

Marketing, New Media and Consumer Segmentation

Understanding Performance, Practice and Processes

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Master's Thesis

June 2014

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Master's Thesis

Master of Arts, Media and Business

Erasmus School of History, Culture and Communication

Erasmus University Rotterdam

Thesis Title:

'Marketing, New Media and Consumer Segmentation'

Research Period:

3.2.2014-2.6.2014

Date of Submission:

20.6.2014

Supervisor:

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Second Reader:

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Number of Pages:

69 + Cover Page

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Abstract

This Master Thesis analyzes the practices of marketing and segmentation from an Actor-network theory (ANT) perspective seeing the world as constructed and performed rather than given. The study contributes to the discussion around consumption and the creation or pre-existence of consumer 'needs'. Interest is in developments within consumer segmentation practices and how new media has provided new possibilities for consumer data collection. A total of 11 interviews were conducted for understanding the practices of marketing and segmentation. Results show that marketers' own 'needs' aiming for profitability are highly considered in segmentation studies working towards maximum commercial effectiveness. This research also demonstrates that surprisingly there is a great division between marketers and market researchers as these two groups can be considered highly diverse. Further, the limited role of new media technologies in segmentation practices was an unexpected research finding.

Keywords: Marketing, Market Research, Segmentation, Actor-Network Theory, New Media, Consumer 'Needs', Data Collection.

1. Introduction

Marketing as a concept, discipline and practice is extremely broad and ambiguous. It is a challenge to find a single, universally accepted definition that could entirely capture everything that goes into this activity and perceptions of marketing practices have changed over time (Pridmore & Zwick, 2011). Early 20th century marketers encouraged consumers to buy the products of the represented company because the arrival of mass production required mass consumption. Early on, consumers were seen as very similar and assumed to be stable with preferences controllable through mass advertising. The goal for marketing was to combine consumer preferences with existing products (Pridmore & Zwick, 2011). In the 50's and 60's these assumptions shifted as marketers also started to pay attention on consumers' changing 'needs' rather than just create a 'need' for products. (Pridmore & Zwick, 2011).

Although interpretations of marketing may vary, marketing textbooks explain almost without exception that the practice involves identifying and satisfying consumer 'needs' and 'wants'. Keller and Kotler (2013) characterize also 21st century marketing as the identification of human and social 'needs'. In short the authors describe marketing as "*meeting needs profitably*" (Keller & Kotler, 2013, p.5). In the early 2000s, Brassington and Pettitt (2000) also suggested that marketing should be understood in terms of satisfying customer 'needs'. Not much has changed when classic marketing handbooks and their different editions are taken under consideration and compared with the ideas of marketers from the 50's and 60's. The perception is that marketing is not about selling; marketing is about recognizing 'needs'.

Keller and Kotler (2013) describe 'needs' as basic human requirements that become 'wants' when directed to objects that might satisfy these 'needs'. 'Wants' turn into 'demands' for specific products with the ability to pay for them (Armstrong, Kotler, Saunders & Wong, 2008). Keller and Kotler (2013) contribute to this specific discussion around 'needs', 'wants' and 'demands' by responding to the criticism about marketers trying to sell unwanted products. They first and foremost stress that "*marketers do not create needs: needs preexist marketers*" (p.10). The authors further suggest that 'needs' can be divided in subcategories, and only responding to the specific 'need' can help the customer. Furthermore, customers do not always know what they want and companies must teach consumers to identify what they desire (Keller & Kotler, 2013).

On the one hand, marketing is described as the fulfillment of 'needs', and on the other hand, marketing has also been approached from a perspective that suggests its formative role in the creation of 'needs' (Buttle, 1989). There seems to be a duality in perceptions built either around commanding corporations or dictating consumers. Standard marketing theories cultivate the idea that marketing is about meeting pre-existing consumer 'needs', while more recent work tries to understand how 'needs' are created in the process of marketing. In this context, Actor-network theory has been explored in the form of marketing as a performance for understanding how marketers and marketing develop and shape markets (Finch & Acha, 2008).

The scope of this study is to analyze how consumer information produces particular understandings of the customer. The practice of segmentation can be considered as one way for characterizing consumer 'needs', and this thesis looks at how segmentation as a practice contributes to determining how consumers and their 'needs' are described and interpreted. In addition, major changes have occurred in the field, especially due to new media technologies. Interaction between marketers and consumers is more dynamic, and digital research tools can help marketers to better identify, control and produce consumer 'needs' (Pridmore, 2012). In what follows, particular attention will be given to how social media has brought a new dimension to the whole process of segmentation.

This thesis aims to understand the developments within the field of marketing, modern consumer segmentation processes, related technical practices and how new media has provided new possibilities for consumer data collection. While digital research tools have enabled the potential for marketers to better picture consumer 'needs', the focus of this study lies in describing how this takes place in practice. In order to understand what is happening in practice, it will be necessary to discuss with practitioners from market research companies how segments are seen as relevant within everyday marketing: how segmentation contributes to determining how consumers and their 'needs' are interpreted and described. Importance will be given particularly in how development in new and social media has shifted or changed how these segments and their 'needs' are used, defined and understood. One potential outcome is that the interpretation of collected data i.e. how data is transformed into information, has an important role in the segmentation process, but in order to confirm this, it will be necessary to interview those actively working in this area. The role of traditional segmentation variables is also one interesting topic to

investigate as many authors see marketing and segmentation practices to be under transformation due to new digital technologies.

This research provides an understanding of the practices surrounding segmentation and how segments and their 'needs' are part of this production process. The study has been conducted by interviewing employees of market research and media companies and academics. Actor-network theory was used to begin to understand this field of marketing work, and it is an assemblage of various practices. In the Actor-network theory approach *"society is seen as constituted through a recursive process of interdefinition. Actors are not pre-determined but effects of the social process. Thus society is performed rather than given"* (Mattsson, 2003, p.8). Therefore, in this study, marketing and segmentation practices are treated as effects of the socio-technical processes that surround these activities instead of predetermined forms of reality.

Actor-network theory is focused both on practice and how theory influences practice (Mattsson, 2003). ANT sees all human and non-human entities as embedded in constantly evolving networks of associations that change due to attachments and detachments. This embeddedness is generalized meaning that in addition to social systems and humans, it includes artefacts and technology as 'actors' within these networks. All of these entities are relational, and through processes of 'translation' these each become compatible with each other (Mattsson, 2003). These translation processes may present controversies, but actors constantly organize and reorganize sociotechnical realities to achieve order within the surrounding world (Mattsson, 2003). In relation to this study, actor-network theory is not seen as a marketing theory, but rather as a methodology used to understand market dynamics and how markets and market behavior are ordered (Mattsson, 2003). Markets are constructed, established, changed and stabilized through practices and in relation to other actors, and theories, concepts and methods interact with actual practices (Mattsson, 2003). This study contributes to previous work in trying to understand how ANT can approach practices of segmentation and how this helps us to understand marketing practices.

This is not the first academic piece focusing on consumer segmentation and market making from an ANT point of view - the framework is based on existing literature. Nevertheless, taking this approach is considerably innovative and divergent from dominant perspectives on marketing. This research deals with a practice that is deeply embedded in socio-technical structures and involves a large number of performing agents (Araujo, 2007). In addition it

contributes to the growing discussion around consumption, production, and the creation or pre-existence of 'needs'. Several questions emerge from particular contradictions and gaps this thesis focuses on. The following research question and its subquestions are formulated to provide better insight into what happens in marketing and consumer segmentation practices. These questions define explicitly the area to investigate, but also set boundaries in order for this research to operate within the constituted framework.

RQ: According to market practitioners, what is the relationship between markets, segments and consumer 'needs' in the construction of contemporary segmentation processes?

SQ1: What are the elements that come together in processes of segmentation?

SQ2: How is social media seen to contribute to segmentation processes?

SQ3: What are the purposes of and reasons for current segmentation approaches and the decision making processes that underlie segmentation decisions?

2. Theory and Previous Research

2.1. 'Needs', 'Wants' and 'Demands'

Kevin Lane Keller and Philip Kotler (2013) state that in order to understand marketing it is necessary to understand its core concepts. These marketing concepts presented by traditional marketing literature include *needs, wants and demands; target markets, positioning and segmentation; offerings and brands; value and satisfaction; marketing channels; supply chain; competition and marketing environment*. 'Needs' can be considered to be basic human requirements that turn into 'wants' when directed to objects that can satisfy the 'needs' (Keller & Kotler, 2013). Societal factors shape 'wants' and people with similar 'needs' may have different 'wants'; for example American and Asian consumers have different eating preferences. 'Wants' turn into demands for specific products with the ability to pay for them. Consumers may want

certain products, but companies need to measure who is willing and able to actually pay for these products (Keller & Kotler, 2013).

For this research it is useful to present briefly but more profoundly also the core marketing concepts of *target market, positioning and segmentation* according to Keller and Kotler (2013). Segments are identified and profiled diverse groups of buyers with different preferences. Usually segments are distinguished by geographic, demographic, psychological and behavioral factors. Target markets are the segments with greatest opportunities for marketers, and positioning means situating a market offering with central benefits in the minds of consumer in respect to alternatives (Keller & Kotler, 2013). Different people are seen to have different 'needs', and therefore, marketers divide markets into segments (Keller & Kotler, 2013). This way, subgroups of consumers with similar 'needs' can be targeted with the right marketing mix, and further, the objectives of both parties are facilitated (Mitchell & Wilson, 1998). Dividing consumers into segments based on their 'needs' means facilitating the marketing process. Segmentation contributes to the practice in order for marketing and marketers to better perform.

'Needs', 'wants' and 'demands' – whether preexisting or created – are the basis for segmentation. Pickton and Broderick (2001) argue that segmentation and targeting allow marketers to meet target markets' 'needs' and 'wants' by delivering the right products for these. Masterson and Pickton (2010) explain that buyer decision processes begin primarily from the customer recognizing a problem or an unfulfilled 'need'. In more practical terms, there is a difference between the current and the desired state, which takes the form of a 'want'. The spark for the 'need' can be set off by internal factors such as hunger or external factor such as advertisement. An interesting example that Masterson and Pickton (2010) offer relates to snack food: A person is watching TV and although he or she is not hungry, but after seeing a snack commercial there appears to be difference between the current and the desired state for that person. This gets recognized as a 'problem', the desire for a snack, and consuming a pack of crisps, for example, can solve this. It is rather controversial to present this situation as an example of meeting consumer 'needs', and it is arguable that the whole buying process was initiated from the marketer's part. Rather than triggering an existing 'need', the commercial created a new 'need'.

The previous example is rather simplistic and straightforward – 'needs', 'wants' and 'demands', recognition or stimulation of these, buying processes and involvement of marketers

tend to be more complex. In some occasions it might be much more difficult to understand the connection between these (Masterson and Pickton, 2010). Nevertheless, Masterson and Pickton (2010) suggest that *“marketers must be aware of consumers’ needs so they can be in a position to offer goods or services that will satisfy these. Marketers must also be aware of what is likely to generate and influence those needs so they are able to develop the appropriate marketing mix”* (Masterson & Pickton, 2010, p.86). Some marketers are trying to take a rather omnipotent role in their practices as they simultaneously offer products and services, describe ‘needs’ and promote their offerings as meeting the described consumer ‘needs’.

Some ‘needs’ could be considered of being initiated also from the producers’ part in search of consumers that could buy their products. Commercial efforts involve segmentation practices, and messages are targeted to specific predetermined groups of people, who based on market research, could be the most potential buyers of the product. There is an interesting disagreement between this and the ideas of Keller and Kotler (2013) who argue that all ‘needs’ pre-exist marketers. What does it actually mean when consumers are not fully conscious or cannot articulate their ‘needs’ and companies should help them to learn what they want? Consumers have ‘needs’ but do not know what they desire and need to be taught in a way favorable for companies that are offering products to satisfy these ‘needs’? Are there possibly entire segments that need to be taught? ‘Needs’ are an interesting point for examining segmentation practices.

2.2. The Art of Segmentation

Wendell Smith (1956) saw over half a century ago segmentation as an alternative strategy to mass marketing. Product differentiation, which is the process of distinguishing products or services from others, was the starting point to approach different segments. Market segments were seen distinguishable based on the measurement of differences, and Smith (1956) suggested that marketing strategies should be selected based on their maximum functional effectiveness in the economy. The same author defined segmentation as a practice concentrated on bringing out smaller homogeneous markets with their preferences, with the goal to produce a deep market position in effectively defined and penetrated market segments (Smith, 1956).

Producers have attempted to adapt with varying degrees of success their products to consumer 'needs' and product differentiation has allowed meeting these 'needs' more precisely (Dickson & Grinter, 1987). Nevertheless, product differentiation can be a genuine response to changing consumer 'needs', but also an artificial 'demand function modification' through invented differentiation to split markets into smaller segments. Most of this artificial differentiation is achieved through advertisement that is seen to distort consumer demand (Samuelson, 1976). The creation of these artificial differences can be realized by promotion of alternative product names or misleading advertisements and it can be referred with the term 'pseudodifferentiation' (Lancaster, 1979).

According to Dickson and Grinter (1987), segmentation is a practice initiated by marketers for creating segmented market demand. Producing consumer demand means aligning offerings and 'needs' in a favorable way for marketers, and therefore, 'needs' could be considered to be described in accordance with the required effectiveness. Keller and Kotler (2013) recognize that 'demand' is deriving from 'needs' and 'wants', but not that distortion of demand means also manipulation of 'needs'. Segmentation modifies demand, and rather than an illustration of existing market conditions, segmentation is a marketing strategy developed to appeal defined market segments (Dickson & Grinter, 1987). 'Needs', 'wants' and 'demands' of high value customers are mostly targeted because these are the most profitable - segmentation is done for marketing to be more lucrative and to better perform. Marketing is improved through segmentation practices for reaching its maximum functional effectiveness.

Customer 'needs' and 'wants' are addressed in selected target markets because it would be too costly to satisfy customer needs as well as possible (Takala & Uusitalo, 1996). Marketing involves understanding of consumer behavior and usage of segment information to reach defined segments. Companies develop segments of homogeneous consumer groups in terms of demand and market research tries to analyze this demand (Dickson & Grinter, 1987). Segments are models of consumers about who are made assumptions (Sunderland & Denny, 2012). For reaching desired consumer segments it is necessary to try to understand consumer behavior and utilize segment information (Dickson & Grinter, 1987). Marketers are powerful because they monitor consumers and try to understand how different segments decide. The 'needs' of different segments are often described by marketers themselves, artificial 'needs' might be created and promotional activities are constantly applied. Sunderland and Denny (2012) argue

that it is difficult to escape marketing's power and control. Marketers have in many ways a grip on consumers, and for example new products and services are constantly developed and promoted as meeting the 'needs' of different segments (Sunderland & Denny, 2012).

"Segmentation often involves substantial use of advertising and promotion. This is to inform market segments of the availability of goods or services produced for or presented as meeting their needs with precision" (Smith 1956, p.6). It is necessary to emphasize the fact that from the marketers' part products are also *presented* as meeting certain 'needs'; produced for or presented as meeting these 'needs'. Smith (1956) presents segmentation as an adjustative technique connecting market offerings and consumer requirements. 'Needs', 'wants' and 'demands' are negotiated based on product or service offerings. Segmentation adjusts offerings and 'needs'. Smith (1956) continues by stating that it is necessary to determine in advance the degree of segmentation that can be exploited profitably. In the 1950's many companies had already developed core markets, and marketing efforts produced diminishing returns. This led, taking production cost limitations into account, to a search of new smaller and potential market segments (Smith, 1956).

Greenberg and McDonald (1989) discussed 'needs' based segmentation as an alternative way of segmenting markets. They begin from the premise that markets are heterogeneous, and people who differ for example by demographics, attitudes or personality are likely to behave differently. The first step is to conduct market research and the two authors believe that in order to be effective all methodologies need to have some expectations. This refers that also market segmentation practices are guided by certain objectives that set boundaries for research. Traditional techniques segment people in accordance with demographic, behavioral and economic factors for example (Greenberg & McDonald, 1989). These tend to be the starting point for market segmentation and can be supplemented by more advanced segmentation attributes leading to multivariate segmentation strategies (Greenberg & McDonald, 1989).

Actor-network theory sees segments inferred and invented. They are constructions that help to explain and predict behavior; they are not 'discovered' in data for instance, but produced. Segments are not necessarily objective or statistically reliable – rather they are a form of classification that marketers and social scientists can use to deal with the uniqueness of a group of persons (Greenberg & MacDonald, 1989). Pure typologies cannot be found in segmentation

practices and there are endless ways for executing this process. The scope of segmentation is not exclusively to find out only one target segment and exclude others, but rather it allows targeting multiple segments – rather than inventing options, segmentation illustrates what should be prioritized (Greenberg & MacDonald, 1989). Hence, segmentation is performed in the best seen way, and different actors contribute to this construction and its effectiveness. This research aims to understand the role of these actors and the assemblage of their practices coming together in segmentation processes. It is to note that there are certain underlying realities and restrictive factors for prevailing segmentation choices and these will be also tried to identify.

In order to survive in increasingly competitive markets, it has been argued that businesses need to be increasingly accurate in segmentation practices, and aggressively attack target markets. *“Segmentation marketing means knowing your customers, giving them exactly what they want or may want”* (Weinstein, 2013, p.4). This quote is interesting to examine because it has the same duality that Smith (1956) over half a century ago. The segmentation pioneer argued in favor of producing or presenting goods as meeting certain ‘needs’. Weinstein (2013) suggests the same in terms of giving customers what they want or may want. This leaves a lot of room for interpretation for the marketers.

Wendell Smith’s (1956) groundbreaking academic piece is offered as an example also in the handbook of segmentation by Weinstein (2013). According to the latter author, segmentation has turned from an alternative marketing strategy to one seen as necessary because of its effectiveness, and it has been embraced by all kinds of different organizations from multinational corporations to family businesses (Weinstein, 2013). From a practical perspective segmentation means that efforts must be manageable to succeed; it is not possible to approach every market opportunity, and marketers must choose from different alternatives the most profitable ones (Weinstein, 2013). This could be understood that marketers are not necessarily willing to serve certain segments despite their ‘needs’.

There are many ways of segmentation, and in the customer market the major segmentation variables are geographic, demographic, psychographic and behavioral variables (Armstrong & Cunningham, 2012). Geographic segmentation means segmenting consumer markets for example based on world region, country, area, density or climate. Demographics include variables such as age, gender, income, occupation, education, religion or race.

Psychographic variables consider consumers' social class, lifestyle and personality. Behavioral segmentation tries to identify customers based on their attitude, product usage or loyalty for example (Armstrong & Cunningham, 2012).

2.3. Market Realities

Segmentation can be seen both science and art (Weinstein, 2013). It can also be characterized as a process of recognition and redefinition of market realities (Smith, 1956). From an ANT perspective this means simultaneously describing and producing a certain reality. Market segmentation is a research process involving certain methodologies and marketer researchers can be considered social scientists trying to construct market realities. John Law (2009) explores a performative understanding of social science methods and these ideas are applicable also in the context of this specific study. First of all the author claims that *"research methods generate not only representations of reality, but also the realities those representations depict"* (Law, 2009, p.239). Therefore, while certain 'needs' of specific segments are described, they are also at the same time enacted.

Methods are techniques that describe realities and alternatively also enact these into being. Constructed realities are reinforced i.e. solidified by used methodologies and routines (Law, 2009). With the process of reinforcement the practice of segmentation becomes more credible, justified and even 'reliable'. With used methodologies 'needs' are translated into segmentation and segments are created and performed. These 'needs' are different than the 'needs' of different segments that are also enacted and constructed. What defines these groups and how are boundaries set? Why does one person belong to a certain segment and another does not? What are the differentiating factors? Segmentation aims for creating homogeneous groups by systematically gathering information to establish facts and principles for cleaning 'messiness' and creating knowledge.

Law (2009) states that knowledge, but also theories that somehow hold everything together and are convincing must be created. Respectively realities that fit certain knowledge must be generated. Market realities are also created realities. Segmentation practices must fit current realities and this can be considered the restrictive framework. Segmentation is done as a

routine and 'needs' are translated into segmentation. Translation is the core concept of Actor-network theory, and it is simultaneously a process and an effect. It is an attempt to simplify entities that come together in coordinated networks (Ritzer, 2004). Coordination can be found also in market and segmentation practices; there are conventions that need to be followed for simplifying processes.

Translation can be considered a way of making these 'needs' concrete, and a way of making the segments understandable for marketers. The practice of translation is an attempt to solve a problem in a certain way. Translation means finding the most convenient way for 'meeting needs profitably' as Keller and Kotler (2013) describe the practice of marketing. If marketing theories have considered for more than half a century the preexistence of 'needs' to be a fact, they have described and produced one reality that also future work has to fit. This work attempts to fit and negotiate with not opposed, but diverse perceptions concerning marketing, segmentation and 'needs'. One goal is to answer why is segmentation reality the way it is? How and why did specific segmentation practices become solid?

One premise for this thesis is that marketers describe consumer 'needs' fitting to certain realities. Further, market research companies are creating a reality that fits their customers' - marketers' - 'needs'. It can be asked whether market segmentation practices are presenting deep realities or convenient appearances related to consumer 'needs'? One argument to investigate is how are market realities linked to alternative realities that best suit market research companies' own activities? It is likely that consumer 'needs' are confronted and represented in the most favorable way for marketers. Could there be alternative ways of doing market segmentation and why are some ways preferred over others?

Law (2009) speaks in relations to a Eurobarometer survey how consumers are simultaneously described and assumptions are made about them. Segmentation is a practice where at the same time descriptions and assumptions are made about consumers, segments and 'needs'. Certain kind of customers with certain kinds of 'needs' are described but also enacted. Truths and realities are always located in a particular context (Law, 2009). The reality that is also suitable for marketers is described and enacted. 'Needs' are confronted with the objects of marketers and market researchers. 'Needs' may influence purchase, but consumer behavior is an assemblage of many factors like awareness, distribution, pricing and marketing execution

(Greenberg & McDonald, 1989). One initial starting point that needs to be examined is that actually market segmentation does not depict 'needs' but in fact consumer choices and buying patterns that may derive from these 'needs'. Assumptions and constructions about customer 'needs' are made by monitoring their choices.

The whole issue around economies and economics is not only about 'knowing' the world but also about producing it. MacKenzie, Muniesa and Siu (2007) discuss the work of Michael Callon (1998) who proposed to *"consider economics not as a form as knowledge that depicts an already existing state of affairs, but as a set of instruments and practices that contribute to the construction of economic settings, actors and institutions"* (p.4). On a broader level this quote is describing exactly the same what marketers are doing and what segmentation practices consist of. Markets, segments and 'needs' are performed, shaped and constructed rather than observed. They must fit a certain reality that is produced by marketers. This consists of suggesting, negotiating and persuading consumers to 'need'.

One interesting point that connects to performativity and segmentation is that researchers and market participants employ the results of their investment strategies in order to profit from the findings of their investigations (MacKenzie, Muniesa & Siu, 2007). Segmentation is executed in order for marketers to make the most out of current realities. There is something desirable lying underneath segmentation practices; something desirable for marketers. Therefore, marketers' primary objective is not necessarily to fulfill customer 'needs'. Marketers' have also their own mission to complete in addition to meeting customer 'needs'. This is not a question of right or wrong, but rather a question of market realities. Markets are constantly being shaped for trying to reach the ideal point. A desired market would have equilibrium between supply and demand. Segmentation practices are performative practices that try to connect supply and demand. Companies are trying to shape realities through describing and producing them. This is an attempt to bring together what 'they' (consumers) need to have in order for 'us' (marketers) to have what we 'need'.

2.4. Markets, Marketers and Marketing

Finch and Acha (2008) characterize performativity as a synthesis of concepts, routines and practices framing the social reality of markets. The practice of marketing can be found in an institutional framework requiring established set of practices and bodies of expertise. Different calculative agencies are involved in creating and operating i.e. performing their own markets rather than acting in predefined ones (Araujo, 2007). Supply and demand are continuously reshaped in the dynamic place of created markets where separate agents come together and agree the price of exchange. This market exchange process is identifiable through framed boundaries of interaction (Guesnerie, 1996).

Kjellberg and Helgesson (2007) approach markets, marketers and marketing by emphasizing the gap between theory and practice. The polarized discussions concerning theories that best characterize the nature of the discipline tend to focus extensively on ideological rationales, leaving aside some significant issues. Concentrating on the actual practices allows addressing some of these critical points: *"First, it may offer a richer characterization of what it is that is being shaped through market practice [...], and second, how is a certain market being shaped?"* (Kjellberg & Helgesson, 2007, p.140). Consequently, a redefinition of markets is needed in order to entirely capture this position, although, it is impossible to define certain properties typical to markets. Instead of trying to discover and describe these properties, like has been done so far, priority should be directed in trying to understand how actors perform in practice (Kjellberg & Helgesson, 2007). This will be an important discussion point also for this research in demonstrating how markets and segments are performed by actors in practice.

Performance is central for Actor-network theory that can be respectively applied in the field of marketing for understanding how marketers and marketing shape and develop markets (Finch & Acha, 2008). Markets are constructions where order is established, changed and stabilized. Marketing practices, including segmentation, and the actions of involved actors influence these constructions and their social order. Furthermore, markets, marketers and marketing are also connected to actors such as governments and institutions, which are not involved directly in related practices but contribute the field by regulatory actions for example (Mattsson, 2003).

Embeddedness is what characterizes the relationships between various performing actors (Mattsson, 2003). Actor-network does not include any specific conceptions of markets, and these actors do not have any specific attributes. As described, ANT tries to understand social order and how marketing is embedded in a society that is performed rather than given (Mattsson, 2003). Actor network theory suggests that all entities become significant in relations to other. An actor is performing and the performance of other actors affects the individual (Ritzer, 2004). Consumers have intentions and they take actions, but also the performance of marketers affects these individuals. Segmentation is a practice to be found in network connections between different human and non-human actors. Also segments become significant in relations to other.

Traditionally, markets are understood being 'out there' as existing groups of customers with individual characteristics, and these segments can be reached with a proper marketing mix (Harrison & Kjellberg, 2010). In this context, the process of market segmentation is about identifying homogeneous consumer groups in a determined market (Smith 1956). This is the opposite of what has been previously described as the construction of segments. Nevertheless, the idea of market segmentation and the principles of this practice have remained surprisingly unchangeable, although some more recent theorists argue that the grouping of customers based on similar attributes is a managerial assessment rather than a natural phenomenon described (Harrison & Kjellberg, 2010). This work contributes to this discussion in trying to identify the decision-making processes underlying the segmentation process.

It is rather fascinating to observe how Keller and Kotler (2013) describe the same phenomena as Harrison and Kjellberg (2010) although they have entirely opposed approaches to segmentation. There is a collision between different marketing worlds and the same practice is seen in very different ways. The first mentioned two authors lean on traditional conceptions of marketing and need based consumer segmentation of existing markets. Despite this Keller and Kotler (2013) exemplify how early mobile phone manufacturers Nokia and Ericsson build initially their own markets. Shaping consumer perceptions and educating the audience about their own 'needs' could be considered marketing performance and segment creation at its best.

Harrison and Kjellberg (2010) take a different approach when examining the case of Biacore, a Swedish producer of biosensor devices, which created its own market for a previously unexisting product. The authors illustrate how the company's segmentation activities and

interaction with early users and customers was essential in the construction of segments, and eventually in the shaping of the whole market. Similar is the case of Convex Computer, which refused to compete in predefined markets. The company released in 1984 the 'mini-supercomputer' with less performance than in the 'supercomputers', a segment dominated by Cray, and with more performance compared to 'minicomputers', where segment leader was Digital (McKenna, 1990). Pricing was also a crucial factor establishing the segment leadership of Convex. Other well-known examples of created markets are the cases of Intel and Apple (McKenna, 1990). Examining these presented cases, it is rather justified to state that there were no ready waiting markets or homogeneous groups of customers 'out there', but these segments were exclusively constructed. One specific research objective for this study is to illustrate how segments are created in practice.

Actor-network theory is not solely a marketing theory, but rather an applicable methodology for studying market dynamics where human and artificial entities are embedded in networks of associations (Mattsson, 2003). Modern consumers are described to have an active role in these networks. Already in the late 19th century producers started to segment their markets and inventing different types of customers, but segmentation was mostly performed based on sociographic characteristics of potential customer groups (Cochoy, 2005). Customers were seen passive, and segmentation relied on sociographic attributes. Respectively, modern actor-customers have become social figures that have to be taken more carefully under consideration with their preferences: this has reshaped market structures and the practice of marketing (Cochoy, 2005). The aim is to understand how new media has changed the way markets are constructed, and an insight into practices like consumer monitoring, data collection and targeted marketing is delivered.

2.5. Modern Consumers

Social media has enabled consumers to take at least in appearance a more active role in the construction of markets and companies' customer relationship management have undergone through significant changes. Several new media channels such as Facebook, Twitter and Google are easy to access and allow consumers to interact and communicate with producers and each

other (Hennig-Thurau et al., 2010). Respectively, new media allows companies responding to customer feedback and the ability to customize information regarding particular customer 'needs' (Strauss, 2000). This shift has affected traditional business models and corporate strategies, and it has been stated that proactive consumers have changed the marketing environment (Hennig-Thurau et al., 2010). This is a noteworthy observation, and the marketing environment has changed indeed, but one dilemma to consider relates to the activity of consumers. As exemplified, some modern discussions speak on behalf of the powerful customer, but it is questionable how real this power is after all. Could this just be an erroneous and superficial observation blurred by technological enthusiasm? It is at least clear that monitoring and consumer data collection have become easier for marketers to perform.

One initial expectation is that traditional sociographic variables are taken under consideration also in the performative creation of consumer segments. Hennig-Thurau, Malthouse, Friege, Gensler, Lobschat, Rangaswamy, and Skiera (2010) raise some interesting points regarding data collection and consumer segmentation. The authors state that online resale market data is relatively easy to access for different parties, but the question is how this information can be combined with current segmentation models and first of all, are consumers willing to share information with producers? (Hennig-Thurau et al., 2010). One question that rises from here is the issue of data collection in general. Companies have been accused of forcing consumer to agree on various terms and conditions, which are made mostly for securing corporations' position on issues about privacy rights. Are consumers directed to a trap of consumption? One concern is that companies are trying to optimize the effectiveness of search engine advertising on segments of existing and new customers (Hennig-Thurau et al., 2010). Other issues relate on the employment of data generated from multimedia sites, advertising and clickstream data, price-comparison and recommender data as well as mobile device data and the integration of data in company databases (Hennig-Thurau et al., 2010). It will be interesting to observe if and how all this possibly retrieved information affects actual segmentation practices.

Company databases are important for customer relationship programs and the phenomenon of mediatization has occurred also internally for corporations. Segmentation is considered one key element of marketing and existing and potential consumers are the ones being segmented (Peltier, Schibrowsky and Schultz, 2003). In order to take full advantage of interactive new media, a database-driven segmentation approach is needed. Companies must use consumer

data and employ it to new media in order to interact with customers. Integrated marketing communication is closely related to database management, which refers to the process of customer data collection, formation of consumer segments and building of predictive models for categorizing customers and potential customers (Peltier, Schibrowsky & Schultz, 2003). Therefore, segments can be considered as predictions on how to better connect marketing with customer 'needs'.

Donna and Novak (1997) stated almost 20 years ago that new bases for market segmentation will be needed in marketing efforts on the Web, where the competent marketer actively constructs new models of performing. Today, the concepts of engagement, interaction and market-making would be the most logical bases for approaching markets, marketing and involved actors. Segmentation as a practice is under transformation; the need for traditional segmentation certainly remains, but practitioners must identify how to integrate new media into current practices (Peltier, Schibrowsky & Schultz, 2003). The preceding academic references form the framework for this study in order to build upon a solid base for answering the research questions. To understand how these have been approached in practice, the methodology used in this study is presented in the next chapter.

3. Methodology

Simply explained, research refers to a search for knowledge. From a scientific perspective, the notion could be described as a systematic and appropriate search of information on a specific topic. Research is an activity where facts are investigated and evaluated, and research methodology is a systematic way of solving the research problem by approaching the research questions (Kothari, 2004). This methodology section presents the research design for this study, how data has been collected and analyzed. The purpose of this chapter is to illustrate the connection between presented theoretical groundings, research questions and research data. Given that this is a research process relying upon qualitative data, the operationalization of concepts has been more flexible than in other types of research. This allows findings and key concepts to have emerged from the data itself, rather than being imposed upon the data in a regimented fashion. As indicated, this research draws from an Actor-network theory (ANT) approach, which is a constructivist perspective. Instead of generating a solid ontology, this

construction of knowledge approach means entering a multiple and 'messy' set of processes (Nimmo, 2011). From the perspective of Actor-network theory, methodological practices simultaneously describe and enact research realities.

In order to most appropriately respond to the research questions previously outlined, I have relied upon qualitative data collection methods. While qualitative research can consist of different methods, considering the research objectives the chosen method that best fits this research are in-depth interviews. Interviews with employees of market research and media companies as well as academics are the basis for this research; the data collection method depicting segmentation practices. A description of the selected sample, data collection and data analysis processes as well as the type of qualitative data analysis is presented in this section.

3.2. Approaching Methodology

According to Bryman and Bell (2011) the process of business research includes the following steps:

- Choice of research area;
- Formulation of research question;
- Choice of method;
- Formulation of research design and data collection techniques;
- Implementation of data collection;
- Analysis of data;
- Interpretation of data;
- Conclusions

For choosing the right approach and methods, two major factors have to be taken under consideration and these are the researcher's assumptions about the reality from where knowledge is desired to be created, and the character of study area in focus (Arbnor & Bjerke, 2008). Therefore, methods and techniques that are chosen must fit both the study area and researcher's presumptions (Arbnor & Bjerke, 2008). Similar is the argumentation of Bryman and Bell (2011) who state that *"methods are not simply neutral tools: they are linked to the ways in*

which social scientists envision the connection between different viewpoints about the nature of social reality and how it should be examined” (p.4).

Actor-network theory, which sees a variety of individual actors as constructors of the socio-technical world frames this study, and therefore individual experiences are approached by conducting in-depth interviews. ANT has a ‘more-than-human’ ontology recognizing and studying the deep and meaningful significance of non-humans in social life (Nimmo, 2011). Actors come in a myriad of shapes and sizes, and consequently my interest was also in understanding how interviewees depict different aspects of marketing and segmentation technology, interactions of humans and non-humans as well as data and its technical representations. There is no society or social as such, but instead the social is produced in these networks of relations that are always mediated and transformed by complex assemblages of different actors (Nimmo, 2011).

Studying these multiple agents from the Actor-network theory’s approach means also translation into methodological practice. Ethnography has been closely associated with ANT as it is deliberately a ‘messy’ methodology putting the researcher in a milieu of social complexity, and therefore it has been a recurrent method for ANT-minded researchers (Nimmo, 2011). Although ethnography was not my methodological choice, as an ANT researcher I am open to multiple and overlapping worlds; the key is not to make a distinction between these. I was not in search of pre-defined categories, but rather I allowed data to speak and use my own interpretation by tracing multi-layered and intertwined elements, practices, techniques and systems. Constructing knowledge means entering a multiple, overlapping and messy reality of hybrid networks (Nimmo, 2011).

The practices of marketing and segmentation can be considered similar to the methodological starting point of this research because both practices are embedded in complex network structures and assemblages of contributing actors. My own assumptions about the study area and how to understand it have guided me for choosing in-depth interviews, which I believe will picture the nature of the constructed social reality under research. I approached and interviewed 11 professionals in relations to the topic of marketing, new media and consumer segmentation. Conducted interviews aimed to help understand the perceptions of different actors involved in marketing, segmentation and media practices. Given my ANT approach, these actors were primarily ‘human’, however their discussions shed light on the actor-network they were

involved in and as such, indicated the role of various other 'non-humans' in these actor-networks. In order to obtain a comprehensive view for this research, interviews were conducted with representatives from market research companies, employees of media monitoring companies and academics. Semi-structured interviews focused on the topic and were constructed in order to answer the presented research questions.

3.3. Methods for Data Collection

Seeing marketing as performance means considering business realities to be constructed through interactions. Marketing and segmentation are practices that involve different actors and realities coming together. Just as the interviewed professionals, data, metrics, processes and softwares need to be considered actors. In order to approach and enact segmentation, different involved actors must 'compromise' and come together in order for the practice to happen. This includes several processes from numerous actors that contribute to the outcome; the constructed reality.

The choice of actual data collection methods is based on the character of the study area and the chosen methodological approach (Arbnor & Bjerke, 2008). Traditional techniques for collecting data can be divided in two main categories which include using previously collected material called secondary information and the collection of new data referred as primary information (Arbnor & Bjerke, 2008). Primary information can be collected with direct observations, experiments or interviews. Interviews are a traditional technique used especially for the collection of primary business information. Interviews can be personal face-to-face interviews, telephone interviews and mail or group questionnaires. (Arbnor & Bjerke, 2008).

The conducted interviews can be considered principally as dialogues where the researcher has contributed to the construction of reality. Collected and mutually constructed data is interpreted from the researcher's part, and knowledge is created through interpretation of dialogues. These are connected with the previously presented theoretical framework and meaning can be given to the statements of the interviewees. Nevertheless, findings have emerged from the research itself, and theory will not only be applied to data. However, a theoretical framework is needed and can be considered essential for the researchers' interpretation process in addition to situating the study in a larger context.

The research sample can be considered a mixture of purposeful sampling and snowball sampling. The interviewees consist of a fairly homogeneous group sharing critical similarities in order for the research to be successful. After a careful investigation I chose the companies and persons to contact, and fortunately most of them expressed interest towards this project. Some of the companies and prospect interviewees were difficult to reach, and there was no opportunity for choosing the interviewee. Other companies suggested further interviews with individuals operating in different positions, and therefore as a researcher, I was able to gain a deep insight into segmentation practices. The sample can be considered productive because it consists of interviews with marketing and segmentation professionals involved in development, technical and implementation practices as well university professors and media experts. Sufficiently meaningful and rich data was collected, and different processes could be identified and described from varying perspectives.

The purposeful and snowball sampling allowed maximizing the depth and richness of the data. From eleven interviews, six were conducted with the managers and employees of Dutch market research companies, one interview with the manager of a Finnish market research company and one interview with an American specialist working in the field of customer segmentation. Two interviews were conducted with university marketing professors and one interview was obtained from an employee of a Dutch media monitoring company. The interviews lasted approximately from 45 minutes to one hour. These chosen interviewees cover a broad range of positions in order for the researcher to form an understanding of segmentation practices and elements coming together in the process of segmentation. For confidentiality reasons the specific names of the interviewees and their companies will not be revealed. The following table introduces the collaborating companies and the respondents:

Table 1: Interviewed professionals

Pseudonym	Country	Interviewee position	Company information
Karel	Netherlands	Manager Social Media Research	DMR-1 Dutch market research company – offices in three countries
Dirk	Netherlands	Managing Partner	DMR-1 Dutch market research company – offices in three countries

Jan	Netherlands	Market Modeling Expert	DMR-1 Dutch market research company – offices in three countries
Lars	Netherlands	Statistician	DMR-2 Dutch market research company – operating in 14 different sectors
Sylvia	Netherlands	Senior Research Analyst	DMR-3 Dutch market research company – offices in five countries
Hans	Netherlands	Research Director Qualitative	DMR-3 Dutch market research company – offices in five countries
Michael	U.S.A	Director of Analytics	AMR-1 Multi-channel marketing services company operating with the country's largest marketing database
Markus	Finland	Managing Director	FMR-1 Finnish market research company specialized in brand awareness
John	Netherlands	Assistant professor	UM-1 Internet and new media among research interests
Nicolas	Netherlands	Assistant professor	UM-1 Social media and online marketing among research interest
Jaap	Netherlands	Product Manager	DMM-1 Dutch media monitoring company specialized in analyzing media attention of brands

3.4. Conducting Interviews

The process of performing and analyzing these interviews was based on the Kvale's (1996):seven stages of an interview investigation:

- 1) Thematizing
- 2) Designing
- 3) Interviewing
- 4) Transcribing
- 5) Analyzing
- 6) Verifying
- 7) Reporting

Thematizing refers to formulating the purpose of the investigation and determining the investigated topic and related concepts. This was the first step for this research in trying to enter the related framework and to formulate appropriate questions. Study design is guided by research objectives, and the interviews, number of respondents and interview questions are taken under consideration (Kvale, 1996). Interviews were conducted by focusing on the topic and for gathering information and understanding about the respondent's views. My goal was to create an interview setting encouraging interviewees to share information as much as possible - unselfconsciously and in their own words. The aim was to understand the broader picture and search for emergent patterns and configurations.

The transcription phase consisted of preparing a written transcription from oral, recorded material. All interviews were transcribed in order to have detailed records of the communication situations. In the following analysis stage research questions are addressed and contrasted with the surrounding theoretical framework (Kvale, 1996). As presented, I started my analysis by open coding for later categorizing information into themes and bigger units. The phase of verifying means ensuring that findings are valid and reliable and the final stage of reporting communicates findings in accordance to scientific criteria (Kvale, 1996). Ethical issues such as confidentiality and consequences were taken under consideration while doing interviews, and interviewees were appropriately informed about study purposes and main design features (Kvale, 1996). Respondents were approached via email or telephone explaining research objectives, and

the transcriptions of the interviews were sent afterwards to all interviewees in order for them to check the accuracy. Although the interviews had a basic frame with planned open questions presented to the respondents, generally they developed in a certain direction based on the role of the interviewee in consideration.

3.5. Methodological Considerations

This research works towards explaining the developments within consumer segmentation practices and how consumer information produces an understanding of consumers. Interesting for this study are also the possibilities that new media has provided for collecting consumer related data, and it is to find out how social media is integrated to segmentation processes. In order to understand how market research companies execute segmentation and how digital research tools contribute to this process, qualitative research methods are used. Interviews, or better dialogues, work as the main method for data collection. Due to clarity of methodological conceptions, these dialogues will be referred as interviews. This ensures terminology to be consistent throughout the whole research, avoiding perplexity and confusion. The most suitable data collection method for this study are in-depth interviews. Interviews provide experiences, opinions and knowledge directly from the people involved in these practices and the object is to gain a sufficient amount of data to be interpretable (Patton, 1990).

There are no fixed rules on how to approach a problem or a standard formula for making methodological choices - these are rather dependent on the context of the study and the research questions. The decisions on design alternatives and method choices are made after considering the strengths and weaknesses of qualitative and quantitative data (Patton, 1990). Consulting a number of guidelines and after comparing with other possible options, the previously presented method can be considered to be the strongest due the context of this study. The methodological choice is made based on the proposed research questions, and the questions can be best answered with this method. Qualitative methodology allows studying issues in depth and detail. For understanding the manifold relationship between markets, segmentation and consumer information, this is the most comprehensive methodological choice. Nevertheless, it is to note that in qualitative research the credibility of chosen methods depends greatly on the skill

of the person doing the fieldwork; also in this case the researcher is the research instrument (Patton, 1990).

Interviews aim for generating an understanding from the interviewees' point of view with carefully planned questions. The role of the interviewer is to facilitate the discussion and allow respondents to describe their thoughts, feelings views and experiences. All key issues must be covered and there has to be depth of coverage within each (Legard, Keegan & Ward, 2003). The conducted interviews are semi-structured as the outline consists from five to ten predetermined open-ended questions. Other questions emerged from the dialogue between the interviewer and the interviewee. My goal was to co-create meaning by reconstructing perceptions of events, practices and experiences (DiCicco-Bloom & Crabtree, 2006). Interviews were mostly executed at the offices of the collaborating companies and three interviews were conducted via Skype. All interviews were recorded and transcribed.

3.6. Data Analysis

The qualitative data of this study consists from interviewee quotations. The data is analyzed in terms of qualitative content analysis. Specifically, interviews are analyzed by thematic content analysis. First, in addition to recordings, notes were made about the covered topics and previously a memo was written about how categorize the data. Transcripts were evaluated in terms of general themes. The transcripts were read trough several times, and further, thematic headings were written for describing the various aspects of the content. The next stage consisted of reducing the amount of categories in broader units that cover all aspects of the interviews. Each transcript was coded with a list of categories and subunits.

Findings have been compared and contrasted with existing literature. This way the research becomes a presentation of new findings that can also be compared with previous ones (Burnard, 1991). It is important to make valid interferences from the text and the classification needs to be reliable in sense of consistency (Weber, 1990). Variables must also be valid in measuring the right operationalized concepts of the study. A researcher needs to be reflexive about his own work and therefore data is put together in a coherent and sensible manner for the audience.

General concepts deriving from the practices of marketing, segmentation and new media can be brought up in relation to the main research question, sub-questions and theoretical framework, but ultimate concepts to be searched are not defined exactly – these are brought up by the interviewees. In accordance with the research questions the concepts of marketing, segmentation, ‘needs’ and their relationship have been investigated as general frame concepts. The concept of segmentation elements has also been reflected, but ultimate suggestions have come from the interviewees’ part and brought up as interpretations by the interviewer. New media is also an investigated concept; especially in relations to marketing and segmentation. Subjective interpretation needs to be clear and the origin of scientific concepts needs to be found in actors’ first hand expressions and further translatable in language (Arbnor & Bjerke, 2008).

Arbnor and Bjerke approach methodology from an actors view perspective understanding reality as a social construction, where actors continuously constitute reality as being part of it, and do not only represent it. Actor-network theory takes one step further by understanding constructionism from a broader perspective describing all kind of entities, human and non-human actors. However, for this research the principles of social constructionism in relations to knowledge creation are applicable. The actors approach does not use reliability as a term because of the approach’s ultimate presumptions (Arbnor & Bjerke, 2008). According to the actors view what is traditionally considered ‘lack of reliability’ in social science results not as a deficiency, but rather as an exemplification that a social life, considered to be in a constant state of subjectiveness, cannot be studied reliably (Arbnor & Bjerke, 2008).

Validity used in the actors approach has different meanings varying from how dialogue is used for discovering the ‘credibility’ of the study, but generally validation is limited due to a constructed interactive reality (Arbnor & Bjerke, 2008). *“The only real validation is the extent to which the actors accept the results and interpretations made”* (Arbnor & Bjerke, 2008, p. 187). A pragmatic attitude towards validation is also presented by the actors approach and practical usefulness dictates the value of the outcome. A practical validation of the process lies in feedback mechanisms present in social contexts; for example the continuous or increasing interest of involved actors. Scientific validation of the process is established upon the basis of how different interpretative patterns are presented by the researcher (Arbnor & Bjerke, 2008).

3.7. Reporting Findings

The research questions have been answered with qualitative data collection methods and findings are emergent from the analyzed data. This following analysis section is constructed thematically: emergent categories are presented by topic, and all these were found as a result of working with the data. Definitions were made only after this work process. Categories are approached based on the proposed research questions in order for this research to be successful. The next presented four main categories contain subcategories. Connections, relationships and links are made both within and between different thematic categories and subcategories. Making connections allowed for bringing in evidence and understand relations between actors.

My intention is to present the key ideas that were expressed in relation to certain themes. The following chapters present four larger categories drawn from the findings. These were named 'Needs and Segmentation', 'Segmentation Processes', 'New Media and Consumer Data' and 'Marketers and Their Actions'. Selected interviewee quotations are used to best describe and characterize the themes under consideration. For clarity and grammatical correctness, some of the quotations have been redacted in a form that is appropriate for academic research. Nevertheless, these changes are minor and no ideas are expressed as interviewees' own unless they have not clearly stated themselves these ideas. A document with all the original interview transcripts has been provided with this research.

4. Findings

This section presents the results obtained from the empirical study with the previously described methodology. The findings will be illustrated and explained in relation to the suggested framework. Nevertheless, one objective for this research is to allow data to speak somewhat for itself. Concepts that emerge from the data are not retranslated into another language that fits theoretical conceptualization of the situation; theory should not be seen to impose itself on the data. The ANT approach rather looks at marketing from a performative standpoint, seeing the analyzed data as created and performed through a process of co-creation between the

interviewed professionals and the researcher. While marketing itself both describes and creates that which it seeks to describe, these findings also are a process of both describing and creating a particular understanding of segmentation processes based on the words of these interviewees, allowing a sense of the actor-network in which these practices are embedded.

4.1. Needs and Segmentation

4.1.1. The Question of 'Needs'

The question of 'needs' has been one central point of discussion throughout this whole research, and 'needs' was also one central emerging theme throughout most of the conducted interviews. As described, Keller and Kotler (2013) have stated that marketers do not create 'needs', but rather meet pre-existing 'needs' profitably. According to these two authors marketing means describing customer 'needs' and fulfilling these. One extremely interesting point raised in many interviews turns this whole discussion upside down. A central premise for market research companies is to meet their own customers' i.e. marketers' 'needs'. This means keeping in mind marketers' expectations in relations to conducted segmentation studies. The roles of marketers and market researchers will be discussed systematically throughout this analysis part, but in order to make the difference clear from the beginning, it is necessary to state that marketers are responsible for marketing products and services to consumers, while market researchers gather information about consumers, and provide this to their clients i.e. marketers. Marketers consist of different organizations, businesses and companies promoting and selling their products and services to consumers. Market researchers work in market research companies specialized in conducting research about markets and consumers. They provide information and conduct segmentation studies for marketers.

Segmentation practices have, without exception, goals and desired outcomes, which dictate the direction of the studies. Dirk, the Managing Partner of an international Dutch market research company describes the beginning of a segmentation process as following:

In the first place we do an intake, a briefing as we want to understand the purpose of why they (marketers) call us for a segmentation study and then we try to find out what's the need behind the segmentation. Is it about optimizing communication is it about new product development or something else.

This quote represents the many sides of market segmentation in a rather precise way. The practice itself can be considered highly diverse and mutable depending on the functionality it is desired to strengthen. Market research companies have always the needs of their clients - i.e. marketers - in mind, and focus is directed towards the specific desires of the contacting department or person. Dirk's colleague Jan, an experienced Market Modeling Expert sums it up like this:

[...] (W)e always have the needs of our client in our mind because there are sometimes different needs...each employee of our client has its own vision about a market and things, or most of them think, that they really know the market very well so that they want just to be confirmed.

Jan explains that marketers tend to have at least in their own opinion already a clear vision about the market in question and often what they wish to have is confirmation from the market researchers' side. Different marketer actors can have their own vision, and from here on Jan continues explaining the differences that can be found within specific organizations depending on the client's position:

[...] (T)here is always one contact person from the research and that's the one we have to talk to: on what we need to focus because the communication manager will say that he wants to know everything about the channels, [...] and some other guy from the development he just wants to know about some technical specifications that people use, and so, within the company there are several people with their own needs.

Organizations involve different actors and it is interesting to see how also from the marketers' part can be found people with different 'needs' as consumers tend to be described. Different contact persons and different departments may have different motives for segmentation. Market researchers are trying to understand marketers' specific 'needs', but the question is how can these 'needs' be aligned with consumer 'needs' that marketers themselves describe meeting? Marketers express to have clear visions about target markets, but do these precisely relate to the 'needs' of consumer actors that are described belonging to these specific markets? Does a clear view of the market relate to having a clear view about underlying consumer 'needs'? One interesting point for understanding this relates to the question of meeting 'needs' profitably, brought up by Keller and Kotler (2013). Dirk characterizes segmentation practices in relations to 'needs' in the following way:

Well it depends on what the purpose is of the segmentation, sometimes it's about customer value; you can base that on your own customer databases and try to find out from which customers you earn more money from, and which customers therefore you should pay more attention to. Which is more alike an efficiency purpose. You want to spend more time and money on the clients that you can earn the most money from, and that could be a good purpose for segmentation, that doesn't tell you anything about needs, it just gives answers to your need in organization to get more efficiency.

Profitability is what dictates the meeting of 'needs' and this is understandable. Companies are trying to make profit, and segmentation is done for simplifying the processes of marketing selling. It is necessary to understand that commercial purposes are driving segmentation and without these objectives segmentation studies would not be done. What marketers are trying to do is to bring their products and services to the people to make maximum profits.

4.1.2. Marketers and Market Researchers

Bringing out segments and describing 'needs' means in ANT terms creating and constructing groups of people with certain similarities from consumer data. The construction of these markets is mostly the responsibility of market researchers as Karel, Social Media Research Manager, colleague of Dirk and Jan states:

[...] (M)arketers have difficulties in translating things from what they see to distilling the underlying consumer needs. You see behavior, but it's difficult to understand what drives that behavior if you are not a market researcher.

The relationship between marketers and market researchers is fascinating as market researchers are the ones operating in the back and possibly trying to depict actual consumer 'needs'. Marketers create offerings in terms of products and services while market researchers interview consumers and find insights that they further provide to marketers who make the final decisions to better perform their marketing practices. Market researchers exemplify the markets to marketers and try to make a connection between the 'needs' of consumers and the expectations of marketers. It is remarkable how distinct the activities of these two groups are as they are seen

to be performed in two separate worlds coming together. Hans, Research Director Qualitative of a Dutch multinational market research company defines the process as following:

Of course, in the background I have the objective of the client in mind and their hypotheses. And then within the first interview I generally find out who is this person, what did they think, what drives them to make certain decisions, and I match that with the background knowledge that I have, or the background construct.

What Hans describes is that in the background there are the objectives of the client, and he is trying to find out the thoughts, drives, behaviors and 'needs' that direct interviewed consumers towards certain decisions. Trying to fit findings into expectations, the market researcher conducting qualitative interviews with a sample of consumers believed to be representative of the segment, is trying to negotiate a match between marketers' hypotheses and consumer perceptions – trying to construct a favorable market reality.

Although market researchers work to create segments, it is the marketers' decision about how to approach the development of these segments. Karel explains what market research companies keep in mind while delivering the study outcomes:

How big are the segments? Can they be targeted? Is it something that your client would invest in because it's a substantial segment? Is it appealing to your clients? Can your client relate to that segment? Is it something that he or she can target because it's a characteristic that's available in the databases or something that can easily be acquired?

This indicates that market researchers need to fit their findings into their clients' expectations. Therefore, segmentation and its implementation are always dependent on the reached maximum functional effectiveness in the economy as segmentation pioneer Smith (1956) suggested. Karel exemplified what kind of questions have to be examined before making decisions. The sizes of successfully defined homogeneous groups need to be analyzed in order to evaluate their attractiveness.

4.1.3. Profitable Segments

The goal of segmentation practices is to produce a profitable market segment that can be effectively targeted and penetrated. Karel's quotation above represents the different questions and thoughts that need to be related to segmentation. There is always an 'exchange' in the

practices. A tradeoff has to be made between the accuracy and manageability of segmentation. In order to understand what this refers to in terms of meeting consumer 'needs', it is useful to present how John, a marketing university professor sees the possibility of meeting consumer requirements:

If you are willing to define your segment narrowly enough and if you're willing to customize the product or service to the need of the segment, then yes, you can get all the way down. You can meet their needs very closely. Then comes the issue of cost.

At least from an academic and more theoretical view 'needs' can be met very precisely, but this is highly dependent on the degree of segmentation that can be exploited profitably. Many products are custom made and some of the interviewed market researchers proclaim that in modern times it is possible to incorporate individual needs in a product. This is naturally more costly to do, but at least theoretically it would be possible to meet consumer 'needs' very precisely. Karel wonders if production will advance to a point that segmentation would not be needed anymore in the future. While at first Ford brought one car model to the market, today a person buying a car can choose not only the model, but everything from interiors to navigation system. Segmentation is seen as the opposite of customization:

Everything — you can customize everything, so customization, individual customization, is opposed to segmentation. If you design your products and your services in a way that segmentation is no longer necessary, then segmentation is only something that relates to communication.

The communication side brought up by Karel will be discussed more thoroughly in the following main chapter, but it is to note already at this point that one surprising outcome has been that segmentation is often used for communication purposes i.e. deciding what messages to bring across, what benefits to communicate, which channels are chosen for the communication and which channels are used for selling. Many times on a product level characteristics can be rather immutable, and communication is what matters.

4.1.4. Markets, Segmentation and 'Needs'

The question about markets, segmentation and 'needs' is manifold and complicated. This research has tried to demonstrate that profitability is what dictates the world of marketing and

segmentation. Nevertheless, to a certain extent marketers have to listen to their customers as persuading people to consume completely against their interests would result in an economical failure. Jan exemplifies how his company tries to approach segmentation studies by conducting interviews with consumers representing marketers' target group. A 'need' segmentation is done for finding out the underlying consumer preferences. In general Jan's company distinguishes three levels of needs. The first level is related to the 'needs' for actual product features, the second level can be considered the benefits that people have from these features and the third and highest level tries to depict people's overall end values in life. Client companies are trying to identify consumers and appeal to their 'needs' with the help of market researchers, but the challenge is to combine these 'needs' with underlying expectations and consumer information. Dirk states that after finding out what is the 'need' behind the segmentation for the marketers, market researchers will make a research programme that is dependent on the already existing information:

[...] (T)he foremost challenge in segmentation is how to connect it to the customer database. How can you find the segmentation in the customer database? Sometimes you start with the customer database and sometimes you start with the need segmentation. Sometimes it could be both the starting points, but it's always the case to connect these two together.

What marketer researchers are trying to find out is if there is a correlation between the needs of the people and all the variables i.e. consumer information that can be found in the marketers' customer databases. This information can be simple traditional segmentation variables like age, family size and geography for example. By a postal code it is possible to find out for example if consumers live in an owned house or in a rented one. The question is what can be found in the database and is there a connection between variables and people's portrayed 'needs'. Dirk continues:

[...] (W)e try to find how we can translate the segmentation into the customer database.

The market research company of Karel, Jan and Dirk tries to connect 'need' segmentation and database information for finding a 'compromise'. Sometimes for market researchers it is difficult to find segments in terms of how to combine the three-folded 'need' segmentation with customer data. Jan describes this challenge as following:

When we are looking at the attributes, benefits, and values, those three levels, sometime they just don't seem to connect. There is no overlap between benefits and attributes, and then you have to...often we decide let's just take the benefits they are leading.

When asked if it's possible to leave out some of these three levels Jan responded:

Yes, if it's not possible to get a good chain then we leave out one of the parts and then we find always a way to torture the data until it confesses. Always you can find a solution to get a result that you can present as a value for our customers.

It is always possible to find a solution that can be presented as a value for marketers trying to create and control their own markets. This quote exemplifies the whole 'messiness' behind segmentation and marketing. Market researchers are trying to satisfy marketers and solutions need to be found. This messiness is being resolved as economically as possible leaving some study features aside and concentrating on manageable and profitable ones. Data is 'forced' to reveal underlying connections and the methods for making data 'speak' will be certainly found.

This chapter has shown that profitability in segmentation studies is one central issue for the practice of market research as the question of 'needs' has been turned around in trying to satisfy marketers' own 'needs'. The distinction made between marketers and market researchers is important as boundaries seem to be made clear between these two groups. All interviewed market researchers distinct themselves from marketers and they speak about these two groups as separate ones. Marketers are engaged in commercial activities of marketing, advertising and sales. Market researchers gather and present market information to marketers. Market research companies are specialized in helping their clients i.e. marketers to understand different aspects of the markets in order for them to better perform in trying to sell and promote their products and services.

Another interesting finding is that segmentation highly varies depending on its purposes. Nevertheless, one clear goal is always to try to connect and translate segmentation outcomes in marketers' customer databases. At least in theory, consumer 'needs' could be met very precisely but the question for marketers is how big and advantageous are the discovered segments and can these be easily targeted. In the following main chapters will be discussed how these solutions are found through segmentation studies, what is the role of modern consumer

data and its collection methods, how has new media contributed to the process and what kind of actors are marketers with their own actions.

4.2. Segmentation Processes

4.2.1. Approaching Segmentation

In order to analyze how segmentation studies are conducted in practice and to understand what they consist of, it is useful to find out how practitioners define segmentation in the first place. Definitions are always interesting as they are trying to depict and explain realities that actors construct and make part of. Segmentation professionals see the practice as an effort to simplify markets in order to clear the 'messiness' and make them more visualizable for marketers. This way it is possible to understand what markets looks like. Often market researchers consider themselves as a link between consumers and marketers. Segmentation itself is also a commercial and promoted practice as Karel defines it:

Segmentation study is a product that we sell. It's a statistical routine. We ask a whole bunch of questions to consumers related to a certain product or service. Then you start seeing what the underlying factors are, and you then try to define a couple of segments based on logical guidelines.

Karel's definition is naturally a simplified version of the whole practice, but it gives a clear impression of what segmentation consists of. Market research companies are selling a product to marketers in order for marketers to further sell their products and services. What is interesting is that in order for segmentation to be considered segmentation, there has to be a commercial purpose involved in it. Hans defines segmentation as a core feature of marketing – creating groups of people with common variables. It is possible to go really deep into grouping people and create various different clusters, but as already explained the issues of cost and managing affect in trying to keep the groups lucrative:

A segment in my view is a population of the total population that has common characteristics and to which I can attach an action for my client.

Segmentation is dominated by the idea that marketers need to be able to work towards defined segments and have an impact on them. Marketers need to be able to make some commercial

actions towards defined segments, otherwise segments are not useful. Markus, the Managing director of a Finnish market research company, sees the practice as following:

You [...] do segmentation to understand which segments you want to satisfy and those then become your target group. And how to influence them that of course is the question why to segment people in the first place, so then you need to have some kind of hypothesis about what kind of people they are, so I would say that typically segmentation starts from the qualitative interviews.

Markus describes segmentation similarly as other interviewees, and usually segmentation studies tend to start with qualitative interviews. Nevertheless, in order to be extremely precise it is necessary to take a few steps back as explained in the following passage.

4.2.2. Segmentation Studies

Commonly marketers' are the ones requesting segmentation studies to be done by approaching market research companies. It seems to be a typical procedure that after the first contact that has been established the prospect client companies send to market researchers an official Request for Proposal (RFP). In this request the background is stated with a short introduction and the research objectives explaining why the research is wanted to be done in the first place. Usually at this point marketers tend to consult different market research companies in order to find out study pricings. After the decision about the collaboration has been made, goals and hypotheses are defined to be clear. Lars, an experienced statistician working for a Dutch market research company operating in multiple sectors, defines the most important steps of a segmentation study:

The most important thing first of all is a clear view of what you are trying to discover, to find. [...] The second most important part is to make sure you have a good questionnaire, a good way of collecting data on the domain [...] and the third most important part is the modelling you do based on the analysis of the data [...].

In this description, goals and expectation need to be clear for constructing segments. As Law (2009) describes it research methods generate realities and in segmentation practices human and non-human actors contribute in creating clusters of people and representations of these. These clusters do not exit somewhere 'out there', but they are produced with data, statistics and interpretation, and matched with the background construct and framework. When

asked about the most important steps, Lars an extremely quantitatively oriented person, drops out the qualitative interview part, which almost all segmentation studies start with. Consumers are interviewed personally, within groups or via Internet, and these people can be found from marketers' customer databases, consumer panels, online communities hosted by market researchers or with the help of data collection companies. Markus explains the interview practice rather straightforward:

You just collect a number of people and start to interview them, try to understand their motives, why they buy and why they don't buy, why they consume some services and not the others.

These people are naturally not just random people, but according to Markus, part of the possible target groups created in the hypotheses. Nevertheless, trying to describe the idea behind Markus' words is that the collection of these people can be rather unsystematic within these groups. The chosen interviewees are believed to be representative of whole populations and related segments. Qualitative interviews are conducted with consumers from hypothesized segments and Markus describes this phase in an interesting way:

The client typically tells that he wants to have four different groups, one which is like this and the other one like this and so forth. And he wants to know [...] how they act, how they purchase, how they require services, how they use Internet, whatever. Then by interviewing these people a good qualitative research can really dig into the motives of people and get something out of the consumers that they don't even realize themselves.

With qualitative interviews consumer information, opinions and motives related to markets, products and services are acquired. With long in-depth qualitative interviews market researchers are trying to understand consumers and their rationale – even something that they do not necessary realize themselves. Semi-structured interviews allow market researchers to conduct the discussions in order to find out consumer preferences and identify choices and behavior patterns. These will be connected to the surrounding framework and knowledge is created. Hypotheses and consumer perceptions are brought together for trying to find a match between them. There will always be found a solution that the client companies i.e. marketers benefit from. The next step consists of the quantification of the results. It is necessary to understand if the hypotheses matched with qualitative study results can be somehow applied to bigger populations in order to construct profitable segments. Markus sees it as following:

And then you go to the next stage which is typically a questionnaire via Internet or nowadays 9 cases out of 10 its an interview, computer aided wireless interview. So then the responders get an interview, a questionnaire they start to filling the questions and then typically what is used as a cluster analysis, factor analysis, to cluster consumers into different segments. And that's a classical way of how to segment people.

Markus refers to questionnaires interchangeably with interviews, and as can be understood from the quote, questionnaires are distributed and filled over the Internet. Consumers are approached and this part can be often done by companies specialized in data collection. Other alternatives are just to contact people from consumer panels (the largest in the Netherlands has more than 70.000 participants) or one option is to approach the already existing customers that can be found from marketers' own databases. There are many alternatives for marketers and market researchers to come close to consumers as especially in modern times consumers are seen to be willing to give information and data about themselves. This, among other questions will be discussed in a dedicated section.

Jan gives confirmation to Markus by briefly stating what the quantitative phase consists of and explaining sample sizes:

Well, it's online research often, we approach and it's 1,000, 1,500 people and they get asked the questionnaire.

Other interviewees stated also that usually quantitative sample sizes vary between 1,000 and 2,000 people. Hence, starting from initial hypotheses and goals, and after a relatively small number of conducted in-depth interviews or focus groups the results are quantified. This is the part where non-human actors come to play an important role: statistical programs and technology in general are crucial for marketing and market research as can be seen in what follows.

4.2.3. Variables, Statistics and Segments

As Greenberg and McDonald (1989) state, segments are not necessarily objectively constructed or statistically reliable, but rather they form classifications that help marketers performing among groups of people. With different statistical analyses, objects are categorized to predetermined and hypothesized groups that consist of objects with similar attributes – this is based on consumers' survey answers or other segmentation variables. Consumer groups are referred in statistical

routines as clusters or milieus meaning segments. When asked about the hypotheses and predictiveness of segmentation practices statistician Lars responded:

[...] (S)ome segmentations work better than others that's always the case. And we depend mostly on whether the variables you are trying to get are segmentational, so that you have a strong enough relation with what you are trying to explain, because in the end when you are working with segmentation you are trying to predict something or differentiate something, [...] and if the correlation of your variables you are building your segmentation on doesn't relate strongly enough to your hypotheses, it is very hard to make something to develop a clear segmentation.

Correlation of variables with hypothesized segments is a key feature of this practice. Expectations are met with this supportive commercial activity for creating, describing and understanding realities. Created segments and related variables are put together keeping in mind marketers' offerings and described consumer 'needs'. What this means in practice is that 'needs' might be discussed in qualitative in-depth interviews and later it is presumed that people with similar attributes and characteristics have similar 'needs'. The most important statistical tools that Lars describes are Microsoft Excel, SPSS and Latent Gold. The latter is a latent class modeling tool created by professor Jeroen Vermunt from Tilburg University. In statistics, a latent variable model relates a set of observable variables to a set of latent, non observable but derived variables. What is fascinating to me is how Lars puts this together:

[...] (I)n a cluster latent class model you try to assign a consumer by calculating it's chance of belonging to a class X [...] based on certain answers. So this is something that will always sum to one of all cluster memberships, and it can be very high for a consumer that has membership or chance of membership [...] like ranging from .99 and then [...] on the other hand lower chance of maybe .5 belonging to this cluster.

The previous quote relates to a discussion how with latent modeling it is possible to calculate a chance of a consumer belonging to certain hypothesized classes i.e. segments. Lars' reasoning is fast paced in this quote, but what I am trying to bring in evidence is that people can be assigned to different clusters, classes or segments based on their scores, but they are assigned only to one cluster. Outcomes are dependent on how these groups are constructed and put together, and decisions have to be made on how to assign people in certain segments in the most convenient way. By trying to make the segments as profitable as possible, people with very different variable scores are put into same categories. Targeting a more specific segment would

mean assigning to a cluster only consumers with very high score for example. The lower score consumers would be excluded as belonging to different segments based on their variable scores.

4.2.4. Segmenting Consumers

Lars' quote above demonstrates that segmentation practices are simultaneously systematic and random – lines have to be drawn somewhere and decisions of including or excluding certain consumers in relation to certain groups is based on commercial effectiveness. People with rough similarities and with roughly described 'needs' belong to same segments. Michael, Director of Analytics of an American multichannel marketing company, describes his thoughts regarding questionnaires and quantitative statistical processes putting people into certain categories:

Surveys and that sort of thing, they have their place but it is very hard to extrapolate through the whole based on what normally you need. You need 10 thousand people to respond to it, still very hard to take that and extrapolate it in a meaningful way if you have millions of customers. So it's really constant learning, moving back into segmentation and refining it.

Further Michael continues:

And you have to be willing to after a while reassess what are the cut points in your segmentation that puts someone into a specific bucket. Are there sighs that you need to revise your segmentation, know how often people are moving from one segment to another. Presumably you are regrouping your customer population on that segmentation from a frequency to understand what the results of certain actions in certain segments are.

It is challenging to have a complete overview of the target groups as sampling is done economically to get with a minimum number of respondents satisfying results that can be presented to marketers. In the United States markets are many times bigger than in the Netherlands or Finland and samples can be 10,000's of people. Segmentation is a continuous process of designation, re-designation and experimentation. From Michael's quotes it is possible to understand that segmentation is not only about statistics but rather a process of interpretation and definition. First, definition of those dimensions i.e. variables of what market researchers are about to use in their segmentation. What combinations give the best results? Second, results and

statistics are interpreted together with the client and choices are made only after that. This also illustrates the numerous possibilities for segmentation. Dirk contributes the question in this way:

Well, we do the interpretation and make a first shift because there could be 10 solutions and we will take two to three solutions back to the client, and let them choose between solution A, B or C.

When asked with how many solutions it is possible to come up with, Dirk goes explaining:

At this stage it depends on the number of dimensions and the number of clusters. Say you can have 4, 5 or 6 dimensions and you can have 3, 4 or 5 clusters which means 3 times 3 you have 9 solutions, 9 possible solutions, and from those 9 we can select 2 or 3 that we will interpret together with the client. We do the first selection.

Dirk further continues by bringing profitability as an explanation:

Beforehand you do not know or come up with the number of clusters - that you should find three or four clusters. That is never the case, but working with eight clusters or eight segments is too much. You know beforehand that most of the solutions is three to six segments because when you have ten segments the average size of a segment is 10% of the market, but not all clusters or segment will have the same size, some are bigger and some are smaller, and for most companies a cluster with size less than 10% is not worth paying too much attention to. So the number of clusters is always between three and six.

Segmentation aims for targeting roughly homogeneous groups that marketers can profit the most from. The number of constructed segments tends to vary in most of the cases between the same, and also the size of the segment needs to have a good share of the total market. Segments that are lower than 10% are not worth paying too much attention unless they are not a small group of high value customers. As can be seen, possibilities for segmentation are numerous and there is always the process of interpretation that is done together between market researchers and client companies. After all, marketers are the ones who are going to use the segmentation for their purposes. A lot of money is invested into segmentation studies, and therefore, there is a continuous interaction between marketers and market researchers in order to decide what the implemented segmentation study should look like. Sylvia, Senior Research Analyst of a multinational Dutch market research company describes this interaction as following:

Market research is not cheap and they (marketers) do spend a lot of money, but then what if they spend all the money and we get different [...] recommendations and they don't use it, right? So [...] that is why we always offer to go for workshops basically to generate an idea together.

The construction of segments is done by taking marketers' wishes under careful consideration. From market research companies the participating people involved in segment construction vary throughout the whole organization from project managers to technical people working with statistics. It is necessary to understand that marketers do not have the same knowledge and understanding of the markets that market researchers do. Market researchers guide and direct marketers to make the ultimate decisions. They are trying to demonstrate marketers who are the people that need to be targeted, and this is done in practical terms as the results of segmentation studies need to be applicable to business logics.

An interesting starting point for this passage was to find out how market researchers define the practice of segmentation, and what drives my attention is that segmentation studies are seen as products or services that market researchers provide for marketers. Marketers need to be able to attach some commercial actions to the segments that market researchers have discovered. Marketers' goals and expectation are highly considered in all study phases from qualitative interviews to the quantification of results. Segments should be constructed from people with similar attributes, but it is a fact that due to commercial purposes, also people with different variable scores are put into same segments. Segments have to be made large enough to be profitable. Finally, one interesting finding was that it is seen challenging to have clear insights about consumer target groups through relatively small sample sizes that are used. Market research is rather expensive and it is conducted in the most convenient way for obtaining results that can be implemented into practice.

4.3. New Media and Consumer Data

4.3.1. Methods of Data Collection

Segmentation studies involve different methods of data collection. If segmentation studies are done in a more traditional sense, questionnaires asking a different range of questions regarding a product or a service are being sent out to consumers representing the population. This is nowadays done via Internet and for example online consumer panels have become more popular. Other types of data collection involve sending questionnaires via e-mail or presenting them on company websites – the methods are many. Obtained data is made clean and neat with no missing

variable values in order for studying the underlying connections between these. Variables i.e. factors are being analyzed for conducting segmentation studies. It can be considered that data collection has been largely digitalized, but in order to understand modern developments in the field of marketing, it is necessary to take one step further into a specific sector. One major interest for this research has been how new media has provided new possibilities for consumer data collection, and how it has changed segmentation practices and interactions between consumers and marketers. Has new media given marketers a better position in trying to understand consumer 'needs', which would refer to consumer empowerment, or a possibility for further having a strong hold on them? Dirk makes an interesting remark about consumer segmentation in relations to new media:

[...] (I) believe that people, consumers are segmenting themselves on the Internet. Because they want to give information about themselves on various number of social media, and to tell other people who they are and what they like. So you don't even need to do a customer search per say to get a clue of what people are like and how you can differentiate people.

It is remarkable how Dirk speaks about a self-segmentation from the consumers' part. His comments reflect a rather optimistic view on how new and social media have reshaped segmentation practices. Participating in social networks and providing information voluntarily has been quickly emerging, but rather than explaining clear consumer characteristics, new media technologies allow to monitor behavior and interest.

4.3.2. Developments in Segmentation

Internet has changed marketing, but segmentation as a practice has not yet been revolutionized by the Web. Dirk seems in his previous quote rather positive about new developments, but actually in practice the situation is rather different. University professor John comments this change from a broad societal perspective:

I think the change has happened very quickly, socially the adoption of social media happened very quickly and companies understand that it is important, but have not moved as quickly as the social change [...] and companies are sometimes not willing to invest heavily into something that they don't see extremely important, so I suppose it will take time. Usually marketers are ahead in terms of adoption of this type of change but in this case it may have happened quickly enough that they are not.

The social change has been extremely fast and it can be considered that segmentation practices are in a phase of transition. Practitioners do not know exactly how to speak about this transition and expectations and goals are not always clear regarding social media, data collection and customer segmentation. Only afterwards it is possible to have a clear view of what happened and what changed in practice. John continues explaining that there might be a few market research companies that are doing excellent research on social media while others are lagging behind. Hennig-Thurau, Malhotra, Frieger, Gensler, Lobschat, Rangaswamy, and Skiera (2010) argue in favor of a relatively accessible online resale market data, but what becomes problematic is how to combine this data with current segmentation models. John's colleague, marketing professor Nicolas has similar ideas with the group of authors:

When you have people browsing online and you are serving ads to them and selling to them, you can actually track them across all of those different directions [...]. So without knowing anything about you, but only knowing your cookies they have identified you, and watching your behaviour, they can infer your age and gender. They might be able to do a bit better than that because some of the variables are actually unobserved but very reliably inferred from your behaviour.

It is challenging to connect online data with traditional segmentation variables. In some cases naturally it will be possible to combine data, and this would be the case where a consumer has for example ordered a product online. In order to do this it will be necessary to specify address information, and this information will be inserted to the company customer database. In more general terms, online data can be considered relatively unstructured as millions and millions of consumers are using Internet, but marketers and market researchers do not know them on an individual consumer level – their background in terms of traditional segmentation variables and their overall offline behavior. Further Nicolas continues by making a contrast between traditional and more recent research practices:

[...] (Y)ou have a picture of the whole scene with a poor camera, everything is blurry and everything has sort of distorted colors, but at least you know the whole scene, that's the old kind of research. Versus new media where you have left out very large portions of the picture and some parts are very crisp and clear [...].

The distinction is made relatively clear and the example offered by Nicolas is fascinating. He believes that traditional research offers a blurry overview of the whole scene while new media provides a clear picture only of a specific sector missing the whole. This demonstrates the perceived imperfection of segmentation practices no matter how they are performed. Currently, there is an

attempt in trying to connect the worlds of online and offline together for gaining better results. There seems to be an understanding that social media data can make segmentation more clear in the future, but could this be only an illusion?

4.3.3. Traditional Segmentation

With no more than online data it is extremely challenging to put people into specific segments and this is why traditional segmentation variables still do have great importance in the age of new media. New media also serves as a channel for segmentation studies that are done in a more traditional way as Jan explains it:

I don't think that segmentation and the approach really will change through new media. I don't think it's hyped because this would suggest that it will go down later. I think it stays, social media and new media, and it just becomes part of the topics, it can be a topic in the segmentation so [...] it's about the content of the questionnaire and it's not about the approach of how we do segmentation.

What Jan suggests is that segmentation might still be done in traditional ways, but only the channels for connecting with consumers have changed - the practice itself stays similar. Customer databases remain the most important data collection tool and 'modern data' in itself is not as valuable. If social media data, consumer information provided on company website or for example the amount of calls made to the company call center can be combined with traditional data, then this will become valuable by bringing more variables to consider. Social media especially has received a lot of attention also from market researchers' part, but statistician Lars gives a confirmation regarding my statement that social media has not so far been revolutionary for market segmentation practices:

No, not yet. Also relatively small parts of the population use the media. For example Facebook is really huge in social media and still only like 60% or 65% of the Dutch 15 to 80 years old are using Facebook. It's good, but it's not everyone, there are important gaps in potential consumers if you only measure your things on Facebook and Twitter is even smaller [...]. That's something that is a really small subset of the population so the customer data is lot more important [...], customer databases are lot better now than they were 10 years ago.

Lars' company has done experiments with Facebook and Twitter for example, and this is something that is currently under development in many companies, but the amount of accuracy does not satisfy market researchers and inaccurate information does not provide profit. Therefore, market researchers have found new solutions for monitoring consumers online like Karel states:

Traditional social media is difficult. We see fragments of conversations; we do not know enough from the person behind, who says something on Twitter, to understand the context. But if we build a special online platform and let the consumers talk to each other within that controlled environment, where we know more about these consumers and are able to offer additional questions and relate information to each other [...], then we can make a segmentation based on the data.

Karel's comment reflects the whole situation regarding consumer segmentation and the usage of new media. It is surprising how market research actually finds itself on a rather elementary level in relations to the online world. Small steps have been taken, but the revolution is yet to come. Specific digital platforms need to be built in order to grasp comprehensive consumer information. Interesting examples vary from mobile industry to cosmetics where market research companies give consumer the possibility to participate in online research forums accessible through web and mobile versions. Numbers are encouraging as in a cosmetics related study conducted by the company of Karel, Dirk and Jan the participants were extremely active as Karel exemplifies:

There's a huge amount of conversations between ladies who have something in common — an interest in personal health care. They talk about the products, how they use those products, and what products would be good for their problems. They check with each other forums, questionnaires, challenges that we have sectioned in there, and write a review on their favourite products.

According to Karel, a total number of 12,000 conversations among participants were followed from the market research company being the moderator of the platform. Another study conducted by the same company was done for Google that wanted to research how people buy mobile phones and different brands in the Netherlands. Google is selling advertising place to mobile providers and in this way they are able to better advice their clients. An online community was built and it was active for one month. Participants, who where people in search of a mobile subscription, were assigned to write a diary and explain all the different factors contributing to the final decision. These factors included for example commercials, store visits, advices from friends or

colleagues – anything. Each week a questionnaire was sent and information was combined with personal information that the participant had provided by taking part in the community.

4.3.4. Online Opportunities and Challenges

Consumers are willing to share information about themselves, but in order to gain profound insights by online methods, specific platforms are often needed. Traditional segmentation methods like questionnaires are used and often the digital is seen as facilitating data collection, but the actual methods need to be solidified and standardized as Sylvia argues:

So it's just opening a lot more opportunities. Yes, if you can control or find a way to control it, or make it in a more systematic way, it's really a great source of data. And also, the information, the insights that you get are even more real and unbiased somehow, so yes, we've been checking [...] online possibilities. It definitely makes research a lot easier and more flexible.

The switch to online has brought new opportunities, but the question for marketers and market researchers remains how to take full advantage of it. For the moment new media gives more opportunities in targeting the desired customers rather than segmenting them. New data collection methods are constantly being developed and tested, but at this point they can be considered rather inaccurate and also relatively expensive. Nevertheless, the question of data in general tends to be a hot topic among marketers, market researcher academics and media experts. Jaap, Product Manager of a media monitoring company was the first to bring up the question about big data:

You have big data, which is what all people are talking about now. It's a bit of a hype, I have to say. Also, there is a problem with the social media. If you consider social media as being the total picture, you forget that there are also some groups which are not on social media.

There is a lot of excitement around big data, new media and data collection in general. In order to contribute this discussion it is necessary first of all to define the term big data. Many of the interviewed professionals expressed their uncertainty in relations to such a vague and manifold term. John describes big data in an interesting way:

Big data, I guess, would describe the scenario where you have more data than you can conveniently analyze all at once or where the data are arriving so quickly that you can't afford to stop what you are doing and

analyze the data or any situation where you have so much data for storage or for processing reason that you can't keep it all.

Practically the term big data is centered on data that is coming from electronic sources. It consists of trying to identify insights from massive datasets and at this moment it seems impossible to handle these sets with current methods. In order to have meaningful insights it would be necessary to put together all the different components, and as seen in previous examples, market researchers and marketers are not able to combine together all the available consumer information. Massive amounts of data are accessible, but it might be difficult to have real meaningful insights. Further, one interesting point made by several interviewees relates to the nature of big data which is backward looking. In order to have fundamental innovations, for example for changing people's buying behavior, it would be necessary to look forward. Big data is not useful to predict the future, but at this point marketers and researchers are immersed in the practice. Markus sees big data not as data in itself, but dependent on its usage:

(If) it is just data it has no value as itself. So unless you know what you need to find you need to have some kind of hypothesis, some kind of idea [...]. If you don't have the idea of the house you can't build a house simply by having all the materials needed to build a house.

Further Markus continues:

I mean information is the new oil so to speak, and the refineries are the agencies. And now Facebook for example is like the biggest oil found ever. There is a lot of oil but it needs a lot of industries to make gasoline out of it.

Markus makes a clear point about the usefulness of data if it is just data in itself. This is a relational point that fits in the ANT world, seeing data useful only in connection to other data. Nowadays it is possible to collect traditional data, web related data, mobile data, GPS data, credit card data; the list is endless. Big data is a combination of all available data. The real question is how to make it become valuable and understand it. Data collection methods are continuously being developed and for example Hans is conducting projects that involve newest technologies being tested:

You have the Google Glass. You have emotion recognition. You have functional MRI. There's all these latest developments that all have an impact on getting closer to the true nature of your decision.

Information is continuously being generated and it seems that practitioners are always one step ahead in ways of collecting information than actually being able to comprehend

and use it. Market researchers and marketers are trying to get as close as possible to the consumer, but where is this directing? The practices of marketing and market research are speeding up at a tremendous pace and information has become too large to handle. Technology is believed to be dictating also market research and the direction is clear regarding consumer monitoring. Hans describes that in Europe market research is still more traditional, but for example at the company office in the United States some of the research studies are done in one week including request, proposal, interviews and questionnaires while in Europe this takes six weeks. In the United States, a couple of days later recommendations are already being implemented by client companies. Marketing is speeding up, research is speeding up and respectively changing 'needs' are speeding up. It seems that at least overseas market research companies are thinking how to quickly deliver insights in order to jump into the next study for allowing marketers to put their plans into action.

4.4. Marketers and Their Actions

4.4.1. Marketers' Capabilities

Market research companies generate segmentation models together with marketers who act as client companies. The starting point for all studies is to develop clear hypotheses of what is trying to be discovered. Marketers state their goals and expectations to market researchers working for constructing target markets and segments for marketers. Workshops are organized to have marketers involved and choose from the different options offered as segmentation solutions. Market researchers can come up with all kind of elaborated models, but in order to make them understandable they need to be translated into the language of marketers like Karel explains it:

There is no way for me to visualize that and to show to my clients: "This is your segment". That's a problem because our clients, marketers, are not researchers. If you present them with a big book of tables and graphs, they would have difficulties in seeing the differences between the segments. And if he or she doesn't really believe or understand the differences between the segments, then he will never use it in practice.

Segmentation is all about simplifying the market in turn for marketers to clearly visualize it. They need to recognize and accept the results and confirm market researchers' findings; for example recognizing a customer that could fit in the suggested segments. In this

quote Karel makes the distinction between marketers and market researchers extremely clear as he does not recognize marketers to have the same qualities as market researchers. Marketers might not understand the difference between consumers who should and should not be targeted unless market researchers present these differences in a very clear way. Traditionally, this process of simplification is delivered by market researchers in form of personas like Dirk illustrates:

The first benefit of segmentation is that everyone, every marketer in the organization is talking the same language when it comes to clients in the market. Because when they have like 4 or 5 personas or segments and they give it a name like Marco and Ina or Jenny, and when talking about those names everyone in the organization understands what type of persons you are talking about.

A persona is a representation of the center of the segment. If a segment would be 80% male and 20% female then the persona would be chosen to be a male – this is what simplification is all about. Further, these personas are tried to be made as real as possible in order for marketers to know their segments and who they are targeting. Greenberg and McDonald (1989) state that in segment creation segments are being named creatively to have them come alive and stimulate further marketing and advertisement creativity. Regardless the attempts to come close to consumers, marketers tend to be seen very different in relations to people belonging to their target markets as Karel explains:

A marketer is probably higher educated as on studying economics or business administration, or something related — has higher income, higher social class, and intelligence. The target segment for that marketer can be lower social class.

Further Karel continues:

That marketer can't really relate to the target group. But if you force him to have every meeting in a meeting room where you have a weird carpet on the floor, a placemat on your table, Frans Bauer on the radio, and the coffee you drink is disgusting Senseo coffee, then you can't not relate to that segment.

Marketers try to throw themselves into segments and the most extreme examples consist of consumer safaris where a marketer continuously follows a member of his target group, or meeting rooms which are decorated as the living rooms of targeted segments. Marketers may belong to a completely different social class than target groups, and therefore, they will have difficulties in understanding these people. Marketers are trying to implement segmentation studies in practice, but the question remains if this is done for marketers to understand and to

identify with target segments and their 'needs' or are these actions completed for having a better grip on consumers? It is possible to infer that marketers are trying to come close to their segments, but Karel's next quote presents rather convincingly what might be the underlying reasons for their actions:

[...] (A) marketer has arrogance somewhere. He keeps sitting behind his desk and does the thing that he always does. He probably comes up with new campaigns, new products, new things, new ways to bring a product to market, instead of immersing himself into the end consumer and really get a feel and understanding for what happens in everyday lives with people.

Karel sees that some marketers might have arrogance in conducting their practices. Marketers are seen as continuously coming up with new ideas and offerings to be launched for markets. The presented metaphor seeing marketers sitting behind their desks and plotting new ways of appealing to consumers is interesting. It strengthens the impression that there is a distance between marketers and consumers, and that marketers are generating new products and services one after another. Connecting this to the discussion of profitability it could be understood that marketers are creating offerings for customers segments that they could earn the most from. More time is spent in approaching these customers and profitability is working as a purpose for segmentation. Without having a completely clear picture of markets, consumers and their 'needs', marketers construct and act realities. Respectively, market researchers guide marketers in these constructions trying to explain and further understand realities that marketers themselves have produced.

4.4.2. Developing Marketers

From the conducted interviews it is possible to understand that in the past companies built products or services because it was something that was thought to have market demand. Products or services were brought to the mass market and segmentation was two-sided meaning buyers and non-buyers. As time went on companies understood that there are different groups of consumers. This was mostly based on demographic variables and marketers concentrated on changing product characteristics. In the past resources were not same as today, and companies could not target numerous segments and sub-segments with different products, different

communication campaigns and different strategies. A trade-off between identified possibilities and manageability has been made from early on.

According to interviewed professionals, individual customization can be considered opposed to segmentation. It would be ideal to have micro-segments the size of one individual customer, but this is not possible for marketers. Segmentation aims for simplifying the process of selling and marketers are constantly evaluating the size of constructed segments, targeting possibilities, data acquirement opportunities and effectiveness. Modern segmentation practices often relate to communication and can be rather immutable on the product level. Karel comments this aspect as following:

If you design your products and your services in a way that segmentation is no longer necessary, then segmentation is only something that relates to communication.

Markus contributes to the same discussion similarly:

[...] (I) am sure some companies are using segmentation simply because they want to know: "If I sell this product I am not defining my product, but I am refining the message that I want to deliver via my product". So whether its advertisement or just a slogan or logo or statement or whatever it might be used as that.

Marketers are trying to come up with some details, pieces of information that could be included in the marketing messages. Segments with different 'needs' can be targeted with the same products and services as long as these are presented through messages that are appealing to different segments. Within chosen communication channels, products and services are presented as meeting consumer 'needs'. The main goal is to appeal to consumers and reach their attention via the right messages – communication differs in base of the segmentation and identified groups. As Markus previously explained segmentation is done in the first place for influencing people, and rather than empowering the consumer, new media technologies have provided marketers new possibilities like John explains it:

You mean you want to understand anything that you can do that is going to cause people to buy. Anything that you can do and what can you do is you can post content, you can show people ads, you can put things on sale, you can give away coupons, you can ask people to refer their friends. I mean there are a million things that marketers can do in a digital setting and so when you talk about combining all the data to figure out what it is you are doing that is causing people to buy things or causing them not to buy things.

Marketers can be considered powerful. They have their numerous methods and opportunities for trying to appeal consumers. Market researchers might be the one who are trying to understand consumers and what are the affecting factors causing them to make certain buying decisions. Marketers do based on market researchers' suggestions everything that is possible for having demand to marketed products and services. Consequently, the digital environment has given marketers additional tools for performing their ongoing commercial activities. Marketers express purposes and goals for segmentation studies. Nevertheless, study results need to be clearly visualized for marketers to understand how they should act towards different segments. Commercial creativity is further boosted with consumer personas in order for marketers to clearly recognize consumers and have an impact on consumers coming from different backgrounds than marketers themselves.

5. Discussion and Conclusions

5.1. Consumer 'Needs'

The scope for this research has been to understand developments within consumer segmentation and classification practices and how new media has provided new possibilities for consumer data collection. Particular interest has been given into looking how consumers and marketers interact, and how new digital technologies have shifted or changed how consumer segments are used, defined and understood. Traditional marketing literature argues in favor of recognizing consumer 'needs' and meeting these profitably. 'Needs' are said to pre-exist marketing and not being created in the process of marketing, but rather companies need to teach consumer to identify their desires (Keller & Kotler, 2013). I have taken in this research an approach that does not simply recognize marketing as the fulfillment of 'needs', but it considers also the practice's formative role in contributing to the creation of 'needs'. Actor-network theory has provided for this research a framework in trying to understand how marketers and marketing develop and shape their markets (Finch & Acha, 2008).

Actor-network theory has provided a standpoint for doing in-depth empirical research. This has allowed me as a researcher to focus on the connections between human and

non-human actors in marketing and segmentation practices. ANT attempts to move past traditional methodological borders by describing how networks between human and non-human entities direct the creation of new entities (Nimmo, 2011). By interviewing a wide range of professionals, this study was an attempt to detail a bit more the socio-technical relations that contribute to the construction of markets. Without ongoing interaction, actor-networks and their assemblages would break down (Nimmo, 2011), and the descriptions of the daily practices of these interviewees begins to demonstrate this a bit more clearly. Furthermore, ANT has allowed understanding how marketing theories, concepts and methods themselves actually interact and direct actual practices.

Marketing is a practice deeply embedded in social structures and involves a large number of human and non-human performing agents (Araujo, 2007). Segmentation is one of the core concepts of marketing and one way for describing and interpreting consumer 'needs'. One premise for this thesis was that in describing these 'needs', the interpretation of collected data and the presence of social media offering new dimensions for segmentation, have an important role in modern practices. In order to understand what segmentation consists of, 11 interviews were conducted with professionals involved in market research, academia and media. Interviews aimed to gain relevant data in order to answer the proposed research question and its subquestions. Interviews provided relevant insight for answering the research questions and simultaneously some expectations were confirmed, but also surprising outcomes were discovered.

Examining marketing, segmentation and consumer 'needs', one interesting finding was that the whole notion of 'needs' can be turned around. Market research companies first of all have in mind the 'needs' of their own clients, specifically meaning marketers' requests and expectations. First of all, the purpose of segmentation studies is to meet the 'need' behind the request for segmentation. Therefore, established goals and desired outcomes set by marketers direct segmentation studies. Markets tend to be complex and the practice of segmentation can be considered as an attempt to simplify these manifold and extremely diverse markets and consumers in a profitable manner. Diverse are also the actual practices of segmentation as study implementations and outcomes highly depend on what kind of different commercial purposes is segmentation desired to strengthen – product development, communication or something else perhaps.

Commercial organizations involve different actors with their own 'needs' and market research and segmentation practices depend on these. What market research is trying to align are the 'needs' and requirements of client companies and the consumer 'needs' that marketers describe meeting. In the first place the division between marketers and market researchers is fascinating. Masterson and Pickton (2010) argue that marketers must be aware of consumer 'needs' and must be aware of what is that generates these 'needs'. The reality is that marketers may have certain visions about target markets, but most of all they seek support and confirmation from market researchers. Based on this research, in most cases marketers are not market researchers and they do not have the same knowledge about markets as the latter ones.

For market researchers it would be possible to come up with different schemes and sophisticated models, but they need to visualize in a simplistic way to marketers the clients who should be targeted. Larger companies might have their own market research units, but in general the situation is that companies outsource their market research functions. This results in a limited market knowledge contrary on what many cited authors suggest. Marketers need to accept the results provided for them, and for simplifying the process of marketing even further, consumer personas are made so that marketers clearly understand throughout the organization who they should be targeting. Market researchers guide marketers who are not experts in understanding consumer 'needs'. They do not necessarily recognize the differences between segments and 'needs', and as seen from some examples it is difficult for marketers to relate to target groups.

New ideas and promotions are continuously being generated for gaining earnings in an economy reaching for maximum functional effectiveness. Segmentation could be done in numerous ways, but profitability is what dictates the practice over 'needs', and there is always a tradeoff between accuracy and manageability. Furthermore, segmentation helps marketers to understand how to appeal and communicate towards different constructed segments. Often the communication from the marketers' side is the only thing that separates how segments are treated, and for gaining different groups' attention, marketers come up with different communication strategies for each group – marketers are trying to influence different types of people with the same products by changing message channels and communicating different benefits.

Actor-network theory allows us to see segmentation as a constructive performance. The manifold and complicated process of describing and meeting 'needs' as a base for segmentation is simultaneously arbitrary and selective. Consumer 'needs' have to be satisfied to a certain extent, otherwise marketing efforts will be useless. Nevertheless, conducted interviews have demonstrated that marketers have limited knowledge and interest towards these 'needs'. Market researchers are the ones who understand market realities more profoundly, and they provide simplified versions to marketers. 'Needs' can relate to product features, perceived benefits or people's overall end values in life, and these are challenged to meet with the offerings. The 'needs' of new customers are rarely examined as marketers tend to concentrate on the clients found in customer databases and especially on existing high value customers. As Takala and Uusitalo (1996) express, it is too costly to satisfy consumers as well as possible, but market researchers are always able to find a solution that can be presented as value for marketers, and therefore meeting of 'needs' is superficial in some cases – marketers are the ones who are being satisfied first of all.

5.2. Actors in Segmentation

Segmentation is completed in order to clear the 'messiness' that far complicated markets present, and there are a wide variety of human and non-human actors contributing to the process. Segmentation involves data collection, statistical routines, modeling, decision making steps and continuous analysis. Goals are set by the human actors of marketers together with market researchers, while data and technology contribute as the main non-human actors in this process. These vary from databases to systems representing constructed segmentation models and from computer hardware to statistical software programs. Humans speak on behalf of these actors in this research by expressing what kind of opportunities and limitations non-humans generate.

Segmentation always involves commercial purposes, and after an approved study request, segmentation studies start with clear questions and hypotheses that are being generated regarding the markets. Without exception, the first method for data collection consists of qualitative interviews. Consumer actors from target groups are being interviewed in order to understand what drives their behavior and how to influence them. Interviews can be conducted in

person, but especially in modern times, digital technologies are involved also in qualitative data collection methods. Technology becomes even more important when results are quantified to larger populations, and most of the times questionnaires are being sent out to respondents via Internet. Companies specialized in data collection approach consumers or alternatively consumers can be found in general or purposely designed panels.

Statistical classifications are being generated with the help of different statistical software programs for connecting different variables representing consumer characteristics. Clusters i.e. segments are constructed by interpreting these statistics and making inferences from data; segmentation is based on analyzing correlations between variables. The nature of the practice lies in the infinite segmentation possibilities. Segmentation depends on how different characteristics are put together in a way believed to be meaningful. Consumers can belong to several different segments in target markets, but lines have to be drawn somewhere based on profitability and convenience. Segmentation is also continuously evolving as companies segment, re-segment and experiment their markets.

What is fascinating is the grouping and hierarchy of different actors in segmentation practices. Arrangements and relations between humans and non-humans coming together in this dynamic practice make segmentation and segments systematic assemblages, constructed realities. Segments are enacted into being and practices are strengthened with routines. Different segmentation solutions would direct to different realities, but from the possible solutions offered by market researchers, marketers decide to follow what is most convenient in their opinion. Often segments that are relatively small are left out simply because they are not worth trying to reach.

Segmentation is a commercial activity and great sums of money are invested into the practice. Marketers strive for profits and segmentation does not exclusively bring out one potential target segment, but rather multiple segments to be targeted (Greenberg & McDonald, 1989). Underlying realities prevail and direct the practice of marketing that is rather aggressive in the 21st century. Segmentation practices are connected to underlying realities making part of greater constructions of economic settings, actors and institutions. Performance is what describes marketing and segmentation, and all contributing actors are performing for coming together and shaping through relationships the social reality of markets (Mattson, 2003).

5.3. Revolution of Media?

One major discussion point throughout this whole thesis has been the role of new media in marketing and segmentation practices. One premise was that new media and especially social media have enabled consumers to take a more active role in the relationship between marketers and consumers. Masses of consumers are using different social media channels, which allow them to communicate with each other and producers. Several cited authors speak on behalf of empowered consumers who have the possibility of expressing themselves and their wishes, but based on the conducted interviews it is arguable to state that this power is apparent and marketers have a growingly strong position as new media allows new ways for consumer monitoring and data collection.

Online market data is fairly easy to access, and on the one hand consumers tend to 'segment themselves' as they are willing to provide personal information about themselves on different social networks. Consumers are willing to give information about themselves, but rather than explaining clear segmentational characteristics these new forms of information help to describe interests and online behavior. There has been an extremely rapid social change, and the business and academic worlds are trying to keep up with the pace and adapt to it, but not many interviewed professionals knew how to speak about this change – probably because it is happening at the moment.

Segmentation practices are in a phase of transition and even though major changes are considered to come, it is an extremely great challenge for market research companies and marketers to connect new forms of data with more traditional forms. Online data is massive and unstructured, and solely based on that it is difficult to segment people. One of the interviewed market researchers expressed that new media will not necessarily change segmentation practices, but rather provide a new channel for marketing efforts. For the moment customer databases still remain the major source of information for segmentation purposes. A great number of consumers are active on social media, but they do not fit into customer databases. Therefore, relying exclusively on the online world would result in large consumer information gaps for companies.

Most popular social media such as Facebook and Twitter have been under examination for their usefulness, but for the moment what they offer are only limited

opportunities. With new media, some parts regarding consumer information and behavior might be clear, but some parts are impossible to find out through social media. Only the initial steps have been taken in relations to the online world and it is challenging to combine online and offline information. What has been used in many segmentation studies are specifically designed digital platforms. Through online communities it is possible to acquire personal consumer information, follow related conversations or provide participants with consumer diaries, but still traditional data collection methods like questionnaires are used. The digital world might open more opportunities, but marketers and market researchers do not know yet how to take full advantage of it.

While new methods of data collection are being generated with great expenses, the data itself has become larger to handle. The amount of available data is growing but already at this point it has become so large that it is difficult to analyze comprehensively. Data is available but combining it in a meaningful way is problematic; information can be considered to be the new oil that needs to be refined. Companies are experimenting also new technologies that allow getting closer to the consumer, but it seems that marketers and market researchers are one step ahead of themselves and their work. The enthusiasm is great and also market research is speeding up as studies are completed at a record pace. Nevertheless, it is strongly arguable that in segmentation studies the revolution of media is yet to come as practices and technologies are still in a phase of development.

5.4. Segmentation Realities

Wendell Smith (1956) suggested already half a century ago that marketing strategies should be based on their maximum functional effectiveness. Segmentation is a practice beneficial for marketing as it provides models for distinguishing and approaching different consumers. Markets are complicated, but segmentation provides a simplification in order for marketers to target different established groups. As mentioned, profitability dictates the practice, and market segmentation is guided by predetermined objectives that can differ from refining communication towards different segments to product development. Segmentation helps also positioning a product in the minds of consumer in respect to other alternatives available on the markets (Keller & Kotler, 2013).

Consumers belonging to certain segments are seen similar enough to target them with the same marketing mix. A set of decisions is made throughout the segmentation process in order to reach targeted sales profits and consumers. Segmentation practices rely on collaborative thinking processes among marketers and market researchers: setting goals and hypotheses, conducting segmentation studies, analyzing results and implementing them into action. First of all, decisions are made about what is the purpose of segmentation. These decisions are stated from the marketers' perspective and expressed to market researchers.

Once the decisions for segmentation bases are stated, market researchers make decisions on how to reach declared goals in practice. Different decisions need to be made on how to approach a segmentation study, what kind of data collection methods would best suite the research, what kind of questions should be included in the questionnaire and what kind of tools and platforms need to be used for reaching the desired results. Market researchers have to decide what kind of variables they will include in the statistical analysis for understanding and explaining consumer characteristics. From numerous possible results it has to be decided what are the segmentation solutions and possibilities that will be delivered to marketers. Usually two or three solutions are provided to the client asking for the study, and these will be interpreted together.

Ultimate decisions on how to implement a segmentation study in a marketing strategy are usually made by the department or persons who are mostly involved from the marketers' part. Market researchers present the results in rather clear terms and marketers decide how they communicate these throughout their own organizations. This is done for making all marketer actors to understand the differences between segments and personas, and how to act towards these. Finally, organizational capabilities and resources will determine how effective segmentation will be in practice; for example how marketers will communicate towards different segments and what kind of decisions should be made concerning these segments.

6. Limitations and Further Research

This research has some limitations that are acknowledged and discussed. The representativeness of the population is open to discussion because mostly only Dutch market research companies

have been interviewed and diversity is not extremely high. Due to the nature of the study it would be difficult to have a completely representative sample from the population as marketing and segmentation practices present high diversity. Further, generalizability within qualitative research methods is limited, and it is impossible for the researcher to make absolute claims about reality from a subjective standpoint.

This study investigates a specific topic in a specific timeframe – it is also expressed by the interviewed people that marketing and segmentation are rapidly changing practices, especially in the age of new media. Language barriers could be one limitation as mostly non-native speakers were interviewed in English, but this is not a major concern because of the generally exceptional level of English proficiency among the highly educated people who constituted the group of interviewees. Although variety among interviewed people is considerably high this research lacked interviewees acting as marketers, and therefore their recognition about the practices of marketing and segmentation are not presented in the study. One last limitation that can be taken under consideration is that Actor-Network theory traces non-human agency through human symbolism and mediation (Nimmo, 2011).

Qualitative research methods offer the possibility for gaining deep insights about constructed realities and the conducted interviews provide an understanding of involved actors in marketing and segmentation practices. Interviewed professionals expressed their profound thoughts about the practices and this allowed for answering the proposed research questions. Studying marketing and segmentation from an ANT perspective is considerably modern, and therefore a lot of research could be done within this framework. Further, new media technologies are in a constant state of development and within a short time frame changes could be revolutionary and transform discussed practices in a radical manner. Also data collection methods are evolving at a fast pace and consumers monitoring is planned to be set on the next level. In order to understand how conceptions of segments and their development are translated into practice, and what are the resources needed to make this happen, interviewing marketers would open new opportunities and viewpoints for this study area. Finally, research that would look at segmentation practices from a more quantitative perspective could also be considered possible for analyzing the discussed topic.

This study has been something original and innovative in the field of marketing and segmentation. By approaching the topic from a performative ANT perspective, marketing and segmentation can be seen in a new way as commercial practices where different actors contribute to the construction of markets. Additional ANT minded research that does not accept reality as given is needed in the future as marketing and segmentation will likely develop and gain more importance. This way it will be possible to achieve alternative understandings of how these practices both describe and produce particular versions of realities having significant impact on the lives of consumers.

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