations, training centers, technological institutes, universities, cultural, tourism and environmental associations etc.,
- b) Local forces, partnerships development and delegation of roles and responsibilities. This second area of analysis focuses on the role and the contribution of cities forces to the development and the competitiveness of cities (localities). Furthermore, it's been examined the level and the character of the partnerships between cities actors in order to promote and support the image of the cities effectively,
- c) Identification of the potential target markets: The identification of the target markets is based on the auditing of cities distinctive characteristics, the creation of distinctive goods applying to the target markets, in local and regional cities environment,
- d) Residents and other city's target markets: Identification of those target markets that are the most profitable for the city, the type of communication and cooperation processes with the residents and the other target markets of the city.
- e) Competitors in regional level: This area concerns the analysis of competitors in regional level, since other cities act competitively in order to reinforce their position among other cities in the same region.

Table 1 presents the areas of analysis of market research procedure in the internal and external environment of a city. Each area is accompanied by some very important questions, which compose a structural analysis of market research planning and performance.

Table 1: Internal and External city environment (Local and Regional)

4.2 TARGET MARKET SEGMENTATION IN CITY'S INTERNAL AND EXTERNAL ENVIRONMENT

In the case of target market segmentation there are also particular areas of investigation and analysis, concerning city's environment. More particularly these areas concern the following (table 2):

a) *Segmentation of trends and attitudes* as they derived from market research, categorizing the needs and the perceptions of the target markets (the existing demand), but also the levels of satisfying these needs from city's environment (the existing supply),

b) *Segmentation of the strategies, tactics and alternative scenarios*: This analysis concerns the evaluation and the

MARKET RESEARCH		
Areas of analysis	Answers to questions (Internal)	Answers to questions (External)
<p><i>Trends and Attitudes in the city:</i> Tourism, Innovation and Technology, Leisure and Recreation, Customs Manners and traditions, Business activities and entrepreneurship, Planning, Quality of life etc.</p>	<p><i>Basic questions:</i> - What is the degree of the local and regional trends and attitudes, which influence the locality's (city's) development policies? - How easy is it for the locality to follow these trends or to adopt these attitudes? - Does the locality have the appropriate development policies to satisfy the internal market demands effectively?</p>	<p><i>Basic questions:</i> - What is the degree of the European and international trends and attitudes which influence the locality's (city's) development policies? - How easy is it for the locality to follow these trends or to adopt these attitudes? - Does the locality have the appropriate development policies to satisfy the market demands effectively?</p>
<p><i>Actors contribution and partnerships between:</i> Public Local and Regional Authorities, Enterprises, Business incubators, Universities and Research centers, Technological and Innovation centers, development agencies, consultancies, culture, tourism and environmental organizations, citizens, visitors</p>	<p><i>Basic questions:</i> - How is the local economic development connected with urban policies? - What is the role of the private sector (enterprises) to local development achievement? - What is the role and the level of power of Local Self-Government to local development achievement? - What is the role and the level of contribution of Universities, business incubators and innovation centers? - How easy is it for the locality to evaluate these trends and to adopt successful mechanisms of development actions and promotional activities?</p>	<p><i>Basic questions:</i> - What are the appropriate external partners that the city has to be co-operated? - What will be the fields of these co-operations? - What is the role and the level of contribution of Local Self-Government to the development of these co-operations? - What will be the expected profits of these co-operations? - How easy is it for the locality to plan and develop these co-operations?</p>
<p><i>Roles and responsibilities per actor</i> <u>Sectors:</u> planning, research, project management, controlling, organising, programming, evaluation of feedback procedure, financial management, human resources management, decision makers etc</p>	<p><i>Basic questions:</i> - Who will be on charge of the strategic planning procedure? - Who will distribute the roles and the responsibilities between the contributing actors? - Who will be the decision maker/makers? - Who will implement the Place / City marketing plan.</p>	<p><i>Basic questions:</i> - Who will be on charge of the development of co-operations with the external partners? - Who will distribute the roles and the responsibilities between the contributing actors? - Who will evaluate the quality and the level of effectiveness of these co-operations? - What will be exactly the mission and the scope of each external co-operation?</p>
<p><i>Strategies, Tactics and alternative scenarios</i> Generic development strategies, specialised strategies per sector, strategic plans, promotional actions, waste strategies</p>	<p><i>Basic questions:</i> -Does the city have the capacity to plan and to perform strategic promotional actions in co-operation with the other cities in periphery area -Are these promotional and development actions related with the locality's vision and goals? -Are these promotional and development actions related with the periphery's development, also? - What is the additional value on the locality's and the periphery's development concerning external strategic actions adopted by the locality?</p>	<p><i>Basic questions:</i> - Does the city have the capacity to plan and to perform strategic promotional actions in co-operation with other cities or organizations in abroad? - What will be the plan, the scenarios and the character of each co-operation? - What will be the 'actions promotional package' for each co-operation? - What is the additional value on the locality's and the periphery's development?</p>

final selection of strategic axes of actions implementation, defining the excellent strategies, the tactics and the existence of flexible alternative scenarios and finally the evaluation of specialized techniques for each action development per sector of target market,

- c) *Segmentation criteria*: The identification of the main segmentation criteria includes three big categories of analysis: – *Segmentation of residents. characteristics*: the residents constitute the major potential target market of cities environment. The effective promotion and the provision of city's .goods. require the segmentation of their characteristics, since in market research process, they.re trends and their purchasing behavior have been identified. – *Segmentation of city's characteristics*: this process concerns the categorization of economic, urban, technological, environmental, commercial, cultural and leisure facilities that each city has and offers to the potential target markets. This phase presupposes the identification of a city's distinctive characteristics, the justification of the selected target markets and the segmentation based on their particularities and their purchasing behavior. – *Segmentation of city's actors*: It concerns, the segmentation of roles and actions that a city's actors take up in the city's environment (who is doing what, how and when), the level of their specialization (degree of their effectiveness), the ways of connections between them and with the potential target markets.
- d) *Segmentation of competition areas*: In this case segmentation concerns the identification of the market share that the city holds towards its competitors, both on a general level and according to its distinctive characteristics, in order to improve its position among other competitor cities.

Table 2 presents the areas of analysis of target market segmentation procedure in the internal and external environment of a city. Each area is accompanied by some very important questions, which compose a structural analysis of target market segmentation planning and performance.

MARKET SEGMENTATION		
Areas of analysis	Answers to questions (Internal)	Answers to questions (External)
<p>Segmenting trends and attitudes per: -Development and promotional area (culture, tourism, environment etc.) -Potential target markets favors (the existing demand) - The level of trends and attitudes satisfaction (the existing supply)</p>	<p>Basic questions: - Does the locality have the required capability to face the potential demand? - Does the locality have the required supply to attract the selected potential target markets?</p>	<p>Basic questions: - Does the locality have the required capability to satisfy the potential demand of foreign markets? - Does the locality have the required capability to transform or to re-construct its image in order to attract the foreign target markets? - How easy is for the city to transform a negative image (if there is one) to positive one?</p>
<p>Segmenting Strategies, tactics and alternative scenarios per locality case study: - Main strategies (excellent) per sector and action - Alternative scenarios per sector and action -Tactics per sector and action -Specialized techniques per sector and action</p>	<p>Basic questions: - What are the main characteristics of these strategies? - How are the performed strategies (per studying area) linked with an area's economic development? - How are the performed strategies linked with the regional area? - Which of these strategies are waste strategies? Which of these strategies could be adopted by the locality?</p>	<p>Basic questions: - How are the selected strategies linked with the approach of the selected target markets? - How are the selected strategies linked with the promotion of city's image globally? - How are the selected strategies linked with the selected profitable target markets? - Under what conditions the segmentation of strategies can be successful?</p>
<p>Basic segmentation criteria: -Nationality, Sex, Age, Family structure -Occupation, Educational level, Social class -Income, Religion, Hobbies, Traditions, Favors</p>	<p>Basic questions: - What is the accessibility level of penetration to the selected target markets? - What specialized segmentation strategies does the city have to perform in order to segment these target markets? - What means, methods or techniques does the city need to use in order to perform segmentation process effectively? - What are the specific needs and expectations of each target market that the city has to satisfy?</p>	<p>Basic questions: - What will be the segmentation criteria if the locality decides to approach specific international target markets (i.e. FDI, alternative types of tourism, people with special needs, athletes etc) - What will be the evaluation and feedback processes? - How the locality will use the information in order to build an effective promotion package offering to these markets?</p>
<p>Basic segmentation criteria (per citizens, per city's area, per actor): Citizens: Sex, Age, Family structure, Occupation, Educational level, Social class, Income, Hobbies, Favors City's area</p>	<p>Basic questions -How the city will use the primary data in order to create effective segmentation policies (methods)? -How easy is for the city decision makers and the planners to implement segmentation policies per all the city's internal target</p>	<p>Concern only the internal environment</p>

CONCLUSION

The article focuses on the analysis of market research and target market segmentation procedures, significant parts of Place Marketing effectiveness. Both procedures can plan and performed in city's internal and external environment following the structural model that the paper proposed. The final provided good of the city is its image. So, we can't develop a strategic place-marketing plan, in order to promote this image successfully, without answering first some basic questions with regards to the auditing analysis of the situation in the internal and the external city's environment (a structural analysis). Each of these questions constitutes a guide-tool of analyzing each area effectively. The effectiveness of each area analysis depends on city's planners and marketers. ability to provide the appropriate answers each time.

Furthermore, the success of target market segmentation presupposes the quality and the degree of effectiveness of Market research (representative qualitative and quantitative analysis of the current situation). Therefore, we could support that market research and market segmentation, take place after SWOT and PEST analysis and before the place/ city marketing plan implementation.

Finally, the article supports that the proposed structural analysis is characterized by flexibility since it can be used in more specialized research fields, such as: tourism, culture, innovation, business activities, leisure and recreation etc.

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