

ASPECTS OF SEGMENTATION IN THE MARKETING OF INNOVATION

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Abstract: In the marketing of innovation, the segmentation of the marketing in a relative notion, since, as the time passes and new technologies appear, novelty is no longer new for customers, which determines the continuous change of their behaviour and of the segmentation criteria.

1. Introduction.

Innovation and technology represent segments that determine certain particularities as far as the analysis of the marketing situation is concerned, and especially the target market. Before choosing the target segments, the resulted technology should be developed on as many applicable fields as possible, on which it should focus. This makes us believe that it is not difficult to choose the known target markets of these applications, so that they should not bring about failure in the end. In order to prevent such a choice it is necessary to complete two stages: the market segmentation and the marketing diagnosis.

As far as segmentation is concerned, it can be defined as an operation through which we describe the market in the simplest possible way, from the point of view of its heterogeneity. Thus, as we receive explanatory and descriptive information concerning the groups of customers, we can speak about market segments.

In order to highlight the importance of technology in analysing the situation of an innovation, we should explicitly introduce a technical dimension in the segmentation of the market. Thus, we can speak of technical segmentation in the dissemination of the operation that identifies the applications of the innovation, in other words, the technical problems that technology could solve. However, since it is not sufficient for it to solve only the technical problems in order to have a market segment, we have introduced a second dimension of segmentation, namely the behavioural segmentation, which is the operation through which we place an emphasis upon groups of customers in terms of innovation-related behaviour.

In order to identify the market segments we create the segmentation matrix through combining the two types of segmentation: technical and behavioural. The market segment on

which we can subsequently build up a strategy is made up of groups of customers identified with the help of the segmentation matrix.

2. The technical segmentation.

In order to achieve the technical segmentation we should identify the way customers will use our products, from a technical point of view. We refer here to products made up of materials created by using the technology or the measuring, fabrication, maintenance or calculating operation that the customers will do with the help of the resulted technology.

After completing the list of usages, these will be grouped again following an intuitive manner, starting from the actions presented for each type of solved technical problem. Using the intuition, we can synthesize the information that can later be gathered, forwarded in a conscious manner (by analysing the maintenance book) and then in an unconscious manner (by observing the details).

Intuition does not represent a sufficiently convincing argument in order to provide solutions to the technical aspects of the technology, and for that reason we should go through three stages in using it.

A first stage refers to the functions fulfilled by the technology. In this respect, a matrix presenting the functions that are necessary for solving the common technical problem of re-united usages is created. With its help, we can find a solution for each application (particular technical problem) that will situate the functionally defined product in a unique manner. If two applications do not admit the same solution, two problems admitting the same solution will be united and considered as identical.

The second stage refers to the comparison of competing technologies. For this a Technologies/Applications matrix will also be created, in which the competing technical solutions of the researched innovation are compared, and later the actual or the potential technologies for solving each application are indicated. If we happen to find the same competing solutions in two different situations, it means that the two technical problems that admitted the same solution are sufficiently similar to be grouped together.

The third stage refers to the identification and combination of criteria that can explain a difference in the nature of the technical problem in solving from one application to another. Discovering such criteria is an important stage since, if the discovered differences cannot be justified, we should return to the starting point and formulate again new applications that can justify the usages of the technology or the innovation.

While analysing the technical segmentation we should consider the following:

- the product that is going to be produced or the application;
- the usage restrictions or the appliance of the technology;
- its background;
- problems faced with in the case of competing technologies.
- basic functions, necessary functions and the added functions of the established innovation

This description should include all the aspects that can explain and justify the differences that appear from one application to another or from one group to another. Thus we can emphasize the criteria that determine the differentiation of applications through (Millier, 1997):

- the technical definition of the offer;
- the application of the offer;
- the nature of the solved technical problem

When all these criteria have been established, we can identify the best combination that will allow the complete description of all the applications of the innovation or the technology.

3. The behavioural segmentation.

The behavioural segmentation involves a similar procedure as the technical segmentation. First, a list of potential customers is created, who will be subsequently re-grouped in terms of their interest for the innovation that has been presented. This is in fact the first impression of customers as far as our offer is concerned. Their attitude can be positive or negative, and their enthusiasm stronger or weaker and their interest focused on the technological, rather than the economic aspects, in terms of the interests of those who aim at this type of product (the marketing manager, the person responsible with the environment or the supply service of the company). In all these situations, different impressions will be created, which will result in creating homogeneous groups of customers, in terms of their behaviour.

As in the case of the technical segmentation, we can apply three stages for the identification of the market segments. During the first stage, the factors responsible for the commercial success will be identified, while using The factors for the commercial success/Behavioural matrix. If two groups of customers, with similar ways of behaving, indicate different success factors, we shall proceed to the second stage, which emphasizes the behaviour in relation to competitors, by creating a Competitors/Behaviours matrix. The two groups of customers, which work with different suppliers, will be compared. If they display different types of behaviour, it means that the selected suppliers presented the success factors that customers demanded.

We proceed to the third stage, namely the consolidation of behavioural segmentation, through the identification and the combination of segmenting behavioural criteria, in order to explain the different behaviour of the two groups of customers. The behaviour of each customer group is described in detail, as well as the possible causes that can contribute to this type of behaviour. We shall present only the criteria that best explain the differences and the resemblances between types of behaviour.

In order to identify the behavioural segmentation criteria, we should take into consideration the behaviour of each group in particular and the possible causes that determine such a way of behaviour. Combining the criteria of behavioural segmentation is carefully done, as in the case of the technical segmentation. We shall analyse the criteria that best explain the change in behaviour, but only those that allow the return to the observed and the intuitively reconstituted behaviours are retained.

4. Choosing the target segments.

In order to choose the target segments, we create the segmentation matrix, by combining the technical and the behavioural segmentation. The identified target market receives the name of the common characteristics to all the customers of the segment, starting from the descriptive characteristics of the companies in that particular segment. The customers belonging to that particular market segment will be identified, located, approached and even quantified. The descriptive criteria in terms of which the market segments can be studied are the following (Millier, 1997):

- the size of the company;
- the company's activity;
- the industrial segment to which it belongs;
- the geographical location;
- the means of production;
- the position of the industrial chain;
- the position within that industrial chain;
- the juridical statute.

In creating such a description, we analyse a fundamental characteristic of approaching the emergent markets that, after having been defined, can be quantified for each market segment that has been defined.

The segmentation matrix allows us to (Millier, 1997):

- determine the content of the offer for each segment of the market;
- determine the commercial accessibility of the product;
- adapt the scale of the product to each segment of the market.

Determining the technical content of the offer involves a technical and a non-technical part. The technical part of the offer's content can be associated with the description of the way the product functions as well as the technologies through which it has been created. In order to do this, the functions the products fulfils in relation to the application for which it has been conceived, and the technologies that stand at the basis of fulfilling these functions are going to be taken into consideration. The non-technical part of the offer's content refers mainly to the means the competitors can be outrun, namely: services, price, distribution, etc., relying upon the thrust for the customers' behaviour. The technical and the non-technical part of the offer have in view the fact that the product offered to customers might become successful, in relation to that offered by competitors.

In establishing the commercial accessibility of the product we had in view with our research, we look at the behaviour of customers in relation to the risks they perceive in relation to the product and the motivations that determine them to act in a certain way. Eventually, the choice of a product is determined by the information that is supplied which, from the customer's point of view can be sufficient or insufficient and determine him to make a choice. Once the information has been provided, the commercial actions should be prepared, for each market segment. In order to avoid the rejection of the product in the market segments, we shall try to consolidate the general commercial actions for segments. To achieve this aim

we shall not diversify the products, but we shall place emphasis upon each product by specifying the functions that are necessary in order to solve the customer's problems.

5. Conclusions.

In the marketing of innovation, the segmentation of the marketing is a relative notion, since, as the time passes and new technologies appear, novelty is no longer new for customers, which determines the continuous change of their behaviour and of the segmentation criteria. On the other hand, the company itself can change its offer and will not use the same segmentation criteria.

Thus, the structure of the offer and the limits of customers can be changed. This determines the immediate re-assessment of the segmentation, as we get new information that appears on the market or on the innovative environment.

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