Determining and Recognizing the Criteria for Market Segmentation of Motor Oil Based on Sought Purchase benefits Approach (Case Study: Isaco Motor Oil)

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Abstract

Importance of market segmentation for various reasons increased the role of market segmentation. First, population growth slowed and many market - the product's maturity are This increased competition is that since firms grow Gain more market share and increase the variety of products under one brand name search. Second, social and economic factors such as increased levels of net income, improving education and increasing public awareness, has needs, wants, preferences and lifestyles of customers more diverse and complicated than before. This increases the number and variety of goods and services that compete with each other to attract some clients. This research had the objective and descriptive - correlation and the location is a field of research. For Define and Determination the Criteria of Market Segmentation Motor Oil Isaco Concerning Attitude Research Interests Out, population of 350 persons in Tehran was selected and developed. Result of factor analysis showed five independent factors, explained 64.46 % of total variation in data. First factor with 14.35% of total variation was denominate "Car Quality". Cluster analysis classified the variations based on traits under study, in four clusters. Analysis of variance showed that there were significant relation between job, education, income and amount of devotion with Research Interests Out but, there were non-significant relation between sex and age with Research Interests Out of motor oil isaco.

Keywords: market segmentation, motor oil, factor analysis, sought interests.
Introduction

Nowadays, market research has become important and it is considered a parameter of success for companies. Companies try to increase their profitability by knowing the market and evaluating the customers. One of the tenets of the current competitive market is customer-orientation and believing in the principles of customer-orientation. In fact, this era is called “the era of targeted production”. Therefore, today, companies have stopped large marketing practices and have focused on goal-oriented marketing, instead. In this method, the whole market is divided into sections (segments) and then the best and most appropriate segment is selected. Then proper organizational strategies and plans are developed to offer profitable services, better than their competitors do.

Review of the literature

In the year 1388, a study entitled “Determination and evaluation of the criteria of purchase sought benefits model for market segmentation (Case study: Sehat shampoo)” was conducted by Mr. Massoud Birjandi in Beheshti University. The method used in this research is descriptive method. The study population included all purchasers of Sehat shampoo and the sample included purchasers of Sehat shampoo in the city of Shiraz. The research tool is a questionnaire with five point Likert scale. The results of the test showed there is a significant relationship between income, education, occupation, marital status, consumption, and loyalty to brand on the one hand and the benefits sought by consumers of the shampoo presented in the form of market segments, on the other.

Population, sampling method, and sample size

In this study, in order to determine the validity, content validity was used. Content validity refers to subjective judgment of experts about the appropriateness of the measurement. This method is commonly used in marketing research. Therefore, this study has benefitted from the opinions of marketing experts and university professors. By validity of the measure we mean if the trait is measured under the same conditions with the same tool, the results should be the same as the first time. A valid tool should be repeatable, which means it can be used on numerous occasions and in all cases the same results should be produced. The method usually used to calculate the validity of questionnaires is investigating Cranach’s alpha coefficient.

The analysis of research model data

Before conducting factor analysis, first it should be checked if factor analysis is allowed for the data. This is checked by KMO statistic. By entering all variables in the model, KMO was equal to 0.717, which means factor analysis is allowed. Bartlett with a degree of freedom of 112 is significant, which means the correlation matrix is not zero in the population. The most difficult step in factor analysis is naming the factors, because factors are hypothetical and somewhat conventional structures. However, what is clear is that factors are named based on the definitions of variables and what they measure. The primary statistical characteristics obtained by the implementation of principal factor analysis shows that the special values of six factors are greater than one and the coverage rate of total variance of variables is 64.462.
for six factors while the remaining 35.538% of the variance is justified by other variables which have not been measured.

**Analysis and testing the first hypothesis**

The first hypothesis: there is a significant relationship between the gender of consumers and purchase sought-benefits of motor oil. One of the most important demographic variables having a direct impact on the selection of goods (services) is gender and it is clearly shown in most marketing research. Therefore, in this study, it has been tried to identify the impact of this variable on the purchase of motor oil and the first hypothesis has been developed in this regard. The purpose of this hypothesis is to see whether the number of men and women in the five segments identified is equal or not? To achieve the goal, Chi- squared test was used.

The second hypothesis: there is a significant relationship between consumers' attitudes about the type of car and purchase sought interests.
Marital status is another demographic variable that may influence consumer choice of goods. Hence, it is tried to investigate the impact of this variable on purchased motor oil and the second hypothesis has been developed in this regard. To study this impact, Chi- squared test was used.

The third sub-hypothesis: there is a significant relationship between the age of consumers and purchase sought benefits of them.
Age as well as other demographic variables can affect purchasing behavior and influence consumer choice through its influence on people's needs and demands. Considering this fact, some companies focus on a specific age as their target group and try to meet their needs. Therefore, in this study, it has been tried to identify the impact of this variable on the purchase of motor oil and this hypothesis has been developed in this regard. The purpose of this hypothesis is to see whether the average age of individuals in the five segments identified is equal or not? To achieve the goal, one-way ANOVA has been used.

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<tr>
<th>LEVEL OF SIGNIFICANCE</th>
<th>F MEAN SQUARED</th>
<th>DEGREE OF FREEDOM</th>
<th>TOTAL SQUARED</th>
<th>AGE</th>
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<td>273/32, 379/35</td>
<td>370/85, 720/14563, 000/14764</td>
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Table 1: the analysis of one-way ANOVA for age hypothesis
The fourth sub-hypothesis: there is a significant relationship between jobs of consumers and purchase sought interests. The first socio-economic factor that affects consumers’ choice is the job of family members. The effect of job on consumer behavior can be studied in two dimensions: first, it affects the goods and services that the person buys and second, the purchasing power from one’s job affects his or her behavior. Therefore, in this study, it is tried to identify the impact of this variable on the purchase of oil and the hypothesis has been developed in this regard. The purpose of this hypothesis is to see whether or not there is a significant relationship between job and selection of oil?

The fifth sub-hypothesis: there is a significant relationship between educational level of consumers and purchase sought interests. Considering the fact that there is a high dependency between education and income, we can say that education has a direct relationship with consumers' purchasing power and it affects their decisions. Therefore, in this study, it is tried to identify the impact of this variable on the purchase of motor oil and the hypothesis has been developed in this regard. The purpose of this hypothesis is to see whether or not the educational level of individuals in the five identified segments the same or not. The sixth sub-hypothesis: there is a significant relationship between the income of consumers and purchase sought interests. Income is one of the most important socio-economic variables and has a significant impact on buying behavior and consumer choice. Since people have different incomes, purchasing power of them is different, which may lead to different shopping behaviors. Therefore, in this study, it has been tried to identify the impact of this variable on the purchase of motor oil and this hypothesis has been developed in this regard. The purpose of this hypothesis is to see whether the average income of individuals in the five segments identified is equal or not.

The seventh sub-hypothesis: there is a significant relationship between the loyalty of consumers and purchase sought interests. The market could be divided based on the loyalty of consumers. Consumers might be loyal to a particular product and a particular brand such as IRANOL, Behran. Some consumers are very faithful and they always just buy a specific product brand. Some others are loyal to some extent. A company can investigate and analyze the pattern of loyalty of consumers to learn a lot about the market. Therefore, in this study, it has been tried to identify the impact of this variable on the purchase of motor oil and this hypothesis has been developed in this regard. The purpose of this hypothesis is to see whether the loyalty of consumers is the same in various segments of market or not.

Table 2: one-way ANOVA for loyalty

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<th>LEVEL OF SIGNIFICANCE</th>
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<th>MEAN SQUARED</th>
<th>DEGREE OF FREEDOM</th>
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Conclusion and recommendations

Because of various reasons, market segmentation has gained more importance. Firstly, population growth has decreased, which leads to more competition as companies seek their growth in gaining more market share and also increasing the variety of products under one brand. Secondly, social and economic factors such as increased levels of net earnings and increased levels of education and awareness have caused the needs, desires, and lifestyles of customers to be more diverse and complicated than ever before. This has led to more competitions to attract customers. In addition to making companies accept the realities of market, market segmentation also has the following benefits: it recognizes the opportunities for producing new products. Market segmentation can also provide a detailed analysis of potential customer groups whose needs have not been met by existing products. These hidden and undiscovered segments can provide attractive opportunities to design and produce new products or new methods of marketing. They also help to design more efficient marketing plans to achieve homogeneous groups of consumers. Moreover, they improve the process of strategic allocation of marketing resources. Strategic benefits are sometimes not paid enough attention to. Provided that the selection of products released in different segments is well defined, these segments can act as centers of an investment activity.

The results of testing the hypotheses

The result of Chi-squared test showed that there is no significant relationship between the gender of consumers and purchase sought benefit presented in segments. Thus, in motor oil market segmentation based on benefits sought by customers, gender is a superfluous variable and is just additional information that may mislead the researcher.

The results of testing the second sub-hypothesis: The result of Chi-squared test showed that there is no significant relationship between the marital status of consumers and purchase sought benefits presented in segments. Therefore, producers of motor oil should take the kind and making of car more into consideration when making decisions.

The results of the third sub-hypothesis: The results of one-way ANOVA showed that there is no significant relationship between the age of consumers and purchase sought benefits presented in segments. Thus, in motor oil market segmentation based on benefits sought by customers, age is a superfluous variable and is just additional information that may mislead the researcher.

The result of the fourth sub-hypothesis: The result of Chi-squared test showed that there is a significant relationship between the jobs of consumers and purchase sought benefits presented in segments. Therefore, manufacturers of motor oil should take the jobs of customers into consideration when making decisions.

The results of the fifth sub-hypothesis: The result of Chi-squared test showed that there is a significant relationship between the education of consumers and purchase sought benefits presented in segments. Therefore, manufacturers of motor oil should take this fact into consideration that educated people are better aware of the alternative products and know more about the benefits and drawbacks of goods.

The results of the sixth hypothesis: The result of Chi-squared test showed that there is a significant relationship between the income of consumers and purchase sought benefits presented in segments. Hence, the manufacturer must identify price-sensitive sectors so that when pricing, low prices are applied to this section as far as possible.
The results of the seventh hypothesis: The results of one-way ANOVA showed there is a significant relationship between the level of loyalty of consumers and purchase research benefits presented in the form of segments. Hence, the manufacturer should pay more attention to those with greater loyalty towards the company's products and should give them some advantages.

Recommendations

1. Based on the results of the sixth hypothesis, income is a factor which affects the selection and purchase of motor oil. It is because income distribution is not equal in different segments and especially in segment 4, the highest sensitivity to price can be observed and about 70% of people have an income under two million Tomans a month.
2. The factors of quality and efficiency have the highest variances and are among the most important purchase factors. Using Friedman test, it was found out quality has the highest and accessibility has the lowest importance to customers.
3. Companies that are involved in exporting activities should be aware of the cultural differences between domestic and foreign consumers, as well as income categories. They should also pay attention to the standards of the target country.
4. Considering the results of the seventh hypothesis, the level of loyalty of consumers in different parts is not the same. Therefore, companies should identify areas that are more loyal to their products and give them advantages.

Suggestions for Future Research

1. In this research, market segmentation based on demographic and behavioral variables was studied. So, it is recommended that a similar study should be done on the basis of psychological variables.
2. To evaluate the loyalty of consumers, this study used three questions which were responded qualitatively by consumers. This method may not be a good indication of the loyalty of consumers. Therefore, it is suggested that more scientific methods such as installing control machine and registering the frequency of customers’ purchase of the product should be used to measure the loyalty of customers.
References


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