

ANALYZING THE CONSUMER PROFILING FOR IMPROVING EFFORTS OF INTEGRATED MARKETING COMMUNICATION

Empirical
studies

Keywords

Market segmentation
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JEL Classification

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Abstract

In an economy with a strong concurential character, organizations must capitalize the integrated marketing communication in the most effective way, to ensure the creation and maintenance of long-term relationships with current and potential customers. Building and managing the relationships with customers can have a direct and favourable effect on the efficiency of an organization's communication efforts. The integrated marketing communication identifies with the nowadays market dynamics and learns the organizations how easy can be to prosper in an environment where changes occur in an alarming way. Therefore, the purpose of this paper is to analyze the socio-demographic profile of the consumers of bread in Arges County, as well as the preferences and purchasing behaviour at the level of the market segments identified using the K-Means Cluster Analysis method.

1. Introduction

Improving demarches of communicational nature can be ensured by changing the way of thinking of organizations by involving more and more the final consumer in the communication process. A product or a brand exists in the mind of the consumer not only because of the experience with it, but also because of the medium and long term effects by which a message built on wishes, expectations or preferences of the consumers can be transmitted simultaneously by as many as possible communication tools. Building and managing relationships with consumers can have a direct and favourable effect on the activity effectiveness of communication of a company.

The integrated marketing communication process should start from the outside, from the consumer (outside-in) to identify those means of communication that best meet the information needs, but also of the reasons for which the customer buys a product or service, and continues in the inside of the company (inside-out), to identify the sources of contact and the communication vehicles, in order to create and maintain interactive relationships with customers (Shimp, 2003).

Building the relationships between a product or a brand and their consumers represents the key element in modern marketing and can be ensured by capitalizing the integrated marketing communication in an effectively way (Shimp, 2003).

The integrated marketing communication aims to change the behaviour of the target audience. It also has the role of creating a positive image of a product (a company) and to influence consumer's attitude towards this. The success of integrated marketing communication involves targeted efforts in terms of encouraging the consumer's response to a sent message. In other words, the objective is to determine the target

audience to action. Before selling a product or a service, consumers need to know the usefulness and benefits offered by it, so that the product or service has the favourable influence on the attitude of the audience targeted. The success of a communication program consists of encouraging the consumers to appreciate the advantages enjoyed by a product and also to become familiar with it (Shimp, 2003).

Based on all these considerations, it was performed a market segmentation of the bread in the Arges County, segmentation which was the basis of a quantitative market research performed in order to obtain information on the stimuli and communicational factors that influence, respectively determine the buying behaviour of the consumers of bread in Arges County. In this sense, it was used the K-Means Cluster Analysis method. Groups' analysis or the cluster analysis is "a the statistical method for classification of individuals, objects, events, brands, companies etc. in groups relatively homogeneous, depending on certain attributes or characteristics, with the aim of minimizing the variability inside the created groups and of maximizing the differences between them" (Aldenderfer & Blashfield, 1984). Using the final results of the iteration process and the cross tables, it was determined the socio-demographic profile of each segment. Also, there were determined the preferences and the buying behaviour at the level of the identified market segments.

The programs of the integrated marketing communication can support organizations in their effort to ensure the sustainability of the image of a created product/brand or even of the company itself. Today, the organizations must adapt to the new realities of the environment in which they operate and to adopt the integrated marketing communication as a way of developing the sustainable relationships both with the customers and the stakeholders (Laric et al. 2010).

The integrated marketing communication takes into account all sources through which a product, a brand or a company comes into contact with current and potential customers, as a potential means of transmitting messages. It uses all the relevant forms of communication so that customers can become receptive (Figure 1). In conclusion, the process starts from the outside of the company, most exactly at the consumers, and continues inside of the company, in order to determine ways through which the communication programs must be developed (Schultz, 1996).

2. Market segmentation of bread in the Arges County using the K-Means Cluster Analysis method

The principles of application of the K-Means Cluster Analysis method for the market segmentation of bread in Arges County. The number of market segments originally specified was four. The initial centers of the segments were chosen randomly (tabel 1), after which at each iteration, the grouping of cases was done based on the nearest Euclidean distances towards the recalculated centers. Within the algorithm, there are pursued the minimizing of the variation inside the segments and the maximizing of the variation between segments. After two iterations, it has been reached the convergent final value (table 2). The variables of segmentation were the price and quality of an assortment of bread.

2.1 The Socio-demographic profile of the market segments identified by the K-Means Cluster Analysis method

Using the final results of the iteration process and cross tables, it was determined the socio-demographic profile for each segment.

Group 1 - "Less the price - less the quality": is composed of those consumers who consider that **the price** is a factor which influences in small or even in the

very small extent the purchase decision of an assortment of bread. Regarding **the quality**, this counts in a very small extent when they take the decision of purchasing an assortment of bread. From here, it can be deduced the fact that people who are part of this group are not sensitive nor to price, nor to quality, which means that their decision of purchasing is influenced only sometimes of the quality or price of an assortment of bread. So this group includes, depending on the current occupation, first, people with higher education (29.4%), persons with secondary education (17.6%) and pensioners (17.6%). These are about in the same way men (52.9%) and women (47.1%), with a decreased income level (below 800 RON - 52.9%). Also depending on their degree of concentration, it can be seen that such persons have a medium and high level of education (high school - 41.2%, and college / faculty - 23.5%) and are included into the following categories of age: 26-30 years (41.2%), over 59 years (23.5%) and 36-40 years (17.6%).

Group 2 - „More the price – more the quality”: is composed of those consumers who appreciate that **the price** is influencing in a great extent their purchase decision of an assortment of bread. In regarding **the quality**, this counts in large or in very large extent when they take the decision of purchasing an assortment of bread. From here, it can be inferred that for people who are part of this group, the ratio quality - price is very important, which means that their decision of purchasing is influenced primarily by the quality of an assortment of bread, being ready to pay a price corresponding the qualitative level of this (table 3). So that this group includes, depending on the current occupation, first, people with secondary education (19,1%), people with higher education (18,9%), pupils/students (14,8%) and pensioners (13,4%). These are in about the same measure women (53,0%) and men (47,0%), with a decreased and medium income level

(below 800 RON – 43,0%, between 800 and 1599 RON – 37,7%). Also depending on their degree of concentration, it can be seen that these persons have a medium and high level of education (high school – 50,1%, and college/faculty – 29,8%) and are included in the following categories of age: 26-30 years (18,6%), 18-25 years (18,4%) and 41-45 years (17,2%).

Group 3 - „More the price - less the quality”: is composed of those consumers who appreciate that **the price** influences in a great extent their purchase decision of an assortment of bread. Regarding **the quality**, this counts in a small extent when they take the decision of purchasing an assortment of bread. From here, it can be inferred that the persons who belong in this group are sensitive to the price, which means that their purchase decision is influenced, in particular, by the price of an assortment of bread and less by its quality. Thereby, this group includes, depending on the current occupation, first, pensioners (27,3%), skilled workers (18,2%) and the unemployed (11,4%). They are mainly men (54,5%) with a low income level (under 800 RON - 61,4%). Also depending on their degree of concentration, it can be seen that such persons have a medium and low level of education (high school - 43,2%, general school [8 classes] - 22,7%) and fall into the following categories of age: over 59 years (25,0%), 41-45 years (18,2%) and 36-40 years (13,6%).

Group 4 - „Less the price – more the quality”: is composed of those consumers who consider **the price** is a factor which influences in small or even in a very small extent the purchase decision of an assortment of bread. Regarding **the quality**, this counts in large or in a very large extent when they take the decision of purchasing an assortment of bread. From here, it can be inferred that persons who belong this group are sensitive at quality, which means that their purchase decision is influenced, in particular by the quality of an assortment of bread and less than its

price. Therefore, this group includes, depending on the current occupation, first, people with higher education (22,5%), persons with secondary education (21,7%) and pupils/students (17,5%). They are mainly women (57,5%), with a medium and low income level (between 800 and 1599 RON – 42,5%, below 800 RON – 36,7%). Also depending on their degree of concentration, it can be seen that these persons have a medium and high level of education (high school – 51,7%, college/faculty – 39,2%) and are included in the following categories of age: 26-30 years (29,2%), 18-25 years (21,7%) and 41-45 years (17,5%).

2.2 Preferences and buying behaviour at the level of the identified market segments (table 4)

Group 1 - "Less the price - less the quality”: regarding the preferences of for a given assortment of bread, it is found that most persons who are part of this group consume ordinarily, white bread (82,4%), and prefer, in particular the unpackaged bread (76,5%). Regarding the criteria based on the decision of choosing and purchasing an assortment of bread, it is noted that for persons of this group the term of validity represents the main decision criterion. Both the freshness and the distribution (easy to find) are important criteria in terms of their decision to purchase an assortment of bread.

Regarding the purchasing behaviour, it is found that persons who are part of this group are buying commonly an assortment of breads from kiosks (41,2%) and from supermarkets or hypermarkets (41,2%). Depending on the degree of concentration, it is noted that they purchase an assortment of bread from any manufacturer, regardless the store (70,6%). From here, it can be inferred that people who are part of this group have a low degree of fidelity towards the manufacturer.

Group 2 - „More the price – more the quality”: regarding the preferences for an assortment of bread, it is found that most persons who are part of this group

consume, typically, white bread (59.4%) and only 20.5% black bread. Also, they prefer, particularly the unpackaged bread (55.1%). Regarding the criteria based on the decision of choosing and purchasing an assortment of bread, it is noted that for those who are part of this group, the term of validity is the main decision criterion. Both the freshness and the price represent an important criterion in terms of their decision of purchasing an assortment of bread.

Regarding the purchasing behaviour, it is found that persons who are part of this group typically buy an assortment of bread from kiosks (30.1%), from big neighbourhood shops (21.5%) and supermarkets or hypermarkets (18, 9%). Depending on the degree of concentration, it is noted that they purchase an assortment of bread from any manufacturer, regardless the shop of where they buy (60.1%). Therefore, it can be stated that people who are part of this group have a low degree of fidelity towards the manufacturer.

Group 3 - „More the price - less the quality”: regarding the preferences for a particular assortment of bread, it is found that most persons who are part of this group consume typically white bread (61.4%) and only a share of 18.2% semi-white bread. Also, they prefer, particularly the unpackaged bread (61.4%). Regarding the criteria based on the decision of choosing and purchasing an assortment of bread, it is noted that for persons who belong to this group, the price represents the main criterion of decision. Both the freshness and the term of validity represent an important criterion on their decision of buying an assortment of bread.

Regarding the purchasing behaviour, it is found that persons who are part of this group buy commonly an assortment of breads from kiosks (38,6%) and specialized stores (25,0%). Depending on the degree of concentration, it is noted that they purchase an assortment of bread from any manufacturer, regardless the shop

from where they buy (68,2%). Therefore, it can be stated the fact that people who are part of this group have a low degree of fidelity towards the manufacturer.

Group 4 - „Less the price – more the quality”: regarding the preferences for an assortment of bread, it is found that most persons who are part of this group consume, typically, white bread (60,0%) and only 15,0% black bread. Also, they prefer, in about the same extent, both the packaged bread (51.7%), and the unpackaged bread (48.3%). Regarding the criteria based on the decision of choosing and purchasing an assortment of bread, it is noted that for persons who belong to this group, the freshness represents the main criterion of decision. Both the term of validity, way of packaging and the ingredients represent an important criterion on their decision of buying an assortment of bread.

Regarding the purchasing behaviour, it is found that persons who are part of this group buy commonly an assortment of breads from kiosks (24,2%), big neighbourhood shops (21,7%) and supermarkets or hypermarkets (21,7%). Depending on the degree of concentration, it can be seen the fact that those who are part of this group are distributed, almost equally, thus: those who purchase an assortment of bread from any manufacturer, regardless of the shop from where they buy (51.7%) and those who purchase an assortment of bread from a single producer, regardless of the shop from where they buy (48.3%). From this it can be seen that from the first category are those who have a low degree of fidelity towards the manufacturer when they take the decision to purchase an assortment of bread. Instead, the second category includes persons that keep their degree of fidelity towards the manufacturer from which they usually buy an assortment of bread.

Conclusions

The integrated marketing communication aims to build and strengthen the profitable relationships with current and potential customers and to generate synergy through the coordination of all components of the communicational mix in a coherent program that can have a maximum effect. The communication is one of the most important activities that can ensure the long term success of organizations. If these accept the fact that for them the communication is the foundation of all the relationships with consumers, it is also necessary to accept that only an integrated approach of marketing communication can assure them a sustainable competitive position.

The integrated communication not only concerns changing the perception and attitude of consumers, but it is geared towards influencing the purchase behaviour and consumption. By integrating the existing communication means, marketing goals can be met much more effectively. Both the changes that have occurred in the field of communication and the new trends have led to the need for integrated marketing communication (De Pelsmacker et al., 2007).

The market segmentation of bread in the Arges County using the K-Means Cluster Analysis method was the basis of a quantitative research performed in order to obtain information on the stimuli and factors of communicational nature which influence and determine the buying behaviour of the consumers. Using the final results of the iteration process and the cross tables, it was determined the socio-demographic profile for each segment. Also, there were determined the

preferences and buying behaviour of the identified market segments.

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Figure 1. Changing the role of communication in the consumer's perspective

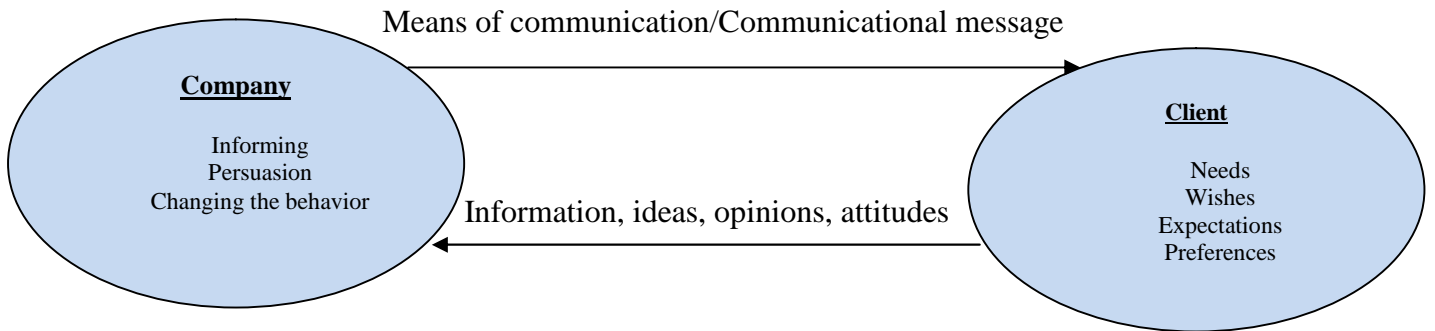


Table 1. Determining the initial centers of the groups

The initial centers of the groups				
Segmentation variables	Groups			
	1	2	3	4
The price of an assortment of bread	1.00	5.00	4.00	1.00
The quality of an assortment of bread	1.00	5.00	2.00	5.00

Table 2. The iteration process

The historian of iteration ^a				
Number of iteration	Changes in the groups centers			
	1	2	3	4
1.	1.529	1.055	0.762	0.863
2.	0.000	0.000	0.000	0.000
a. The convergence attained following the amendments in the centers of clusters. Changing the absolute maximum in each center is 0.000. The number of iterations is 2. The minimum distance between initial the centers is 3.162.				

Table 3. Determining the initial centers of the groups

The final centers of the groups				
Segmentation variables	Groups			
	1	2	3	4
The price of an assortment of bread	1.59	4.09	3.66	1.74
The quality of an assortment of bread	2.41	4.47	2.68	4.56

Table 4. Determining the dimension the market segments

The dimension of the market segments		
Segments	Dimension	
	Number of people in each segment	Relative frequency
<i>The segment 1</i>	17	2,8%
<i>The segment 2</i>	419	69,8%
<i>The segment 3</i>	44	7,3%
<i>The segment 4</i>	120	20%
<i>Total</i>	600	100%