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FEATURES OF SEGMENTATION IN THE MEDIA MARKET

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Abstract. *The article deals with the segmentation process in the media market, especially peculiarities of its functioning in the dual market of goods and services. A segmentation approach is proposed that divides media clients into two groups of consumers and advertisers, and provides recommendations on the composition of segmentation criteria for each group in order to identify attractive target segments and develop further marketing strategy.*

Key words: *segmentation, segment, media market, segmentation criteria, consumers, advertisers.*

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Introduction

The media industry is a powerful tool for influencing political life, culture, national consciousness, forming the worldview of human and society. The peculiarity of the media industry is that it functions in two markets - goods and services. On the one hand, the media industry generates and distributes content in various media formats (radio, television programs, print media, books, online publications, etc.), on the other hand, it gives advertisers access to their audience. The need to study approaches to consumers' segmentation of the media industry is conditioned by the peculiarities of its functioning, which distinguish it from other sectors of the economy. In the current economic environment, market segmentation is an important component in building a successful marketing strategy and business activity.

Literature Review

The works of the following domestic and foreign researchers are devoted to the study of approaches and methods of segmentation in the consumer and industrial markets: N. Butenko, S. Garkavenko, H. Graham, M. McDonald, J. Dunbar, S. Dibb, L. Simkin, O. Zozuliov, A. Kosterin, F. Kotler, N. Kudenko, A. Starostina, and others. However, the peculiarities of segmentation of the media market, taking into account its dual nature, are not sufficiently covered in the scientific literature, furthermore, the criteria for segmentation are not substantiated, which necessitates further research in this area.

The aim of the article is to to develop approaches to segment the media market taking into account its dual nature.

Discussion

Conducting segmentation allows the company to identify and research consumer characteristics as well as their needs in order to ensure that the product meets market requirements.

As it was mentioned above, the media industry operates in a dual market of goods and services. Therefore, the dual approach should be used when segmenting the market by media organizations. On the one hand, media organizations must conduct consumer research that is generated and distributed by the organization, but on the other hand, customers who have access to an audience of a particular media organization or media product. Thus, media organizations should simultaneously apply the segmentation approaches used to research the consumer and industrial markets.

A significant feature of today's media market is the increasing demand for personalized information. The goal of such information is to provide the consumer with content that best meets his requirements and interests. This trend requires media organizations to pay more attention to identifying, researching and characterizing their potential and real audiences in order to ensure a better accordance between media products and consumer requirements. On the other hand, depending on the media type, characteristics and scope of its audience, advertisers are given access to a specific target audience that is most relevant to them. Considering the fact that revenue from the sale of access to their audience is a major share in the revenue structure of most media organizations, the issue of defining and characterizing their audience becomes especially important, because the better the media knows its consumers, the more advantageous it can be for advertisers to gain access to them.

According to the prevailing majority of researchers, the main features used in the process of goods market segmentation are geographical, demographic, behavioral and psychographic. Recently, complex indicators have become extremely popular, as they allow to distribute consumers by types of behavior:

PRiZM – segmentation is carried out based on demographic and behavioral characteristics;

- «The system of international socio-economic classification of respondents participating in marketing and social research» (ESOMAR) – a complex replacement is used to form socio-economic groups of consumers;
- VALS – segmentation is carried out based on defining values and lifestyles of consumers;
- The Rokic Values Scale (RVS) – segmentation is carried out based on the division of consumers into groups that have similar value systems. [1]

The development of internet technologies, mobile communications technologies, improvements to mobile devices have led to the emergence of "new media", as well as online and mobile versions of most traditional media. Taking into account this tendency, according to the author's point of view, it is advisable to supplement the geographical segmentation of consumers by definition of the platform with the help of which media consumption happens: traditional, online, mobile versions.

The key to successful segmentation, taking into account the peculiarities of the media market, is the study of traditional features, as well as value consumers' preferences. According to the latest survey data, the main conditions that determine the audience's attitudes are the level of trust in the media [2] and the similarity in their values.

Table 1

Amount of the Ukrainian media advertising market in 2019 and forecast of market development in 2020 * [3]

	Results of 2019, UAH million	Percentage change 2019 to 2018	Forecast for 2020, UAH million	Percentage change 2020 to 2019
TV advertising, total	11 526	24%	13325	16%
Direct advertising	10 089	25%	11600	15%
Sponsorship	1 438	20%	1 725	20%
Advertising in the press, total	1 850	14,8%	2099	13.5%
The national press	1 106	14.6%	1 255	13.5%
including sponsorship	284	15.1%	321	12.8%
Regional press	320	15.3%	363	13.5%
Specialized press	425	14.7%	481	13.4%
Radio advertising, total	717	24%	839	17%
National radio	518	24%	606	17%
Regional radio	65	20%	74	14%
Sponsorship	134	25%	157	17%
OOH Media, total	4 240	22%	4 990	18%
Outdoor advertising	3 283	13%	3 779	15%
Transport advertising	600	36%	660	10%
DOOH	205	n/a	383	86%
Indoor advertising	152	20%	168	11%
Advertising in cinemas	58	20%	70	20%
Digital (Internet) Media advertising	5 740	34%	7 120	24%
Total advertising media market	24 131	25%	28 443	18%

* the amount of advertising and communication market does not include the amount of political advertising

For most media organizations, the main source of revenue is the money earned from advertising. In order to reach a larger audience and attract a wider range of advertisers, media organizations can produce different media products for the various target audience (for example, there are 8 radio stations within the Ukrmedia Holding, one of the largest media holdings in Ukraine (Golos Stolytsi, Jam FM, Lounge FM, NRJ, Retro FM, Our Radio, Radio Friday, AutoRadio), sites and portals (Korrespondent.net, Football.ua, Bigmir.net, I.ua, Tochka.net, Dengi.ua, KP.ua, Arguments and facts, Tv.ua, Vgorode.ua, iSport.ua, Gloss.ua, Smak.ua, Import.ua, archidea.com.ua, kolobok.ua, Za Rulem), publications (Correspondent, Telenedelya, Za Rulem, Football, Komsomolskaya pravda, Argumenty i Fakty), with different target audiences).

Ukraine's advertising market has been steadily developing in recent years. The most intense growth rates were observed in the Digital (Internet) advertising sector due to the further digitalisation of the media and their multiplatformity.

Manufacturers of goods and services, intermediaries, political parties, government bodies, individuals and others can be media advertisers. Segmentation criteria are suggested to be applied to explore advertisers used in the B2B market. The most important, according to the author's point of view:

- territorial - local, regional, national, international;
- organization type - commercial, noncommercial, government institutions;
- field of activity (industrial, trade, services, financial institutions, etc.);
- assortment of goods and services;
- the size of the organization;
- methods of procurement (stages of the procurement process, criteria for purchasing decision, procurement policy, etc.);
- situational factors (urgency of the order, volume and frequency of the order, seasonality, features of the ordered services, etc.);
- individual characteristics (sensitivity to prices, quality, level of service; loyalty level to the supplier; relationships forms; status of the client; personal characteristics of decision-makers, etc.).

Local advertisers prefer local and regional media. Consumer goods manufacturers prefer to advertise on television and radio as they are characterized by wide audience coverage. Industrial enterprises use specialized publications, direct mail, specialized exhibitions for advertising purposes. Advertising agencies can provide a full range of advertising services, including the following aspects: consumer research, strategic planning, production and advertising, evaluation of advertising performance, or even specialize in a specific profile (type of advertising medium, promotional activity, promoted products, etc.). Advertisers may have their own marketing and advertising department and apply to media organizations only to place the advertisement or to order its development in advertising agencies or media organizations. Individuals and small advertisers directly appeal to media organizations for advertising, without engaging the advertising agencies services or research organizations that conduct marketing researches. Larger advertisers tend to do market research on their own or with the help of specialized companies, or even

collaborate with advertising agencies (Kyivstar, Danone, Philips use the services of an advertising agency. Carat; Epicenter, Google, H&M, Henkel Group, McDonald's, Mars, Nova Poshta, PepsiCo, Sony Pictures / B&H, Vodafone, Uber - OMD Optimum Media). [3]

The Pareto 80/20 rule, which states that 20% of customers provide 80% of revenue, emphasizes that special attention should be paid to large orders. For many organizations, only a few customers provide such orders. Therefore, it is advisable to treat such customers as a special individual segment [6], carefully selecting products and services to meet their requirements totally.

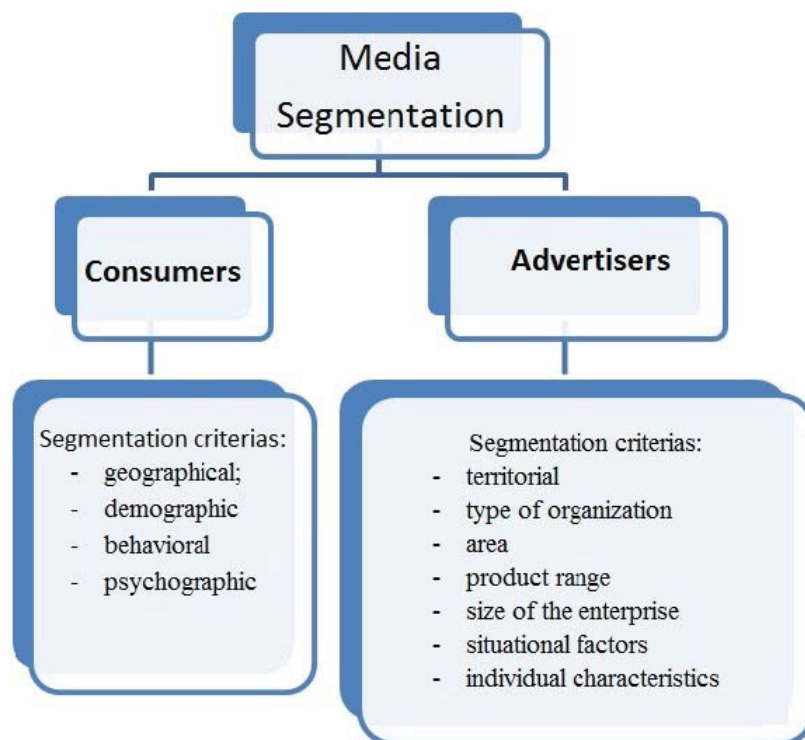


Figure 1. Media market segmentation criteria by customer groups

The segmentation criteria mentioned above have varying degrees of importance for certain media organizations, so it is advisable to select the most significant ones when performing consumer segmentation. It is undesirable to include in the study an excessive number of criteria, as this complicates segmentation information support and reduces market capacity. The composition of the criteria used in the study depends on the purpose of segmentation, type and characteristics of the market and consumers of a particular media product, but there are also some general requirements for the formation of segments:

- segments should have significant differences;
- the unified attitude of consumers to a specific product and reaction to marketing activities should be ensured within one segment;
- the proportions of the segment should be significant to ensure sales and cost recovery;

- the target segments should have the characteristics available for measurement;
- segments must have available communication and distribution channels.

Conclusion

The research made it possible to systematize and extend the approaches to segmentation in the media market taking into account its specific features. The consumers and customers segmentation allows to understand their needs and motives better, create the conditions for developing an effective marketing strategy and, what is more, to ensure the organization's effectiveness. As a result of segmentation, one or a few attractive target segments are selected that are relevant to the interests and possibilities of the organization, and then a strategy is developed for each of them.

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