

**Hybrid Segmentation as Pursued by International
Supermarkets to Segment Customers: Ireland and China
Compared**

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MSc in International Business

Portobello College Dublin

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**Hybrid Segmentation as Pursued by International
Supermarkets to Segment Customers: Ireland and China
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To,

Kaoriyuki, with love ...

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Abstract

Globalization brings massive opportunities to international enterprises to operate and expand their businesses in international markets. Consumer segmentation strategy is one of the most widely used marketing strategies to assist international enterprises to identify and analyze existing and potential consumers. Due to the fact, consumers from different background have various buying behaviors and distinct opinions on the product sought, that creates a lot of difficulties for international enterprises when they conduct single component of consumer segmentation to segment consumers internationally. Therefore, the purpose of this dissertation is to demonstrate why hybrid consumer segmentation is the most appropriate segmentation strategy pursued by international enterprises (supermarkets).

This research study is based on detailed theoretical literature of consumer segmentation and hybrid segmentation. The international supermarket is selected as the sample industry, and the researcher has used a case study to show how hybrid segmentation helps the international supermarket to identify and segment consumers' profiles. In other words the case study supports the secondary data by using a real life example.

The researcher has identified the main research questions and has carried out primary research in the form of surveys and in-depth interviews in Ireland and China. From both the supermarket and consumer's point of view, the researcher illustrates the substantial research findings in the SPSS software outputs (such as tables, graphs and pie charts) and document analysis formats. The researcher discusses the reasons and importance of using hybrid segmentation strategy, utilizing the comparisons of the quantitative and qualitative research findings in the Irish and Chinese markets to measure and analyze dynamic consumers' profiles internationally.

Finally, the researcher draws conclusions from the research findings in order to answer

the main research questions in this study and recommends that international supermarkets need to focus on multiple combinations of consumer segmentation strategy for future research.

Chapter One:

Introduction

1.1 Introduction

Consumer segmentation is a broadly used tactical marketing strategy for most businesses in modern marketing. It is one of the most effective and efficient strategies of market targeting and strategic planning in all industries. However, consumer needs and wants have significantly diversified while the marketplace is becoming increasingly globalized (Dibb 1998; Addison and ODonohue 2001; Quinn et al 2007). This chapter will outline the background research; clearly define the research objectives and the list of the research questions; briefly explain the reasons for using the international supermarket Tesco as the case study and why the researcher conducted research in both Ireland and China. Finally, it will frame the scope of this research study and state the foreseeable research limitations.

1.2 Background to Research

1.2.1 Background of Consumer Segmentation

Consumer segmentation is one of the important processes in marketing management which helps companies to observe and analyze potential customer market. The companies need to clarify who the customers are, find out what kind of purchasing preferences they have, understand what particular characteristics they express, and recognize what individual behavior they possess before the marketers choose a suitable marketing strategy (Kotler et al 1999 cited in Wen and Peng 2002a; Simkin 2000). Traditionally, the companies adopt either Geographic; Demographic; Psychographic; or Behavioral segmentation to measure and identify consumer in the marketplace. Each individual segmentation component has its diverse distinction to specific consumer segmentation schemes so that the individual company can implement particular segmentation components and concentrate on its' own specific industrial field to design its' product and service (Wen and Peng 2002; Kotler 1997 cited in Lin 2002).

While consumer segmentation satisfies the fulfillment of trading markets, its' influence has a significant impact on market orientation. The rational analysis of consumer segmentation successfully shifts from market-orientated to consumer-orientated, because segmentation strategy does not only intend to create a high level of consumer focus, but also the estimation of segmentation components are based on fundamental consumer information (Goller et al, 2002) to help the companies to deal in the various situations. As Dibb and Wensley (2002) states this marketing strategy allows the marketers to seek much more business opportunities and spread out their business widely.

1.2.2 The Consumer Segmentation Effects on International Supermarket Sector

According to Peterson and Malhotra (2000), traditional consumer segmentation strategy might restrict the result of marketing analysis in dynamic consumer markets. Consumers are experiencing more from international products and services owing to the globalization phenomenon. These critical facts cause greater difficulties for the international companies when they identify and segment their consumers in the marketplace (Hassan and Craft, 2005). In addition, the “intense competition and market saturation” have stimulated the retail industry to concentrate on customized product and service development, especially in the supermarket sector (Kumar, 2008). Under highly competitive business conditions, many international supermarkets are undertaking newly efficient business strategies to solve the problems which can help companies to survive in difficult situations (Hernant et al, 2007), such as the unbalanced population growth rate, unstable demographics shifts, circuitous economic growth among low-income to middle and high-income countries (Kumar, 2008).

Due to these reasons, many companies continuously engage in a marketing process which is to restructure their segmentation measurement to update customer profiles within a certain period of time, normally two to three years. They collect the newest industrial information and explore current consumer trends, adopt the latest consumer segmentation knowledge and carry out the statistical analysis in the interest of gathering

the most valid and sufficient consumer segmentation strategy for the purpose of segmenting customers appropriately in the present time (Markey et al, 2007). As a result, a new approach of market segmentation is essential while these companies expand their potential target market. Hybrid segmentation probably is the outcome of this process that marketers are pursuing for.

1.3 Research Objectives and Questions

1.3.1 Research Objectives

The purpose of this research study is based on the recent theoretical literature of consumer segmentation and the combination of its components (hybrid segmentation) to trace the trends of implementing the hybrid segmentation strategies in the marketplace (Alfansi and Sargeant, 2000; Jiang, 2000; Hassan et al, 2003; Hassan and Craft, 2005; Kumar and Trivedi, 2006; and Canever et al, 2007). The researcher uses this study to prove and explore the existent theories of the importance of using the hybrid segmentation to analyze and identify customers in the marketing field.

The value of using hybrid segmentation and its' implementation have been clarified in order to accommodate the valid and relevant consumer segmentation strategy to the corresponding consumer groups. Fortunately, the practice of hybrid segmentation strategy provides professional and beneficial techniques for the marketers to deal with the evaluation of dynamic customers in a global market. This study has been achieved by illustrating and comparing traditional consumer segmentation and hybrid segmentation in the international supermarket sector within two distinct countries to address the challenges and opportunities of the hybrid segmentation as the most appropriate marketing strategy in this field. Additionally, it would help the international companies to shape the direction of managing the target market.

1.3.2 Research Questions

The following research questions have been consciously designed to create a simple and rational research environment in order to guide the entire research study work:

- 1) Why is it necessary to use hybrid segmentation strategies in the international supermarket industry?
- 2) How does hybrid segmentation strategy assist international supermarkets to deal with consumers?
 - 2.1) How do international supermarkets use hybrid segmentation strategy to analyze consumers in the Irish market?
 - 2.2) How do international supermarkets use hybrid segmentation strategy to analyze consumers in the Chinese market?
- 3) What are the main challenges in applying hybrid segmentation internationally?

1.4 Selected industry and Countries

1.4.1 The Reason for Selecting Tesco from Supermarket Industry

A supermarket is a terminus of retailing and distribution channels which involve practical and beneficial elements for the researchers to investigate and/or upgrade the marketing strategies. A supermarket, as one of the most valuable market survey places, can reflect the efficient customer responses to the market that help the marketers to access the latest operational issues and the diverse characteristics of the dynamic consumer's market easily and effectively. There are a number of factors influencing the implementation of marketing strategies in the supermarket industry which have direct relations with consumer information, such as rate of population, lifestyle, buying behavior, distinct requirements, consumer loyalty, and disposal income etc (Kumar, 2008).

Tesco was chosen as a sample company in this research study because it is an

internationalized enterprise throughout 12 countries worldwide. This UK-based retail business operates very successfully in the supermarket sector while adopting merger and acquisitions, joint ventures and other market entry strategies with multinational companies. Tesco's international supermarket experience provides the company with the strengths, confidences, management skills and knowledge to deal with the market uncertainty (Palmer, 2005; and Tesco Ireland, 2008). Therefore, Supermarket giant Tesco has the capability to become the most suitable company to be examined in this research study. Further details of this and more information on their strategies will be stated in the chapter 4, the case study.

1.4.2 The Reason for Selecting Ireland

The Republic of Ireland became one the most attractive European countries for international businesses in 90's. The worldwide immigration phenomenon during the late 90's and early 2000's provided the outside employment needed to supply the high demand for the service sector, especially the retail industry, and the "Celtic Tiger" created strong economic growth that was encouraging for international investors to take on the business challenges in this country. The shift of consumer patterns in the Irish market is driven by the multinational immigrants and the shopping patterns of Irish consumers can also be affected by these foreigners (Baszun, 2007). This complex market background is interesting to do research on because of the attractiveness of how the companies operate.

According to The Economist Intelligence unit (2008a), Ireland is currently suffering a sharp slowdown in economic growth and an "unusually high headline rates of Euro area inflation". This unpredicted economy weakening creates greater opportunities to undertake a marketing research project to compare the differences of the companies' strategies dealing with those influences before and after.

1.4.3 The Reason for Selecting China

Since the introduction of supermarkets in Chinese retailing market in 1981, this self-service shopping style business has been gradually replacing the traditional style of daily goods shopping. The accession of the World Trade Organization (WTO) brought massive international trading opportunities to China which has one fifth of the world's customers. Many global giant retailing companies invest in China which ensures the Chinese retail industry has a 7 per cent growth rate per year. Favorable Government policies, integration of an Eastern-Western socio-cultural lifestyle, demographic changes and a fast moving economy provide a suitable and practical space for market researching experts (Mai and Zhao, 2004). According to The Economist Intelligence unit (2008b), the gradually decreasing inflation rate of consumer price will fall from 6.5% to 4.3% over the next year. This can be an interesting opportunity to examine the external environment effects on the Chinese supermarket sector.

1.5 Scope and Limitation of the Research

1.5.1 Scope of the Research

A broad literature review, which covers a large number of relevant academic literatures in the consumer segmentation area, was used for this research study. Most of these literatures are chosen from current published documents of academic journals and international trade conferences. The researcher is seeking for the most valuable information from these theoretical literatures to support the primary research in this research study.

A case study will be used to analyze the implementation of hybrid consumer segmentation in Tesco (UK) in order to demonstrate the literature and guide the primary research. Surveys and in-depth interviews were conducted as quantitative and qualitative primary research in this study. As this research is an international study, both surveys and

in-depth interviews took place in Ireland and China. The survey concentrates on the perspective of consumers while the in-depth interview focuses on the company's point of view of implementing hybrid segmentation strategy. The research study's discussions will be compared by using the primary research findings from these two countries, and illustrate the distinctions with the UK market.

1.5.2 Limitation of the Research

Any research study has its predictable limitations, especially when carried out through primary research. Firstly, the chosen industry is only in the international supermarket field, which is a very specific one, regardless of the fact that the supermarket sector is one of the most appropriate industries to examine hybrid segmentation strategy. Furthermore, Tesco is the only research supermarket in this research study and this creates the issues of validity and reliability of the research although Tesco has successful experience of using hybrid segmentation internationally. Secondly, the research questions have to be structured in a way of avoiding the sensitive and commercially confidential information in which the relative answers might damage the interviewed company's commercial secrets. Finally, conducting any primary research is costly and has time limits, which can be a problem for a researcher who is a full-time student.

1.6 Conclusion

In this chapter, the researcher briefly stated the background of consumer segmentation strategy, highlighted the importance of updating this marketing strategy theory and showed the emergence of hybrid segmentation in international supermarket industry. Based on the research objectives, the researcher structures the research hypothesis in the question forms. These questions act as the researcher's research guidance and are going to lead in a logical direction in order to investigate and analyze this research study in Ireland and China to meet the research purposes. Furthermore, the researcher also explains the reason of choosing an international supermarket as the research industry, and

the reason of choosing Ireland and China as the suitable places of carrying out primary research. Finally, the scopes of the research and its limitations have been outlined to make awareness for the researcher while processing this research study. The researcher is going to review the theoretical literatures of the consumer segmentation and the hybrid segmentation strategies in the next chapter.

Chapter Two:

Literature Review

2.1 Introduction

Traditional consumer segmentation provides basic knowledge and sets up a fundamental framework that makes an understanding of the importance of using consumer segmentation and hybrid segmentation strategies to target customers. This Literature Review is one of the main chapters in this research study as it is going to build up the actual and theoretical framework for further research. The researcher focuses on the consumer segmentation theory to highlight the emergence of hybrid segmentation and its' importance, in order to show this new pattern of marketing strategies that can help marketers to conduct segmentation more appropriately in practice.

2.2 Overview of consumer segmentation

2.2.1 Definition of consumer segmentation

Consumer segmentation is defined as the categorization of identical characteristics of individual customers into segments, and based on these clusters of segments, marketers are able to differentiate the similar requirements of individual customers, analyze customer's data and hence establish appropriate market strategies with all information required to target and satisfy customers' needs (Bergenthal and Stewart-Hunter, 2004; Kotler et al, 2005:398; Weinstein, 2006). These needs are the basis of implementing consumer segmentation strategy which appears in various forms with different customers. Because customer's needs are unstable and differ by individual purchasing behavior, and have special requirements and other issues, therefore, to choose the appropriate segmentation strategy is essential for the marketers (Hall, 2004).

Smith (1956 cited in Mackenzie and Clerinx 2001) defined consumer segmentation as the first time which "a rational and more precise adjustment of the product and marketing effort of consumer or user requirements, it consists of viewing a heterogeneous market (one characterized by divergent demand) as a number of smaller homogeneous markets".

This introduction of ideal consumer segmentation brought an in-depth attention on the consumer which assists the marketers to understand what the major differences between customers are and why they need to be concerned about these differences, especially when launching new products. Thus, consumer segmentation strategically aligns the various products design with customer's needs which lead to an evolution from product-orientated companies to customer-orientated companies in the marketplace. It becomes one of the standardized marketing strategies used by international businesses (Pinnell, 2003).

2.2.2 Benefits of consumer segmentation

Mackenzie and Clerinx (2001) state that the use of consumer segmentation is the core to analyzing unstable and potential customer's needs and wants, and assuring that the relevant marketing strategies correspond to the targeting aims to satisfy customers. This is an important starting point of achieving market position. Because market segmentation is based on existing customers' information through primary or secondary research, a company must gather the similarities and group them into certain categories (Jaskolska, 2003). Customer purchasing attitudes are dynamic, they can be affected by the varied characteristic of products, special occasions, particular nature changes (such as different seasons), and unpredicted environmental changes (Bond and Morris, 2002; Fennell and Allenby, 2004). Consequently, the purpose of using this marketing strategy is to make the marketers' work more accessible and precise (Quinn et al, 2007), and point out a bright direction for marketers in order to add differential and competitive advantage to the business in the global market. Moreover, consumer segmentation applies to most business' areas and provides beneficial information which is suitable to the whole market in that particular industry (Patron, 1998).

Consumer segmentation is used as an effective process for the marketers to segment customers (Tonks and Farr, 2001; Bond and Morris, 2002) in an efficient way and make a better understanding of the unknown market (Cohen and Markowitz, 2002). According to

Ahmad (2003), consumer segmentation demonstrates the reason why customers' purchasing preferences are different, and also provides the awareness of products launching to various customer segments. Furthermore, the creation of consumer segmentation provides superior marketing advantage for the companies over their competitors, especially for the international companies entering the global market (Neal, 2001).

2.3 Major segmentation components

Because customers' needs and wants are wide and varied, these requirements can be influenced by many issues in different situations. Classical consumer segmentation theory states there are four distinct segmenting components, such as geographic, demographic, psychographic, and behavioral, which are based on the characteristics of customers' needs and wants. By specifying this information and categorizing it into these four components, companies can establish the appropriate and tactical marketing strategies to target customers (Ma, 2004; Kotler and Armstrong, 2006:196; Howaldt and Mitchell, 2007).

The purpose of using consumer segmentation components is the marketers need for clear definition when segmenting customers. Companies might be able to satisfy some customers' particular needs and wants, and provide products and services to meet their specific requirements (Bojanic, 2007). However, these companies can not satisfy all customers in the market because the number of customers is numerous and their needs are varied. Additionally, the limitations of marketing knowledge, management skills, and resources restrain the ability to meet customers' demands (Canever et al, 2007). Therefore, these four segmentation components are the effective marketing techniques which contain "measurability, availability, reliability and ability" (Lin, 2002) to assist the marketers analyzing customers through location, purchasing behavior and attitudes, social and economic factors, personality and benefit sought variables etc.

According to Canever et al (2007), each segmentation component is a selection with specific customers' characteristics and focuses on the consumer groups in the key area. The marketers undertake segmentation components identification and segment customers' details in depth, while setting up the most suitable marketing strategies. Moreover, the use of segmentation components narrows down the difficulties for the marketers to identify customers' actual needs (Powers and Sterling, 2008).

2.3.1 Geographic segmentation component

Geographic segmentation is defined as using geographic variables to segment the target market (Pinnell, 2003). See Table 2.3.1, world region, country or city size, and population density are the general geographic segmentation variables (Kotler et al, 2005:399). Musyoka et al (2007) argue the analysis of geographic segmentation is the marketing strategic knowledge that influences and decides the product launch area, sales promotion's location and the region of the targeting market. It is an important marketing strategy in the early stage of market planning. A good geographic segmentation can help marketers to predict unknown market size, basic resources, the level of sales penetration, and precise promotional efforts.

<i>Geographic Segmentation</i>	
<i>Segmentation Variable</i>	<i>Typical Breakdowns</i>
<i>World region or country</i>	These can vary in scale from, say, Europe, through groupings of countries [Scandinavia], nations [Finland], to regions within countries [Lapland].
<i>Country size</i>	Giant [USA, China], large [Germany, Spain], medium [The Netherlands, Australia] or small [Malta, Lithuania].
<i>City or metro size</i>	Under 5,000; 5,000-20,000; 20,000-50,000; 50,000-100,000; 100,000-250,000; 250,000-500,000; 500,000-1,000,000; 1,000,000-4,000,000; 4,000,000 and over. (Or categorize to major metropolitan areas, small cities, towns).
<i>Density of area</i>	Urban, suburban, exurban, rural.

Table 2.3.1: Geographic segmentation variables for customer markets (adopted from Kotler et al, 2005:399; Kotler and Armstrong, 2006:19; Schiffman and Kanuk,

2007:46-47)

Dickson et al (2004) report customer's needs and buying behavior can be affected by distinct population density. Urban, suburban, and rural are three main living distinct areas in most countries and regions. Sun and Wu (2004) argue the use of density as segmentation variable is efficient and clear to implement because "the level of economic development and consumer consciousness" between urban and rural area are varied. The customers who are living in urban areas might have similar or complete different requirements of the products and services compared to the rural residents. Although the customers live in either urban or rural areas within a country, cultural differences still exist which influence their requirements and buying behavior (Cui and Liu, 2000; and Chan, 2008).

"Grouping countries by geographic area constitutes the most intuitive approach to country segmentation", this segmentation bases on the naturally geographic region to divide countries into a number of positioning groups (Peterson and Malhotra, 2000). The marketers concentrate on the similarity of customers' needs within these regions and ignore the national boundaries. However, the value of this segment variable has a limitation, that the societal differences of the grouping countries might obstruct the implementation of marketing strategies (Peterson and Malhotra, 2000). Cross-nation societal differences can cause the problem of rating scale when undertaking market segmentation. For instance, customer's needs does not equal to a willingness to purchase. Sales of a high price product will more different between two countries or regions due to a strong currency in one country or region, and a weak currency in the other (Steenkamp and Hofstede, 2002; Cohen and Neira, 2003).

2.3.2 Demographic segmentation component

Demographic segmentation is a favored consumer segmentation strategy which can be easier used to measure the various customers' needs and wants, in order to categorize

similar customers from different profiles (Munnukka, 2007). Demographic segmentation is one of the customer-orientated marketing strategies (Machauer and Morgner, 2001) which relies on the basic customer’s information (See Table 2.3.2), such as age, gender, marital status, occupation, income level, education, and nationality, to segment customers into specific groups (Oates et al, 1996; and Quinn et al, 2007). Demographic variables are the general and basic information of the customers that are simple to collect. There are no special techniques and knowledge required by the researchers. Additionally, gender, and nationality are stable variables. Therefore, companies adopting demographic segmentation analysis to segment customers are very efficient and effective (Powers and Sterling, 2008).

<i>Demographic Segmentation</i>	
<i>Segmentation Variable</i>	Typical Breakdowns
<i>Age</i>	Under 6, 6-11, 12-19, 20-34, 35-49, 50-64, 65-74, 75+
<i>Gender/Sex</i>	Male, Female
<i>Marital status</i>	Single, married, divorced, co-habiting, widowed etc.
<i>Family size</i>	1; 2; 3; 4; 5 and 5+.
<i>Family lifecycle</i>	Young, single; young, married, no children; young, married, youngest child under 6; young married, youngest child 6 or over; older, married with children; older, married, no children under 18; older, single; other.
<i>Income (per month)</i>	Under €800; 800-1,500; 1,500-3,000; 3,000-4,500; 4,500 and Over.
<i>Occupation</i>	Professional and technical; managers, officials and proprietors; clerical, sales; craftsmen, foremen; operatives; farmers; retired; students; homemakers; unemployed.
<i>Education</i>	Grade school or less; some high school; high school graduate; university/college; postgraduate; professional.
<i>Nationality</i>	American, British, German, Scandinavian, Irish, Latin American, Middle Eastern, Japanese, etc.

Table 2.3.2: Demographic segmentation variables for customer markets (adopted from Kotler et al, 2005:399; Kotler and Armstrong, 2006:19; Schiffman and Kanuk, 2007:46-47)

Age as one of the demographic segmentation variables is frequently used to group customers in marketing research. The different age groups of customers have their particular needs and wants, and the changes of their requirements normally follow the changes of the products. For instance, younger age groups appear to adopt new, substitutable products quicker than older age groups, and they can also be easily attracted by well known brand name or fancy packaging (Dickson et al, 2004). The typical age group of customers has a strong influence on the particular market sector which as Rugimbana (2007) states a younger age group of customers seems to be the major targeting groups for the companies. Because this specific group of customers shows the strongest purchasing preference image to the marketers, and relate to the other demographic variables (such as income level, education and occupation) that this younger age group of customers can afford and accept innovative products quickly. According to Dean's (2008) research, age differences between younger and older group of customers affect their shopping behavior. Older groups prefer to be served by a human cashier at the check-out point, while younger groups are using self-service check-out point in the retail stores.

Kenhove and Wulf (2000) claim the level of income is a very important and powerful segmentation variable for customer analysis. This variable assists the marketers to identify the target customers and access relevant information of buyers' capacities in order to categorize customers, besides it is "most valuable for separating marginal from optimal customers for direct marketing purpose" that is very popular in use of international retail consumer segmentation (Edmondson 1995 cited in Kenhove and Wulf 2000a; and Fioratti, 2006). The thinking and action of individual consumption is affected by the level of income which relates to the price of the products. For instance, customers who have a high level of disposal income are able to afford the higher price or luxury products versus the customers with less income who would buy primarily necessity goods (Cueva, 2005). Moreover, the low income groups become a popular target of fast moving consumer goods (FMCG) in retail industries (Fioratti, 2006).

2.3.3 Psychographic segmentation component

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Psychographic segmentation is used to identify customers' profiles which are based on lifestyle, individual personality and social class variables (See Table 2.3.3) that influence the perceptions of customers, and also show varied behavior of different customers that provide a clear tactic to the marketers to segment customers (Greenwell et al, 2002). According to Ewing et al (2001), the analysis of psychographic goes beyond the research of demographic segmentation. It is a very customer-orientated marketing strategy.

<i>Psychographic Segmentation</i>	
Segmentation Variable	Typical Breakdowns
Social class	Lower lowers, upper lowers, working class, middle class, upper middles, lower uppers, upper uppers.
Lifestyle	Achievers, believers, strivers.
Personality	Compulsive, gregarious, authoritarian, ambitious.

Table 2.3.3: Psychographic segmentation variables for customer markets (adopted from Kotler et al, 2005:399; Kotler and Armstrong, 2006:19; Schiffman and Kanuk, 2007:46-47)

Personality variables are significant characteristics when segmenting different customers' needs because each individual customer has his/her personality which creates their own requirements. Therefore, the information of individual personality can perfectly match buyer behavior (Ewing et al, 2001). The understanding of customer's personality is a powerful tool to analyze and target customer groups (Greenwell et al, 2002). However, personality variables are very complex to measure and access. To develop the appropriate assessing techniques to gather personality variables are essential for the marketers. Accordingly, Wen and Peng (2002) concluded "survey instruments, projection techniques, and behavior observation" are the most suitable methods to identify personality.

Lifestyle represents the activities of people in daily life. Activities, interests, and opinions

are the three major factors of lifestyle that become the significant tools of psychographic segmentation. Companies use lifestyle variables to assess their existing customers and analyze potential customers (Kavak and Gumusluoglu, 2007). Cueva (2005) declares lifestyle as a behavior pattern “corresponds to a more dynamic perspective of human behavior” that involves varied values, beliefs, personal characters, emotion and other factors. The use of lifestyle segmentation is to create a better understanding of specific individuals’ behavior on a large scale. Lifestyle is defined as the “ways of being, having, feeling and acting shared by an important group of persons” (Veblen 1899 cited in Cueva 2005). According to Gonzalez and Paliwoda (2006), lifestyle segmentation provides significant contributions to the marketers when estimating and segmenting customers. Because it demonstrates the customers’ needs and wants through their human behaviors that clarify requirements for the marketers which they are seeking. The marketers can base on lifestyle variables to set up product targeting strategies. Furthermore, Lin (2002) states the companies prefer using lifestyle variables to identify customers groups. The reason is that lifestyle has a close relationship with product. For example, brand images can influence customers’ opinions and interests which directly affect their purchasing behaviors.

2.3.4 Behavioral segmentation component

Many marketers admit that behavioral segmentation is the best starting point for establishing market segments through their experiences. See Table 2.3.4, benefits sought, customer loyalty, purchase occasion, user status, and buyer attitudes are classified as behavioral variables. A better understanding of behavioral segmentation is an important mechanism to analyze and control customers’ buying actions of their individual response of the product (Morgan, 2000; Admap 2004; Kotler et al, 2005:405). It seems to focus on the relationship of consumers and specific products (Rowley, 2000). Clark (2004) indicates behavioral variables identify exactly what customers want to buy, when they buy, how often they buy, and why they buy from here not somewhere else etc. Consequently, behavioral segmentation is a beneficial linkage between the marketers and

consumers.

<i>Behavioral Segmentation</i>	
<i>Segmentation Variable</i>	Typical Breakdowns
<i>Purchase occasion</i>	Regular occasion, special occasion.
<i>Benefits sought</i>	Quality, service, economy.
<i>User status</i>	Non-user, ex-user, potential user, first-time user, regular user.
<i>Usage rate</i>	Light user, medium user, heavy user.
<i>Loyalty status</i>	None, medium, strong, absolute.
<i>Readiness state</i>	Unaware, aware, informed, interested, desirous, intending to buy.
<i>Attitude towards product</i>	Enthusiastic, positive, indifferent, negative, hostile.

Table 2.3.4: Behavioral segmentation variables for customer markets (adopted from Kotler et al, 2005:399; Kotler and Armstrong, 2006:19; Schiffman and Kanuk, 2007:46-47)

Customer loyalty is a combined action of customer attitudes and buying behaviors to the brand. It provides high quality information for the marketers to measure and segment consumers. Customer loyalty is a set of affiliated concepts which contains consumer's thoughts, feelings, and also behavior. As one of essential segmentation variables, it is used to analyze dynamic consumer markets (Griffiths, 2007). According to Rowley and Dawes (2000), the role of customer loyalty affects consumer segmentation decisions because loyal consumers are less price sensitive, and they prefer to stick to the well known product's brand image sometimes is more important to product itself. Therefore, the marketers need to be aware of the differences between loyal consumers and general consumers when they make segmenting decisions.

As "the selection of benefits can determine a total business strategy", Cohen and Markowitz (2002) conclude benefits sought is the most valuable marketing segmentation variables which is frequently used to estimate and restructure the marketing segmentation

strategy based on consumer's requirements. The marketers implement benefits sought variable to acquire relevant information of customers' needs and wants in order to design tactic marketing segmentation plan. Ahmad (2003) argue consumers are always seeking three major factors of benefits, which are named as convenient shopping, worry-free shopping, and a customer-friendly environment. In recent years, the marketers pay more attention to these factors while analyzing and segmenting customer, especially in retail industries.

Attitudes express people's "enduing favorable or unfavorable cognitive evaluations, emotional feelings and action towards some object". The change of attitudes is influenced by individual thoughts and beliefs, for instance, consumers might have either positive or negative thoughts to a new product. The former attitude can lead consumers to favor this product, while the later attitude can stop consumers buying this product (Josephine et al, 2008). Attitude is an essential feature which determines consumer's behavioral intention. The purpose of analyzing customer's attitudes is to remind the marketers to understand the importance of attitude when they implement marketing segmentation (Goles et al, 2008).

2.4 Seeking hybrid segmentation

2.4.1 Limitation of using single segmentation component

Consumer segmentation is an effective and efficient marketing strategy to identify and analyze customer information. However, the customer market is dynamic and their requirements for products and services can change and be changed over time. Also their purchasing behavior can be influenced by a number of issues in different conditions. Because of these reasons, when marketers use each segmentation component to measure consumers, those segmentation components might not work properly to the specific group of consumers (Canever et al, 2007).

There are many indications to the failure of using single market segmentation component to analyze consumers. Wells and Atkin (2007) argue one of the reasons is partly due to the “lack of specificity” of particular customer segmentation component. This means a particular component sometimes does not have enough measurement scales to analyze some specific groups of consumers or when consumer’s basic information, such as benefit sought, has changed in some situation that this particular component is not suitable to utilize for the analysis. And the other reason is that some of the consumer’s characteristics are not directly related to a particular segmentation component (Dickson et al, 2004). For instance, the customer buying tendencies of whatever it is favorite and fashionable at the time is very difficult to define which variable belongs to which component category. Each individual consumer has specific geographic, demographic, psychographic and behavioral variables. Even though some consumers are in the same segmentation category their other segmentation variables are different.

Moreover, one of the segmentation variables changes may influence others to change. For instance, if the variable of social class changes that can affect the variables of consumer’s user status, benefits sought and others factors (Alfansi and Sargeant, 2000). Consequently, these create complicated situations for the marketers when conducting a purely consumer segmentation analysis. The inappropriateness of using segmentation components can lead to the disparity to the results (Hollywood et al, 2007). The invalid results might mislead companies and result in the implementation of improper marketing strategies and finally towards business failure finally (Wilson-Jeanselme and Reynolds, 2006).

2.4.2 Emergence of hybrid segmentation

Emergence of hybrid segmentation is due to the fact that consumer segmentation in the traditional marketing form is not able to satisfy the analysis of consumer’s identities in the market. More than one segmentation component is needed while the marketers analyze consumer’s files (Dibb and Wensley, 2002; and Quinn et al, 2007). Schiffman

and Kanuk (2007:46-47) with Peter and Olson (2008:372-373) conclude there are four major different ways to combine segmentation components into hybrid segmentation (See Table 2.4.2) which are the most appropriate combination of consumer segmentation to use in the marketplace.

Hybrid segmentation	
Combined Variables	Typical Breakdowns
<i>Geographic/Demographic (Geodemographics)</i>	Movers & Shakers, New Empty Nests, Boomtown Singles, Bedrock America, Blue-blood Estates, Towns and Gowns, Hispanic Mix. (See Appendix 1)
<i>Demographic/Psychographic</i>	Combination of demographic and psychographic profiles of consumer segments profiles: Time-Sensitive Materialists, Hunter-Gathers. (See Appendix 2)
<i>Demographic/Behavioral (Person-situation)</i>	College students for lunch, executives for business dinner. (See Appendix 3)
<i>Psychographic/Behavioral (Values and lifestyles VALS™)</i>	Innovators, Thinkers, Achievers, Strivers, Strugglers, Experienter, Makers, Survivor. (See Appendix 4)

Table 2.4.2: Hybrid segmentation variables (Adopted from Schiffman and Kanuk, 2007:46-47; Peter and Olson, 2008:372-373)

Farr et al (2008) state geodemographic segmentation is associated as a consumer-focused marketing strategy. It is habitually used in consumer segmentation process to give a strategic and managing direction for the business purposes. Geodemographic segmentation obviously is combined with geographic and demographic segmentation variables which bases on the selections of consumers' demographic characteristics and add on the geographic features such as consumer's living location to identify consumer. It creates a sufficient understanding of assessing consumer's profiles for the marketers as is a newest consumer segmentation framework. This hybrid segmentation can reduce the uncertainty of analyzing consumer files and facilitate the retail companies to choose the optimal marketing strategies. It is also "an indirect indicator of the presence of

complementary facilities that allow retailers to generate and capture flows of possible customers” (Gonzlez-Benito and Gonzlez-Benito, 2005). The introduction of geographic segmentation provides a standard segmentation analysis with very detailed consumer information that assists the companies to approach unknowing customer database. The marketers can rely on these large scales of information to establish the most suitable marketing strategy (Wells and Atkin, 2007).

A beneficial consumer segmentation approach can lead to an efficient result of consumer profile which contains reliable and valid features. However, many consumers who have already been categorized in the specific demographic groups can still behave in the same way as some consumers in psychographic categories. For instance, customer’s age, gender, and income etc are only a part of segmenting characteristics as a whole (Roy and Goswami, 2007). The combination of demographic and psychographic segmentation strategy is newly emerging in the market (Lin, 2002). A research study from Yeoh (2005) is looked through a managerial perspective, claims this segmentation combination is practical and applicable for the management to differentiate mixed consumer information appropriately. The analysis of demographic and psychographic segmentation variables address the direction of consumer segmentation research and bring in the insights to illustrate insufficiency of using either demographic or psychographic segmentation analysis. Moreover, a subsequent research study (Martínez and Montaner, 2008) also found that some characteristics of psychographic segmentation, such as personality and lifestyle, are the essential features to consider regarding the analysis of demographic segmentation. Additionally, this hybrid segmentation strategy restructures the managerial research process and provides “the richness and texture necessary for describing the characteristics of different segments” (Yeoh, 2005).

When the marketers segment consumers, demographic variables is the most used study in the segmentation analysis (Bojanic, 2007). However, this unilateral segmentation description can not fulfill the requirement of the diverse marketing research. A combination of the number of segmentation is considered best to use. Consumers’

demographic variables affect their behavioral variables, for instance, the changes of consumer's marital status, family size or incomes can directly affect the changes of attitude towards product, shopping times or purchase occasions (Dibb and Wensley, 2002; and Bojanic, 2007). This hybrid demographic and behavioral segmentation help the marketers to seek fundamental information of their potential target consumer groups and also create a segmenting strength to the understanding of the relationship between What and Why (or How) questions in consumer segmentation analysis (Khandelwal et al, 2006). In addition, it is also described as person-situation segmentation to address the particular customers in particular usage situations (Peter and Olson, 2008:377).

There are some existing difficulties of using consumer segmentation to identify the particular consumers, especially, the marketers can not clearly define these consumers belong to which category of segmentation groups. Lancaster and Williams (2002) argue the reason is that marketers do not realize the correlation of consumer psychographic and behavioral variables is an important factor regarding to "the broad-based measures of behavioral patterns connected with different lifestyles". According to Khandelwal et al (2006), the combination of psychographic and behavioral segmentation builds up a standard framework to lead a bright direction to the marketing researchers in order to categorize consumer groups. Further more, this integrated perspective provides a strategic and practical implementation technique for conducting consumer segmentation approach. With this new segmenting adoption, the market analysis becomes more consumer-oriented and also helps the product design and launch to be more precise to the target customer groups (Henke et al, 2006).

2.5 The use of hybrid segmentation

The four combinative ways of traditional consumer segmentation components makes this marketing strategy more actionable. The emergence of hybrid segmentation delivers a powerfully tactical strength to the companies which have uncertainties of identifying consumer profile in the marketplace. It also gives a thoughtful interpretation of the

general failure of consumer segmentation. (Khandelwal et al, 2006). Hybrid segmentation as an analytical instrument provides conceptual references and practical options with the chosen segmentation component variables establish extensive evaluation space for the marketers to measure and analyze potential customer markets. The introduction of this new style consumer segmentation is seen as strategic “know-how” technique to satisfy the difficulties of the requirements among marketing research in various situations (Hassan and Craft, 2005; Kumar and Trivedi, 2006).

Hybrid segmentation inherits the traditional segmenting distillates and maintains its existing market analysis methods, brings in the new perspectives in the consumer segmentation field, in order to help the marketers to highlight the existent and unknown problems while identifying and categorizing the target consumer groups. This consumer segmentation’s improvement is more convenient for the marketers when they use segmentation strategy with other marketing strategies (Hassan et al, 2003; and Ko et al, 2007). Because hybrid segmentation concentrates on the particular issues of restructuring the basic consumer segmentation components (such as the mixture of geographic and demographic component; demographic and psychographic component; demographic and behavioral component; and psychographic and behavioral component), these mixtures provide more specific focus and more empirical analysis that influences the design and launch of new products which became more consumer-orientated, and match the particular conditions appropriately (Henke et al, 2006; Khandelwal et al, 2006; Wells and Atkin, 2007; Martínez and Montaner, 2008).

Quinn et al (2007) state hybrid segmentation enriches the quality of using segmentation to analyze the targeting consumers and actualizes the efficient business performance. In other words, this combination of consumer segmentation offers competitive advantages and adds value via measuring and identifying consumers to the businesses. The importance of this rational improvement generates an outstanding marketing solution in traditional consumer segmentation field by applying suitable segmentation strategy “in response to what appear as the increasingly complex behaviors and actions of

consumers” (Quinn et al, 2007).

2.6 Conclusion

Hybrid segmentation is a renovation of consumer segmentation strategy that contributes a thoughtfully theoretical perspective and a powerful format of analyzing consumer market strategy. This chapter is based on the authoritative literatures in the consumer segmentation area, and provides realistic and feasible criteria for using hybrid segmentation in the marketplace. The purpose of this secondary research is to establish a strong conceptual framework in order to examine if this combination of traditional consumer segmentation variables is the most appropriate consumer segmentation strategy to find the information that the companies are seeking. In the following chapter, a number of research methodology and method will be stated and explained which are going to help the researcher to conduct the primary research in this research study.

Chapter Three:

Research Methodology and Methods

3.1 Introduction

Research is a useful process containing appropriate techniques for the purpose of “planning, executing and investigating” to gather the relevant data in order to respond to the research questions. However, it needs to follow a certain logical methodology and methods to accomplish the whole process, so that it can provide powerful competence to make others understand and believe in the research outcome (Ghauri and Grønhaug, 2005:3). This chapter is based on “The Research Onion” (See Figure 3.1) as a logical basis which outlines the relevant research philosophy and proper research approach; explains the way the survey and case study were used as research strategies; details the implementation of questionnaire and in-depth interview as primary data collection methods; states the chosen scientific quantitative and qualitative data analysis for editing and coding primary data; finally, indicates the limitations and ethical issues of using the research methodology and methods for this research study.

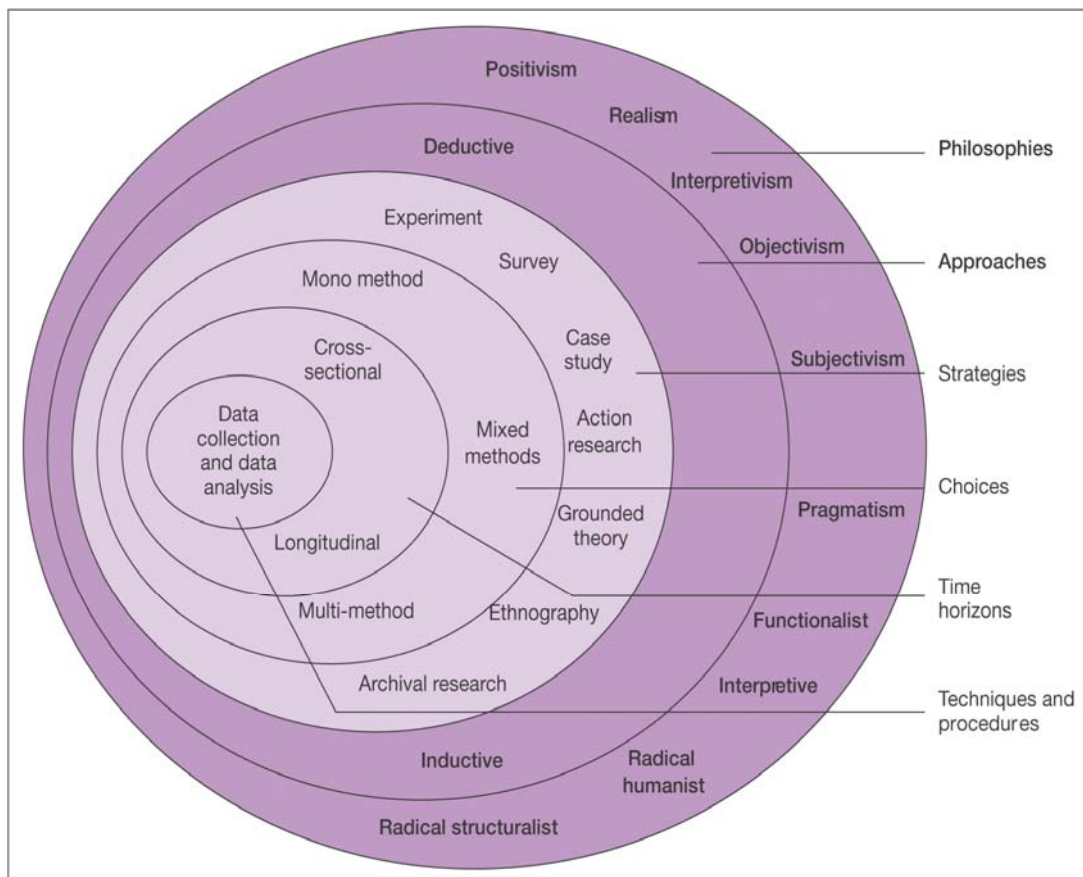


Figure 3.1: The research onion (Saunders et al, 2007:102)

3.2 Research philosophy

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Research philosophy influences the manner the researcher conducts this systematic research process. The appropriate research philosophy sustains the adequate adoption of research strategy and the relevant data collection methods. The assumption of a research philosophy is affected by many “practical considerations”. Nevertheless, the knowledge and the process which is associated with this knowledge are the key factors. These key factors affect the research thinking that is the researcher’s attitudes towards the whole process (Saunders et al, 2007:101-102). The purpose of engaging an appropriate research philosophy in this research is to assist the researcher to obey accurate research methodology and method as the suitable techniques to gathering and analyzing data.

This research study is concentrating on the epistemology philosophy which “concerns what constitutes acceptable knowledge in a field of study”. Positivism, realism and interpretivism are the three principles of epistemology. The researcher chose realism and interpretivist philosophy as the research philosophy in this research study.

Realism “assumes a scientific approach to the development of knowledge. This assumption underpins the collection of data and the understanding of those data”. Realism is more likely to turn the existing knowledge into the suitable action in order to discover what has not be appeared via the research practice and theory in the real world. The influence of using realism philosophy diversifies the capability this research study to interact with the research trend of the social world phenomena.

Interpretivism provides specific explanations for this research procedure. It is essential philosophy for the researcher to realize the distinctions between “humans in our role as social actors”. The adoption of interpretivism philosophy gives valuable interpretations to the researcher regarding her own opinions on the modifications of the new research

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results (Saunders et al, 2007:102-107).

Therefore, realism helps the researcher to analyze the quantitative data while interpretivism helps the researcher to analyze the qualitative data in this research study. These two research philosophies contribute realistic and logical research thinking to make the final report more precise.

3.3 Research approach

In this research study, the research approach is to assure the research problem to be clarified and the research purpose is clearly defined in order to develop an appropriate research strategy (Malhotra and Birks, 2006:37). Regarding the research philosophy, deductive and inductive approaches are used as the appropriate research approach in this research study, because they allow the researcher to structure main research questions that base on the existing theory and/or the relevant business cases in order to use empirical research strategies to guide primary research.

The researcher uses a deductive approach in which following the scientific steps that base on the existing theory, through research hypotheses to demonstrate the facts as the results of this research study. These deductive approach steps are formed as:

- Seek for a set of well-established theoretical concepts as guidance leads the researcher to a systematic direction.
- Create the research hypotheses which involve contents regarding to these theoretical concepts.
- Examine the research hypotheses through the relevant questions.
- Coordinate and exhibit the results of acceptance or rejection the research hypotheses.
- Conclude the final findings as the enrichment of the existing theory.

(Malhotra and Birks, 2006:141)

The researcher also uses the inductive approach by following the scientific steps but relies on data more than the existing theory. The approach interprets each particular instance in this research study in detail. Those inductive approach steps ... as:

- Gather the corresponding data in general information or from responders in the specific contexts.
- The use of interpretations from responders helps the researchers to understand the purpose in the relevant contexts.
- The outcomes of questionnaire, interview or observation are the basic information which provides important data to research discussion of the topic.
- Sum up the research results bring the improvements to the existing theory or create a new theory model. (Malhotra and Birks, 2006:142)

3.4 Research strategy

A research strategy is “used for exploratory, descriptive and explanatory research” (Yin, 2003 cited in Saunders et al, 2007a:135). It is a research technique in which follow the appropriate research philosophy and suitable research approach and carrying out primary and/or secondary research to collect beneficial data for this research study in the supermarket field, in order to fulfill the research purpose. Experiment, survey, case study, action research, grounded theory, ethnography, and archival research are the major research strategies that have been mostly used in the marketing and management research. However, one thing needs to be emphasized which “no research strategy is inherently superior or inferior to any other”, none of the any research strategy is the best one to adopt in all situations (Saunders et al, 2007:135). Therefore, regarding this research topic and research questions, the researcher chose survey and case study as the most adequate and favorable research strategy in the relation of this research purpose.

3.4.1 Survey

A survey is one of the effective and efficient research strategies “to get opinions, attitudes

and descriptions as well as for getting cause-and-effect relationships” (Ghauri and Grønhaug, 2005:124-125). The researcher uses survey strategy to identify the requirement of the research purpose and through the research questions to enquire the corresponding answers which relates consumer segmentation/hybrid segmentation strategies with the consumers’ profiles in the primary research. The well-planned survey will satisfy this research study’s needs, and correctly address the research limitations and problems during approaching primary research. Moreover, questionnaire or interviews as the data collection methods are undertaken in the survey strategy will be detailed in this chapter later.

The researcher implements both descriptive and analytical strategies in the survey that depend on the research objectives and the formulated research questions. Because descriptive survey adopts the comprehensive format of research questions’ description to identify any possibly variance and it is mostly used to gather customer behavioral, attitudes and opinions in business research contexts (Ghauri and Grønhaug, 2005:126). The researcher uses descriptive survey to seek for consumers’ segmentation/hybrid segmentation information from consumers in this research study. On the other hand, the researcher uses analytical survey methods to examine whether the existence of literatures which are employed in this research study apply or not to the actual practices. The researcher structures the in-depth interview in order to seek for consumers’ segmentation/hybrid segmentation information from the international supermarket in this research study. Therefore the outcomes will provide sufficient information towards identifying the hybrid segmentation as pursued by the international supermarket.

3.4.2 Case study

Malhotra and Birks (2006) define case study as “a detailed study based upon the observation of the intrinsic details of individuals, groups of individuals and organizations” that “involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence” (Robson,

2002:178). The researcher uses the case study strategy because it is the most corresponding technique to underpin interpretivism research philosophy in this research study.

The researcher will use a Tesco case study in the UK market, conduct documentary analysis strategy to explain the hybrid segmentation strategies which have been used in the Tesco in UK, and interpret this international supermarket using hybrid segmentation strategies to identify and segment its consumers' profiles. In order to investigate how the international supermarket implement the theoretical strategies to apply in practice.

3.5 Research choices

This research study is based on the research choices (See Figure 3.5) and regarding the research philosophy and the research strategy in the earlier statement, the researcher uses the questionnaire as the quantitative data collection tool which is based on realism philosophy and interview (in particular the in-depth interview) as the qualitative data collection tool which is based on interpretivism philosophy to gather both primary data. Consequently, the multiple methods are the suitable research choice to select in this research study. In addition, this choice creates greater chances for the researcher to obtain the valuable responses from primary research in the widely considerable research scope, moreover, it allows the researcher to use different data collection tools for different research objectives (Tashakkori and Teddlie, 2003 cited in Saunders et al, 2007a:146-147).

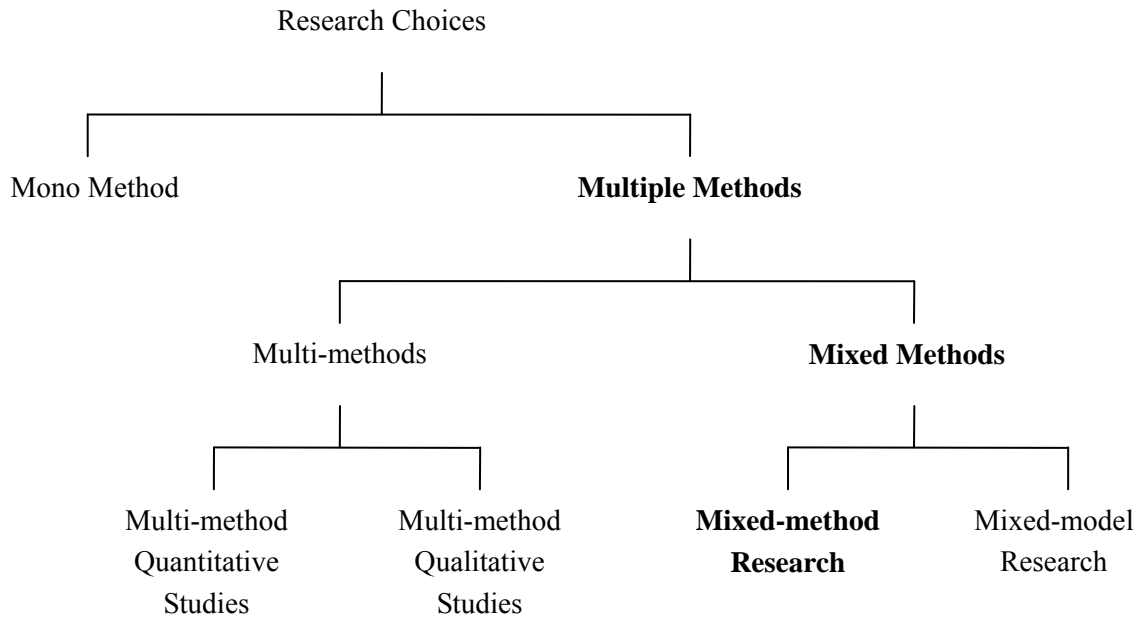


Figure 3.5: Research choices (Saunders et al, 2007:146)

Multi-methods and mixed methods are the two variables of the multiple methods choice (See Figure 3.5). Owing to the restriction of combining quantitative and qualitative data collection tools in multi-methods choice, that mixed methods is the preferred selection in this research study which can conduct both tools in one research strategy. Further more, after assessing both mixed-method research and mixed-model research methods the former is recognized as the appropriate research choice of this research study. Because it “uses quantitative and qualitative data collection techniques and analysis procedures either at the same time (parallel) or one after the other (sequential)”, in other words, quantitative data will be interpreted quantitatively and qualitative data will be interpreted qualitatively despite them both being implemented in the same level of a research study (Saunders et al, 2007:145-146).

3.6 Data collection methods

In the previous chapter, literature review was used as the secondary data collection method to access the theoretical information in regard to the purpose of the research. The

researcher chose survey and in-depth interview as the primary data collection methods to access the specific objectives in this research study.

3.6.1 Questionnaire

Malhotra (2007:299) defines a good questionnaire as a well-structured data collection tool which contains a logical series of research questions in either verbal or written forms to obtain the respondents' replies. The researcher uses the questionnaire to translate the requirements of the research purpose to a set of particular questions, conducting these questions to gather the relevant information from respondents, in order to achieve the particular research purpose. However, conducting surveys to collect primary data can be affected by a number of issues, for example, if the research questions are too specific that may restrict the possibility of exploring research or may mislead the final research results out of track. Therefore, the design of a questionnaire is very important to collecting the accurate primary data.

3.6.1.1 Questionnaire design

“The great weakness of questionnaire design is lack of theory. Because there are no scientific principles that guarantee an optimal or ideal questionnaire, questionnaire design is a skill acquired through experience” (Malhotra, 2007:300). The researcher has adopted a rational process (See Figure 3.6.1) as a good start to designing a successful questionnaire which tries to motivate the respondents and minimize the error from their response.

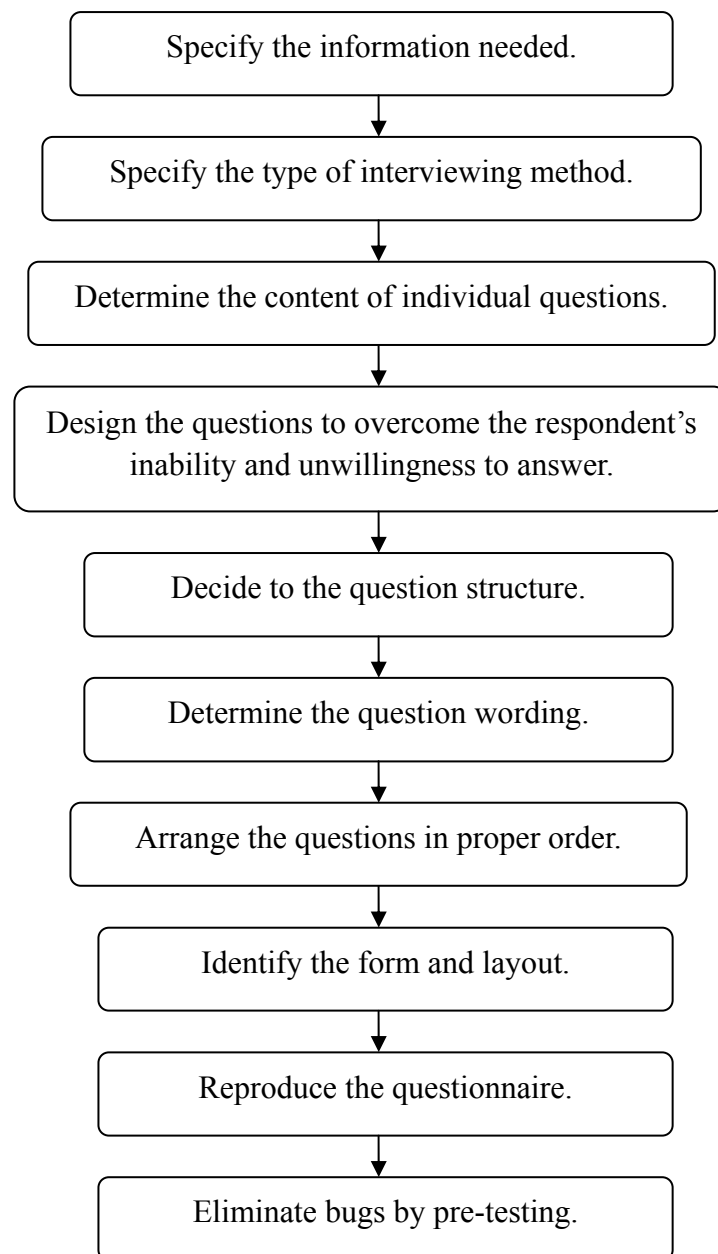


Figure 3.6.1: Questionnaire design process (Malhotra, 2007:300)

Following this process, the research questionnaire is starting to identify the purpose of implementing consumer segmentation/hybrid segmentation which is to find out the answers to apply the main research questions through a personal survey method face-to-face with the respondents in supermarket stores. The four segmentation components are the basic contents of the each individual question and the questions of each component are set in balance. When designing the format of questions, the

researcher lists some of the sample answers to avoid testing respondents' memory. Both open-ended and choice (single and multiple) questions are used in the questionnaire, the former explores this research deeply while the later fulfills original research purpose. As this survey will be conducted in Ireland and China, the language translation will not be literal but will convey the same meaning. "Opening opinion questions opens the door to cooperation" (Malhotra, 2007:314) that the psychographic segmentation questions will lead the whole questionnaire with the other three basic consumer segmentation questions. Section five addresses the hybrid segmentation questions and the last two sections conclude the additional information. The researcher follows the Questionnaire Design Checklist (See Appendix 5) in order to design a logical and precise questionnaire (See Appendix 6). This questionnaire is reproduced in the A4 form paper with clear and well-structured layout. The pilot test questionnaire will be conducted with a reasonable number of respondents (more details is stated in next sub-section).

3.6.1.2 Piloting questionnaire

The researcher implements a questionnaire pre-testing to avoid possible errors in the questionnaire survey. A pilot test is a sample test which conducts a questionnaire survey on a small number of respondents. The researcher chooses the sampling respondents who are from different background, in different age groups etc to carry out the pilot test in the supermarket stores. Meanwhile, the researcher asks the respondents' opinion of the questionnaire's questions. The feedback will be the best information to identify the error and improve the initial questionnaire (Malhotra and Birks, 2006:345).

3.6.1.3 Sampling method

The researcher chooses probability sampling as the appropriate sampling method in this research study, and follows its process to implement the sampling method (See Figure 3.6.2).

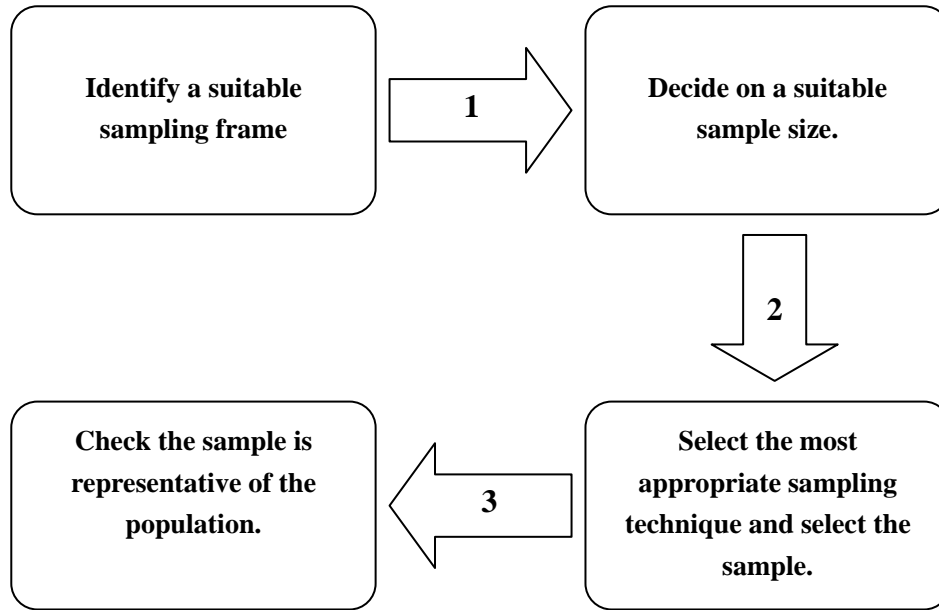


Figure 3.6.2: Probability sampling process (Saunders et al, 2007:208)

Based on the research questions and objectives, the researcher chooses both Ireland and China as sampling places, and the British supermarket giant Tesco as the sampling company in this research study. Over a hundred questionnaires were sent to the supermarket stores in both countries. The researcher and a Chinese researcher have randomly observed the samples (respondents), and selected the most suitable respondents to complete the questionnaire in different supermarket stores at different times. The purpose of using observation is to check the chosen samples are the respondents who are in the different age, gender, and probably come from different backgrounds in order to make sure these samples (respondents) are representative of the population.

3.6.2 In-depth interview

An in-depth interview is “an unstructured, direct, personal interview in which a single respondent is probed by a highly skilled interviewer to uncover underlying motivations, beliefs, attitudes, and feelings on a topic” (Malhotra, 2007:158). The chosen interviewees (respondents) in this research study possess professionalized insight which assists the interviewer (researcher) to investigate the research study. There are two in-depth

interviews which were carried out in international supermarket Tesco in Ireland and China. The researcher and the Chinese researcher will contact two interviewees who are titled in the managerial level in the company in August in 2008. Those in-depth interviews will take at least thirty minutes in a suitable environment.

3.6.2.1 In-depth interview design

“Laddering” method, “Hidden issue questioning” method, and “Symbolic analysis” method are three popular in-depth interview methods that are used in order to design efficient in-depth interview questions (Malhotra, 2007:159-160). In this research study, the researcher has implemented a laddering method to design the in-depth interview questions because “Laddering” method likes a ladder that leads the interviewer to ask the research questions step by step. The questions start from issues of consumer segmentation/hybrid segmentation and end up with the updated relevant information. These questions are not necessary in a systemic order but they are interrelated to each other which are straight forwards from the shallow to the deep in the core of the main research questions.

3.6.2.2 Interviewing competence

Possessing a professional interviewing competence is very important for the researcher (interviewer) towards a success total outcome that is as important as having a well-structured interview questions. Based on the following points and an in-depth interview design checklist (See Appendix 7), the researcher structured the in-depth interview questions (See Appendix 8).

- Asking as many opening and probing questions as possible
- Using the formal language and the appropriate tone
- Listening and recording synchronously
- Testing and summarizing the understanding

- Recognizing and coping with tough interviewees

(Saunders et al, 2007:329)

3.7 Quantitative data and qualitative data analysis

Through the marketing research, there are two types of primary data that can be generated: quantitative and qualitative data. The use of analyzing this data is to identify the problems and to satisfy the research purpose in this research study (See Table 3.7.1).

Description	<i>Quantitative Data</i>	<i>Qualitative Data</i>
Purpose	More useful for testing. Provides summary information on many characteristics. Useful in tracking trends.	More useful for discovering. Provides in-depth (deeper understanding) information on a few characteristics. Discovering ‘hidden’ motivations and values.
Properties	More structured collection techniques and objective ratings. High concern for representativeness. Relatively short interviews (1-20 minutes). Interviewer is passive. Large samples (over 50). Results objective.	More unstructured collection techniques requiring a subjective interpretation. Little concern for representativeness. Relatively long interviews (1/2 to many hours). Interviewer is active and should be highly skilled. Small samples (1-50). Results subjective.
Distinctions	Based on meanings derived from numbers. Collection results in numerical and standardized data. Analysis conducted through the use of diagrams and statistics.	Based on meanings expressed through words. Collection results in non-standardized data requiring classification into categories. Analysis conducted through the use of conceptualization.

Table 3.7.1: A comparison of quantitative and qualitative data (Hair et al, 2003:76; and Saunders et al, 2007:472)

Quantitative data is the measurements which are formed in a number of characteristic formats, and expresses some particular meaning. The quantitative data is recorded in number format which is convenient for the researcher to carry out a statistical analysis, and the results will be used to confirm and/or improve research purposes (Hair et al., 2003:74). Therefore, Statistical Package for the Social Sciences (SPSS) for windows software is the quantitative data analysis tool used in this research study. The researcher analyzes the collection of primary data from the questionnaire via SPSS and the output is represented by statistical graphs (such as multiple bar charts) and statistical tables (such as cross-tabulations).

Qualitative data is a non-numeric characteristic which is collected from written notes of official documents or an interviews meeting records. It contains the information from a small number of samples that involves problem solutions and potential insights (Hair et al., 2003:74). The qualitative data in this research study is collected from in-depth interviews. The researcher will summarise and simplify the qualitative data, develop the analytical thinking, compare and identify the key themes and trends to the purpose of this research study.

3.8 Limitations and Ethical issues

3.8.1 Research limitations

The general limitation in this research study is sample selecting error while carrying out the survey. The probability sampling method is undertaken to ask the respondents to complete the questionnaire in supermarket stores, but to correctly choose time, date and stores location are very important to obtain accurate research results. Additionally, observing and selecting the sampling respondents in different ranges and customer segments are also important because these various group of people can provide more precise information related to the research findings. Further more, the interviewees may not be able to reply certain answers to the particular interview question due to the

questions being too specialized. The researcher prepares to guide the interviewee to answer the questions properly during the interview.

3.8.2 Research ethical issues

It is essential that the researcher is aware of ethical problems while carrying out the primary research. Protection of respondents' privacy, maintenance of confidentiality of collecting data and respondents' anonymity are the main ethical issues in data collection process (Saunders et al, 2007:181). The researcher provides a confirmation statement at the beginning of the questionnaire in order to make respondents to feel free and comfortable while completing the questionnaire.

During the questionnaire designing, the researcher asks the sensitive and/or some specific questions in a friendly way rather than asking a straight way. For instance, the questions like "Please state your Age category" instead of "What is your Age" etc. While designing the in-depth interview questions, the researcher provides a clear statement of the confirmation of interview confidentiality to the interviewees regarding the privacy of the particular company. The purpose of providing this statement is helping the researcher to gather the most relevant data easily and ensure this primary data will not be seen in public in the relation to betraying the company's commercial confidentiality.

3.9 Conclusion

This chapter followed "The Research Onion" to clearly define the theoretical research methodology and method. In this research study, realism and interpretivism have been chosen as the research philosophy in order to carry out the primary research deductively and inductively. Survey and case study are the most appropriate research strategies related to this research study. Therefore, questionnaires and in-depth interviews become the relevant research methods to be implemented in which both quantitative and qualitative are the primary researches. More details about adopting a case study will be

discussed in the next chapter. Finally, the research limitations and ethical issues will be discussed which mainly arose from the questionnaire.

Chapter Four:

Case Study of Tesco

4.1 Introduction

Tesco is a UK-based international retailing company which is spreading out its business rapidly worldwide. The success of adopting a relevant segmentation strategy for the supermarket sector makes Tesco the most suitable company for this research study. The use of Tesco as a case study in this research is to provide experimental evidence and demonstrate the success of conducting hybrid segmentation strategy in the UK market in which real life examples will be employed to support theoretical literature in the literature review chapter. The researcher uses PEST analysis to outline the current macro-environmental in both the Irish and Chinese markets. The researcher also details the overall segmentation strategy that has been used by Tesco in UK and explains how the hybrid segmentation worked for this international supermarket giant.

4.2 Background of Tesco in Ireland and China

Tesco Plc is one of the largest retail enterprises in UK and has almost a 43% market shares in the UK's supermarket sector. Tesco has a great consumer base which provides a fundamental database for the enterprise to analyze and segment its existing and potential consumers. The launch of Tesco Clubcard was a milestone that changed the way "Tesco makes decisions, develops products, manages its stores, and, most important, the way it serves its customers" (Rowley, 2007).

4.2.1 Tesco in Ireland

Tesco Ireland limited as an independent food retailing subsidiary of Tesco Plc which has almost 107 stores across the country (Palmer, 2005). Tesco has a good business relationship with the Irish food industry and has now become the "largest single buyer of Irish food products in the world" (Tesco Ireland, 2008). Tesco's core business strategy is consumer-orientated which is "to create value for customers to earn their lifetime loyalty" via its customer commitment theme 'Every Little Helps' (Tesco Ireland, 2008).

The company follows its 'Corporate Social Responsibility' policy which focuses on value, helpful, inclusive, and innovative factors in order to fulfill its business purpose. Tesco Ireland uses the Tesco Clubcard system to identify and analyze the consumers in the Irish market (Tesco Ireland, 2008; and Tesco home, 2008).

4.2.2 Tesco in China

The economic boom attracted Tesco to China, this British supermarket giant, which entered the Chinese market in 2004. Tesco engaged in a joint venture market entry strategy with a Chinese retail company Ting Hsin International Group which is one of the largest food suppliers in China. As a perfect international strategic alignment, Ting Hsin offers a technological 'know-how' strategy and local management knowledge and expertise, while Tesco adds "its supply chain, product development and store operation prowess" (BBC News, 2004) in order to gain business advantage. This business alignment provides a strong strength for Tesco to go against the Chinese competitors in the Chinese supermarket sector.

Tesco already has located 46 shopping stores in Northeast, North, East, and South areas in mainland of China (Tesco China, 2008). As further operational expansion, Tesco is going to launch ten new stores each year in the Chinese market that will concentrate on the areas surrounding Beijing, Shanghai and Guangzhou and other main cities (Du, 2007).

4.3 PEST analysis in Ireland and China

The purpose of conducting a PEST analysis in both Ireland and China is to outline the distinctions of the macro environment in these two countries in order to build up a fundamental framework to support the choice of Ireland and China as the primary research locations.

4.3.1 PEST analysis of Irish market

Ireland has a three-party coalition government structure which formed in mid 2007. It also has been a member state of the European Union (EU) since 1973. Ireland is a neutral nation that has good relationships with other countries and it is politically stable. The ‘Celtic Tiger’ effect has had a huge influence on Irish economic growth over the past 16 or 17 years and has made Ireland become one of the richest countries in the EU. The favorable economy and with a corporation taxation rate of 12.5% which has attracted many foreign investors to Ireland. However, Ireland is now entering an economic recession while the cost of living is increasing. Additionally, the unusual fluctuating rates of inflation in Euro zone affect the growth of Irish economy (The Economist, 2004; Country ViewsWire, 2008; Country Report, 2008).

According to the Irish Central Statistics Office (2006), the total population was 4.2 million in the Republic of Ireland. In the 1960s, the traditional convenience store format (which is the precursor of the supermarket) of retailing stores introduced into Ireland. Because the Irish consumers liked this self-service shopping style these retailing stores rapidly expanded cross the whole country. The immature supermarket business experience leads to many difficulties for the international enterprises when they enter into the Irish market, such as the improvement of consumers’ satisfaction. Online shopping as an upgraded service has been adopted in the Irish supermarket sector in recent years. Furthermore, the self-service check-out points have been implemented in Tesco to deliver a real full self-service to the customers (Vignali, 2001; and Palmer, 2005).

4.3.2 PEST analysis of Chinese market

China is a politically stable country with a growing economy which attracts international companies to invest in this market. The Chinese government maintains economic growth and political stability to create the tangible improvements of the quality life of Chinese. The Chinese government also creates many commercial opportunities for both domestic

and international enterprises to invest in the Chinese market in order to support its economy. Moreover, the accession to the World Trade Organization (WTO) created favorable conditions for these enterprises (Country ViewsWire, 2007; and Country Data, 2008).

China is one of the countries with the biggest population in the world. According to The World Factbook (Central Intelligence Agency, 2008) there are 1.33 billion people as of the end of July 2008 in China (excluding the population of Hong Kong and Macao Special Administrative Regions and Taiwan Province). Chinese consumers are used to purchasing in the local food stores or the open markets and always interact with the salespeople. When self-service structured retail stores were introduced in early 1980s, the traditional purchase behavior dramatically changed. The Chinese consumers prefer self-service stores or supermarkets because they can freely choose the goods they like the most. Due to the increase in globalization, the technology the supermarket sector has adopted is the same as elsewhere in the world (Lo et al, 2001).

4.4 Segmentation strategy used

Based on *Tesco: a case study in supermarket excellence* (Morries, 2004), the British supermarket giant Tesco undertakes the consumer segmentation and hybrid segmentation strategies to analyze its existing consumers who are Tesco Clubcard holders for the purpose of successfully increasing sales revenue in the UK. Based on this Tesco Clubcard information, the researcher is going to demonstrate how this case study transfers the consumer segmentation/hybrid segmentation strategy into practice.

Regarding the Clubcard database and the combination of consumer segmentation components, Tesco segments its consumers into different product-related categories (See Figure 4.4.1) in order to categorize its existing consumers into Tesco's own label product (sub-brand product) groups (See Figure 4.4.2).

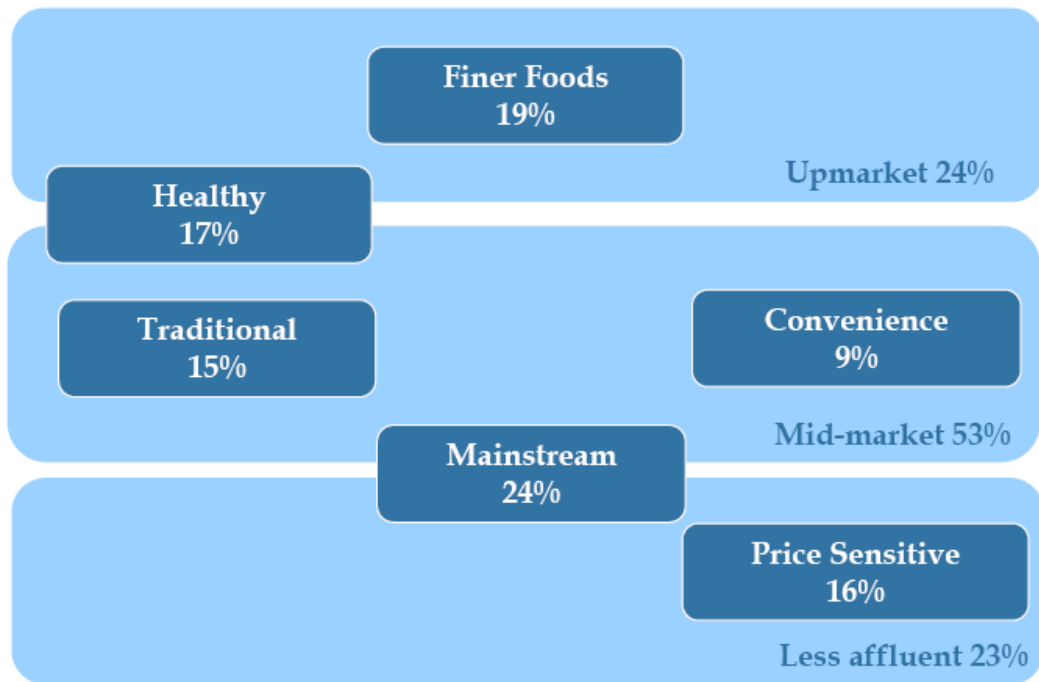


Figure 4.4.1: Product – consumer segmentation in Tesco UK (Morries, 2004)

The Figure 4.4.1 shows that Tesco divides its consumers into six product-related categories within three levels, for instance, the six categories are Finer foods (19%), Healthy (17%), Traditional (15%), Mainstream (24%), Convenience (9%), and Price sensitive (16%). The three consumption levels are Upmarket (24%), Mid-market (53%), and Less affluent (23%). The case study also calculates the percentage of the number of its existing consumers in each category which is based on the Clubcard database. Each category reflects the implementation of the corresponding segmentation components. These three levels are based on the combination of psychographic segmentation variables (such as social class) and demographic segmentation variable (such as income and occupation) to segment consumers into different consumption groups. These six categories are mainly based on the combination of demographic segmentation variables (such as income and family lifecycle) and behavioral segmentation variables (such as benefit sought), and also the combination of psychographic segmentation variables (such as lifestyle) and behavioral segmentation variables (such as benefits sought, loyalty status, and attitude towards product etc.) to analyze consumers shopping needs.

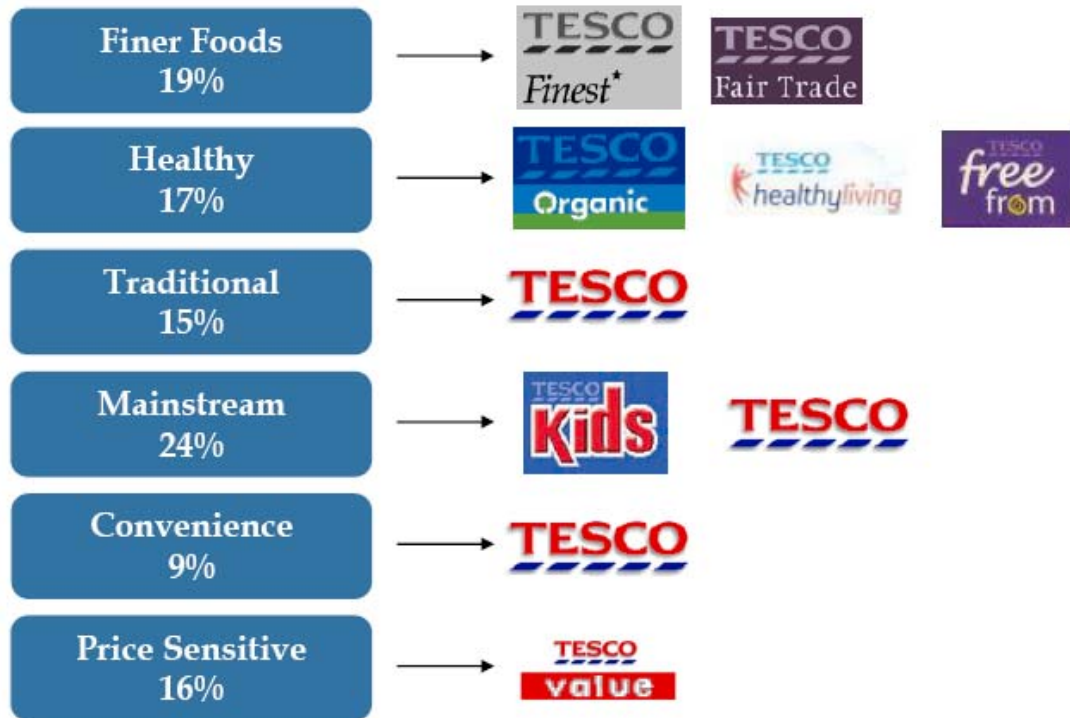


Figure 4.4.2: Product – consumer segmentation drives Tesco (UK) own label (Morries, 2004)

Regarding these six product-related categories, Tesco launched sub-brand products under its own label in order to segment and satisfy its consumers and thus increase sales. *Tesco Value*, *Tesco*, *Tesco Organic* and *Tesco Finest* are the major sub-brands labels for the same type of products with different price, packages and quality. The use of the sub-brands product is based on the appropriate consumer segmentation components to identify consumer’s needs and analyze consumer’s requirements, launch the appropriate range of products to meet their needs and requirements in order to maximize profits. For instance, Tesco (UK) uses sub-brands to label eggs and set up different prices for the relevant products (See Figure 4.4.3). This example shows how Tesco utilizes the combination of demographic and behavioral segmentation to identify consumer needs. It is a perfect example of the implementation of hybrid segmentation in the marketplace.



Figure 4.4.3: Examples of Tesco own label eggs in UK (Morries, 2004)
[Note: this case study was published in 2004, so the price in Figure 4.4.3 might be different from today's price.]

4.5 Analysis of case study

According to Rowley (2005), the purpose of analyzing a case study is to seek valuable information to related research because “typically single case designs are appropriate when the case has something special to reveal that might act as a point of departure for challenging received wisdom, and prior theoretical perspectives and assumptions”. In *Tesco: a case study in supermarket excellence* (Morries, 2004), the hybrid segmentation has been conducted to address the analysis of Tesco’s existing consumers (Clubcard holders) in UK, and rely on these combinations of each consumer segmentation component to find out those consumers’ needs in order to produce the appropriate goods to meet consumer’s expectations.

Upmarket, Mid-market and Less affluent (See Figure 4.4.1) are the three consumption levels which are translated from the theory of the hybrid consumer segmentation into practical tools to divide consumers into particular shopping groups. These three consumption levels represent consumers’ purchasing power. For instance, consumers’ income can directly relate to their shopping abilities and product price setting. Consumers’ social class shows their financial status that also relates to the shopping abilities and product price setting. Therefore, launching the appropriate price range of the products to the relative consumer group is essential. Tesco relies on the Clubcard database and implements the combination of demographic and psychographic

segmentation components that creates an easy way of identifying consumers' profiles, in terms of measuring consumers' needs.

However, Tesco recognizes that only three consumption levels are not enough to analyze the dynamic consumers' profiles hence the company conducts a six product-related categories strategy and with Tesco own label product (sub-brand product) divisions (See Figure 4.4.2) to support these three consumption levels in order to segment its existing consumers in UK market.

The Finer foods category relies on the combination of demographic segmentation variables (such as income and family lifecycle) and behavioral segmentation variable (such as benefit sought) to segment the consumers who consume high-value products and/or healthy food products. The relative sub-brands to this category are *Tesco Finest* and *Tesco Fair Trade*. The use of this category is to compete with other supermarkets in which provide high quality products, such as Marks&Spencer.

The Healthy category mainly relies on the combination of psychographic segmentation variables (such as lifestyle) and behavioral segmentation variables (such as benefits sought, loyalty status, and attitude towards product). Tesco uses the Tesco sub-brands such as *Tesco Organic* and *Tesco Healthyliving* to attract Upmarket consumers, and also Mid-market consumers in order to create efficient brand image recognition to capture the margin in both consumption levels.

The sub-brand *Tesco* has been most used in Traditional, Mainstream and Convenience categories and across Mid-market and Less affluent consumption levels. It is depending on three types of hybrid segmentation to analyze the existing consumers, such as demographic & psychographic segmentation, demographic & behavioral segmentation, and psychographic & behavioral segmentation, to implement *Tesco* and *Tesco Kids* sub-brands in order to increase the sales of Tesco own label products and compete with the leading brands products.

Cheaper price products usually attract low-income consumers Tesco implements *Tesco Value* sub-brand to target its existing consumers in the Price sensitive category. The hybrid segmentation has been used in this category are the same as the one used for *Tesco* sub-brands. Additionally, the company concentrates on the combination of psychographic and behavioral segmentation which focuses on the segmentation variables of social class and benefits sought.

4.6 Conclusion

This chapter conducted PEST analysis in Ireland and China to explain the macro environmental distinctions between these two countries in order to establish a significant support to confirm that implementing a primary research in these two countries is valuable for the purpose of this research study. Via a Tesco case study analysis in UK supermarket sector, the researcher illustrated the hybrid segmentation strategy which has been used in Tesco (UK) in detail. Based on the success of using hybrid segmentation in UK, the researcher is carrying out the primary research in Ireland and China to find out whether this hybrid segmentation strategy can be applied internationally or not. Both survey and in-depth interview as primary tools will be carried out in the Irish and Chinese markets and the results of this are detailed in next chapter.

Chapter Five:

Research Findings

5.1 Introduction

Through carrying out the primary research on the international supermarket in the Irish and Chinese markets, this chapter will explain the research findings of the survey and in-depth interviews. The researcher used SPSS software to process all the survey data and details the SPSS outputs which show the research findings and the survey results in the supermarkets in both Ireland and China. Furthermore, the researcher will show the research findings from the in-depth interviews with the chosen company's representatives from the international supermarket in Ireland and China. All primary research data processed will be explained in this chapter. The research findings are the basic information to support this research study's discussions in the next chapter.

5.2 Quantitative Data (Questionnaire) Findings

Over two hundred questionnaires were processed by the researcher in Ireland and the researcher in China in different supermarket stores and at different times in the Irish and Chinese markets. In order to make a comparison of the research findings in both markets, the researcher decided to select an equal number of questionnaires from each country. Therefore, in total two hundred questionnaire feedbacks were processed through the SPSS software and used as the primary data to underpin this research study. The researcher followed the questionnaire's question order and used SPSS software output tables and/or graphs and charts to explain the research findings in both countries.

5.2.1 Consumer Segmentation Research Findings

The first four sections in the questionnaire present the four consumer segmentation components: psychographic, behavioral, geographic, and demographic segmentation. The purpose of asking these segmentation questions is to find out what are the differences between Irish consumers and Chinese consumers in relation to their psychographic, behavioral, geographic, and demographic characteristics. Each segmentation component

research findings will be demonstrated in the following sub-sections.

5.2.1.1 Psychographic Segmentation Research Findings

Question 1: Which is closest to your *Lifestyle*?

Figure 5.2.1 shows how the consumer's identify their lifestyle in Ireland, 29% of consumers are *Achievers*. 18% of consumers are *Believers*. 18% of consumers are *Strivers*. 20% of consumers are *Makers*. The rest of 15% of consumers think they have different lifestyle. Comparing this with the consumers in China (See Figure 5.2.2), 31% of consumers are *Achievers*. 17% of consumers are *Believers*. 27% of consumers are *Strivers*. 14% of consumers are *Makers*. The rest of 11% of consumers think they have different lifestyle.

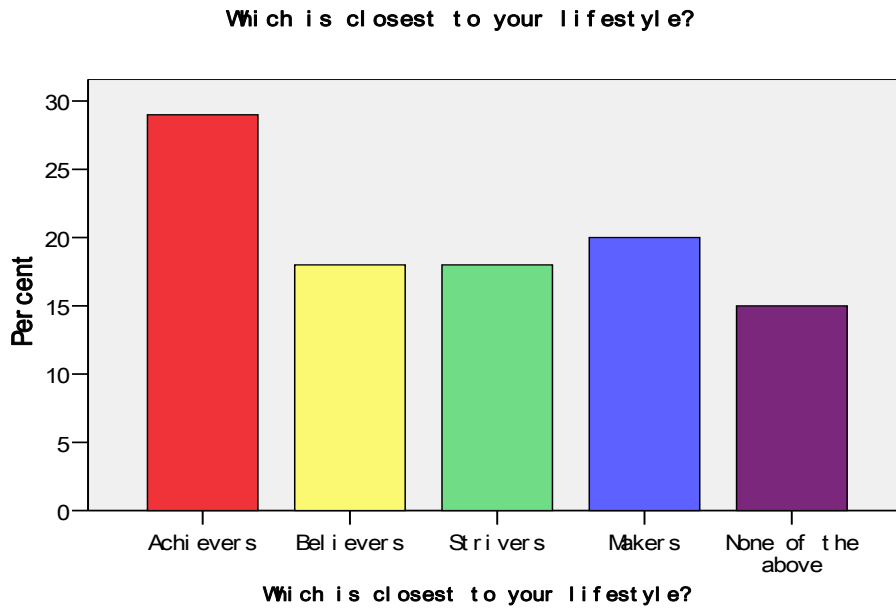


Figure 5.2.1: Consumer's lifestyle findings in Ireland.

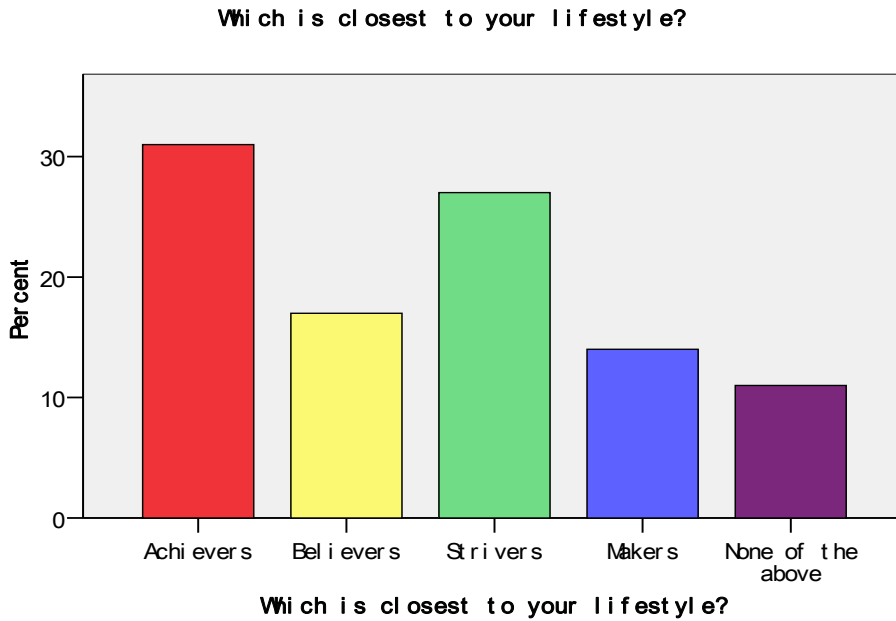


Figure 5.2.2: Consumer's lifestyle findings in China.

Question 2: Which is closest to your *Social Class*?

Figure 5.2.3 shows the consumer’s social class in Ireland, there are 8% of consumers in *Upper middle class*. 49% of consumers are in *Middle class*. The rest of 43% of consumers are in *Working class*. Comparing with the consumers in China (See Figure 5.2.4), 2% of consumers is in *Upper middle class*. 16% of consumers are in *Middle class*. The rest of 82% of consumers are in *Working class*.

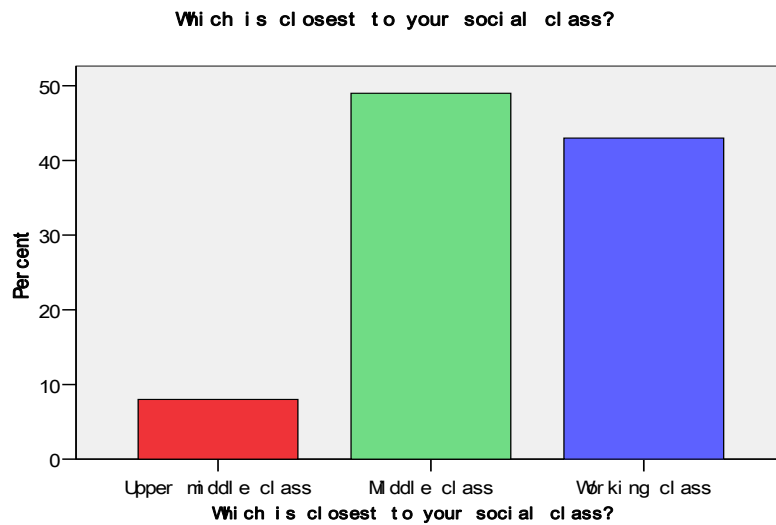


Figure 5.2.3: Consumer’s social class findings in Ireland.

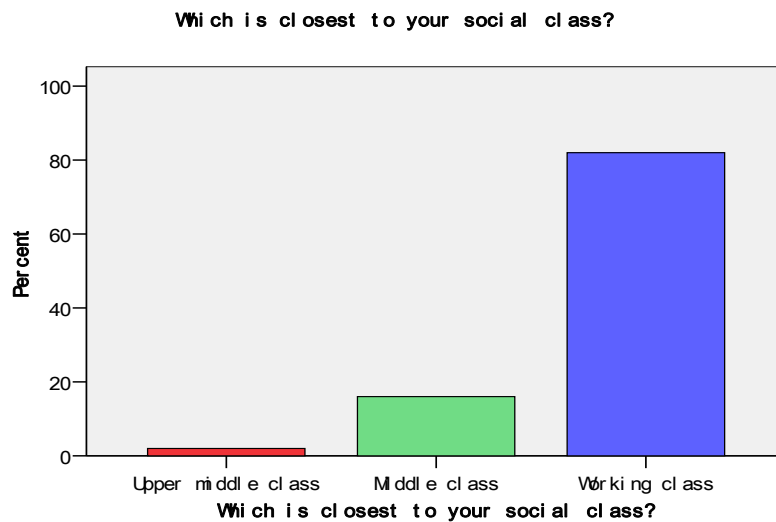
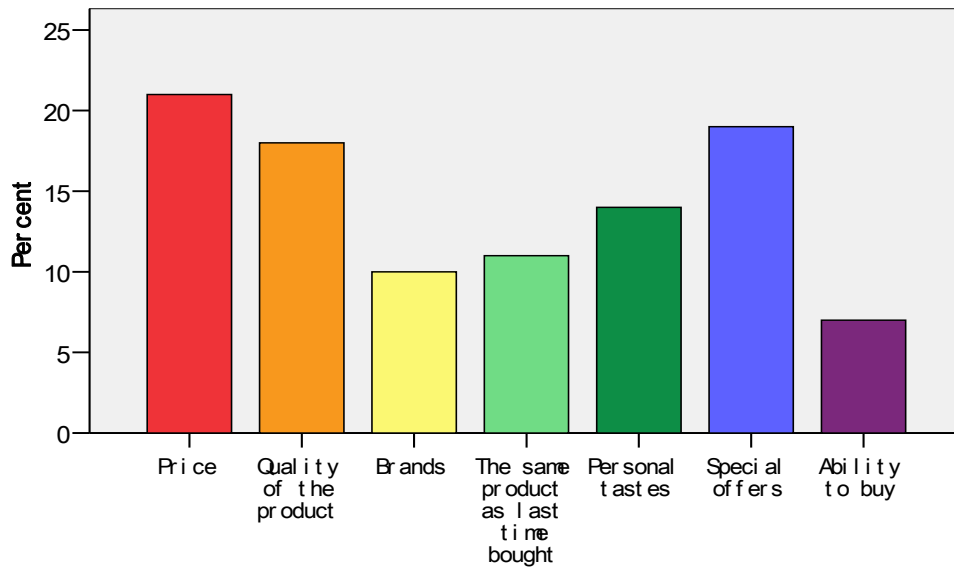


Figure 5.2.4: Consumer’s social class findings in China

Question 3: Which of the following most influences your *Shopping Decision*?

Figure 5.2.5 shows the factor influencing consumer's shopping decision in Ireland, *Price* is 21%. *Quality of the product* is 18%. *Brands* is 10%. *The same product as last time bought* is 11%. *Personal tastes* is 14%. *Special offer* is 19%. *Ability to buy* is 7%. There is no response on *Other (Specify)*. On the other hand, the percentage of Chinese consumers' shopping decision (See Figure 5.2.6) are 15% on *Price*, 33% on *Brands*, 8% on *Quality of the product*, 4% on *The same product as last time bought*, 20% on *Personal tastes*, 6% on *Special offer*, 12% on *Ability to buy*. There are 2 people have different thoughts of this question.

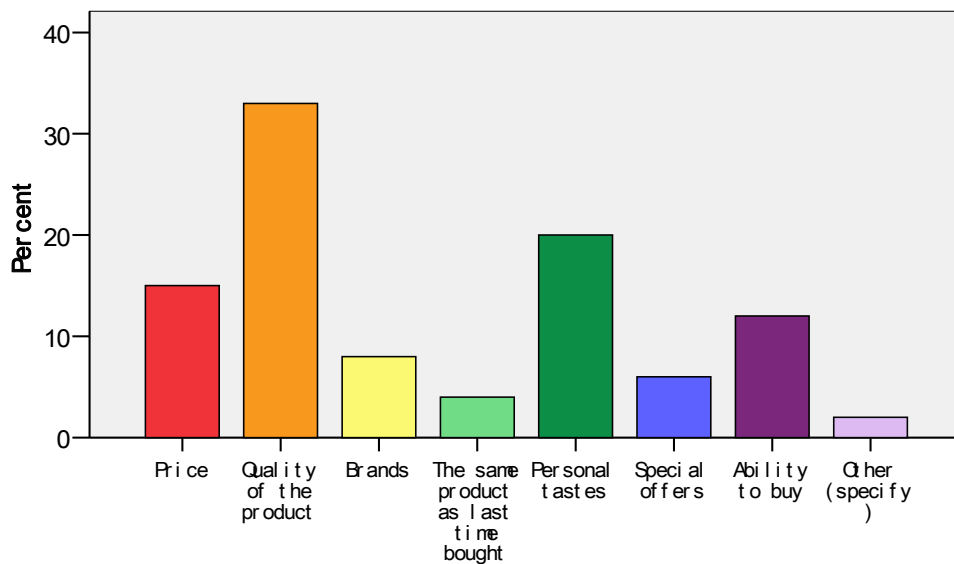
Which of the following most influences your shopping decision?



Which of the following most influences your shopping decision?

Figure 5.2.5: Consumer's shopping decision in Ireland

Which of the following most influences your shopping decision?



Which of the following most influences your shopping decision?

Figure 5.2.6: Consumer's shopping decision in China

5.2.1.2 Behavioral Segmentation Research Findings

Question 4: What is your *Shopping Frequency* category in supermarket (Tesco)?

Figure 5.2.7 shows the consumer's shopping frequency category in supermarket (Tesco) in Ireland. 25% is in *More than 5 times per week* category. 26% is in *3 – 5 times per week*. 37% is in *1 – 2 times per week*. 12% is in *Less than once per week*. There is no response on *Other (Specify)*. Compared with the consumers in China (See Figure 5.2.8), there is 3% in *More than 5 times per week* category. 13% is in *3 – 5 times per week*. 35% is in *1 – 2 times per week*. 46% is in *Less than once per week*, and 3% of consumers have different shopping frequency.

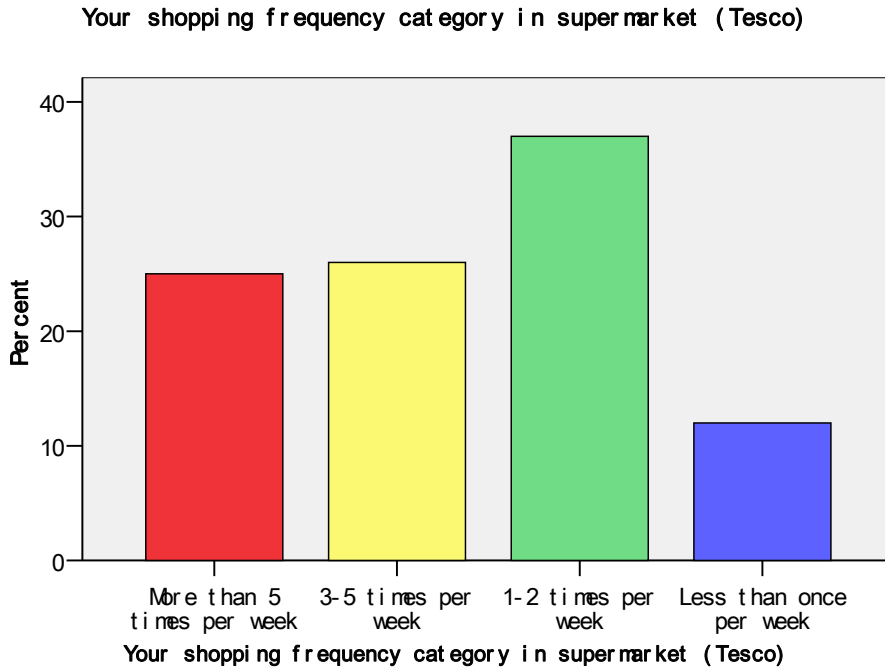


Figure 5.2.7: Consumer's shopping frequency finding in Ireland

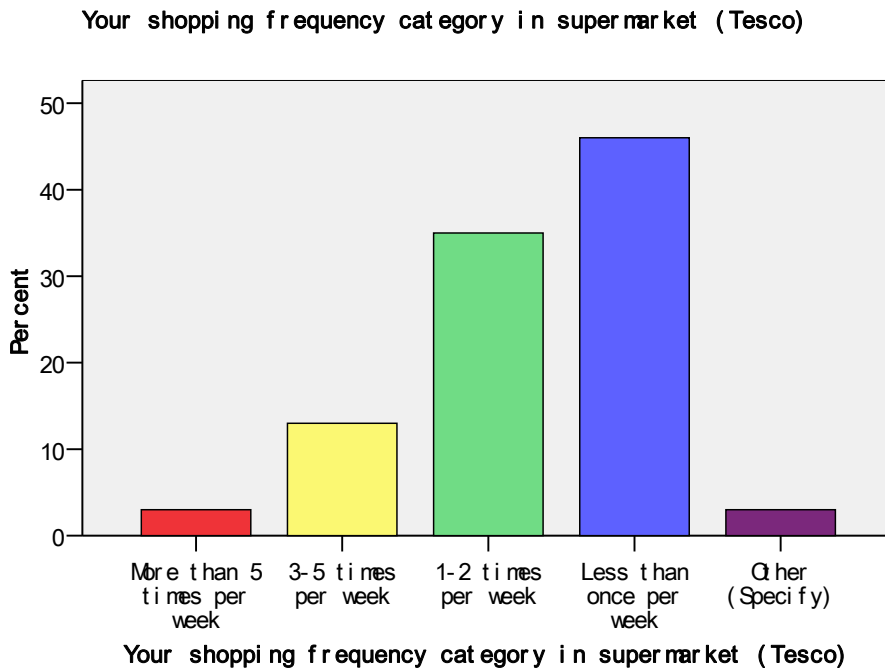


Figure 5.2.8: Consumer's shopping frequency findings in China

Question 5: Compared with other supermarkets, the *Reason* you shop in Tesco.

Table 5.2.1 shows the reasons of consumers shop in Tesco when compare with other supermarkets in Ireland and China.

The reason you shop in Tesco			
Reasons	Value Label	Number (Ireland)	Number (China)
Location (Close where I live/work etc.)	Yes	26	54
	No	74	46
Convenience (On the way home/after work etc.)	Yes	39	28
	No	61	72
Prefer Tesco reasonable price	Yes	54	27
	No	46	73
Prefer Tesco shopping environment	Yes	8	25
	No	92	75
Some product available that can not buy in other supermarkets	Yes	25	8
	No	75	92
Randomly shopping around	Yes	21	21
	No	79	79
Other	Yes	1	1
	No	99	99

Table 5.2.1: The reason of consumer shop findings in Tesco in Ireland and China

In the following Figure 5.2.9 and Figure 5.2.10, the researcher uses SPSS viewer output pie charts to demonstrate these reasons of shopping in Tesco.

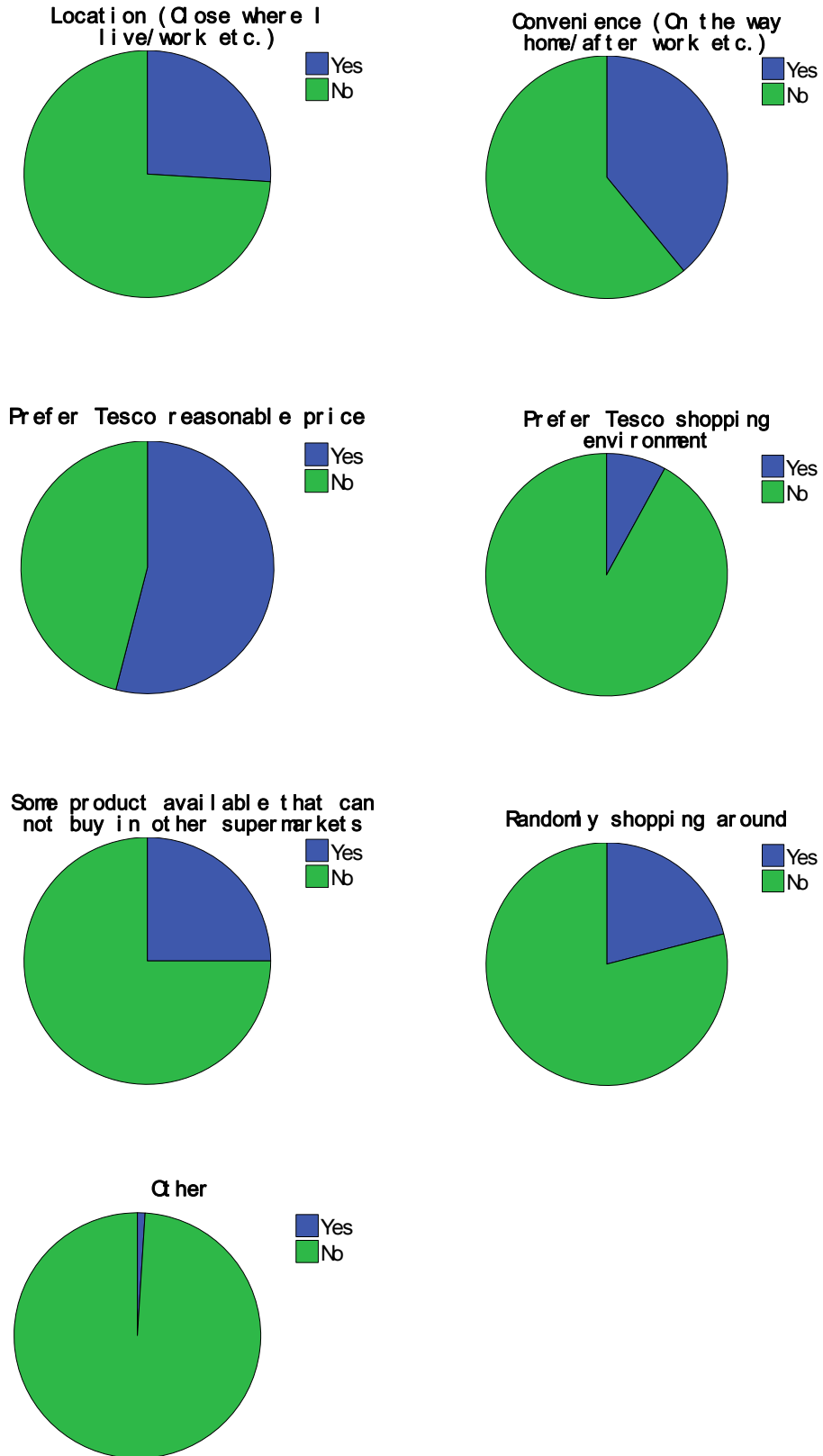


Figure 5.2.9: The reason of consumer shop findings in Tesco in Ireland

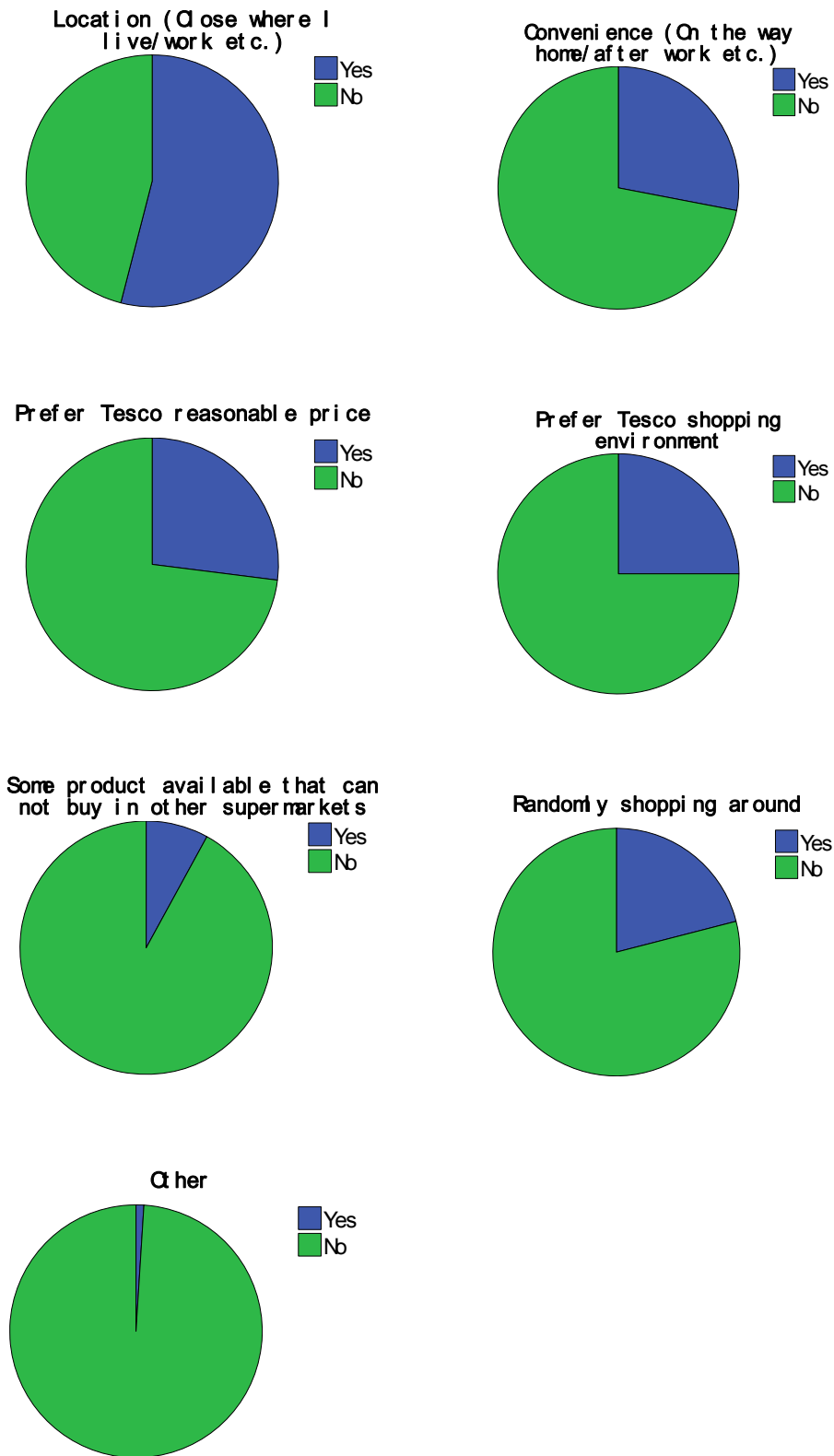


Figure 5.2.10: The reason of consumer shop findings in Tesco in China

Question 6: Which is closest to your *Shopping Habits*?

Figure 5.2.11 shows the consumer's shopping habits in Ireland. 25% of consumers *Always buy same (brand) product*. 16% of consumers *Likely to try new product*. 22% of consumers *Buy the special offers' product*. 19% of consumers *Buy the cheapest available*. 8% of consumers *Buy Tesco label product*. 10% of consumers *Don't notice, just buy the product needed*. There is no response on *Other (Specify)*. However, in china (See Figure 5.2.12), 7% of consumers *Always buy same (brand) product*. 8% of consumers *Likely to try new product*. 11% of consumers *Buy the special offers' product*. 10% of consumers *Buy the cheapest available*. 8% of consumers are *Buy Tesco label product*. 62% of consumers *Don't notice, just buy the product needed* which is extremely high. There 2% of consumers have different shopping habits.



Figure 5.2.11: Consumer's shopping habits findings in Ireland



Figure 5.2.12: Consumer's shopping habits findings in China

5.2.1.3 Geographic Segmentation Research Findings

Question 7: Where is your *Current Living Area*?

Due to the geographic differences between Ireland and China, the researcher stated the relevant living area for the respondents to ask in each country (See Table 5.2.2 and Table 5.2.3).

Living area's post code * Your current living area Crosstabulation

			Your current living area			Total
			City centre	South of the city	North of the city	
Living area's post code	1	Count	12	0	2	14
		% of Total	12.0%	.0%	2.0%	14.0%
	2	Count	0	11	0	11
		% of Total	.0%	11.0%	.0%	11.0%
	3	Count	0	0	1	1
		% of Total	.0%	.0%	1.0%	1.0%
	4	Count	0	7	0	7
		% of Total	.0%	7.0%	.0%	7.0%
	5	Count	0	0	1	1
		% of Total	.0%	.0%	1.0%	1.0%
	6	Count	0	8	0	8
		% of Total	.0%	8.0%	.0%	8.0%
	7	Count	0	0	19	19
		% of Total	.0%	.0%	19.0%	19.0%
8	Count	0	13	0	13	
	% of Total	.0%	13.0%	.0%	13.0%	
9	Count	0	0	4	4	
	% of Total	.0%	.0%	4.0%	4.0%	
10	Count	0	2	0	2	
	% of Total	.0%	2.0%	.0%	2.0%	
11	Count	0	0	8	8	
	% of Total	.0%	.0%	8.0%	8.0%	
12	Count	0	2	0	2	
	% of Total	.0%	2.0%	.0%	2.0%	
13	Count	0	0	1	1	
	% of Total	.0%	.0%	1.0%	1.0%	
14	Count	0	1	0	1	

	% of Total	.0%	1.0%	.0%	1.0%
24	Count	0	3	0	3
	% of Total	.0%	3.0%	.0%	3.0%
6W	Count	0	5	0	5
	% of Total	.0%	5.0%	.0%	5.0%
Total	Count	12	52	36	100
	% of Total	12.0%	52.0%	36.0%	100.0%

Table 5.2.2: Consumer’s current living area and post code findings in Ireland

Your current living area

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	HePing	7	7.0	7.0	7.0
	ShenHe	27	27.0	27.0	34.0
	HuangGu	20	20.0	20.0	54.0
	DaDong	11	11.0	11.0	65.0
	TieXi	29	29.0	29.0	94.0
	Other (Specify)	6	6.0	6.0	100.0
	Total	100	100.0	100.0	

Table 5.2.3: Consumer’s current living area in China

The researcher uses SPSS viewer output pie charts to demonstrate the consumer’s current living locations in both countries (See Figure 5.2.13 and Figure 5.2.14). Due to the questionnaire survey was carried out in supermarkets which are located in city centre and Dublin 6 areas in Ireland and in ShenHe, HuangGu, and TieXi areas in China, therefore the rates of Dublin 1, 2, 6, 7, 8 categories and ShenHe, HuangGu, and TieXi categories are very high. **[Note: Dublin 7 is next to Dublin 1, and the nearest Tesco stores are in city centre i.e. Dublin 1 (where the questionnaires were carried out).]**

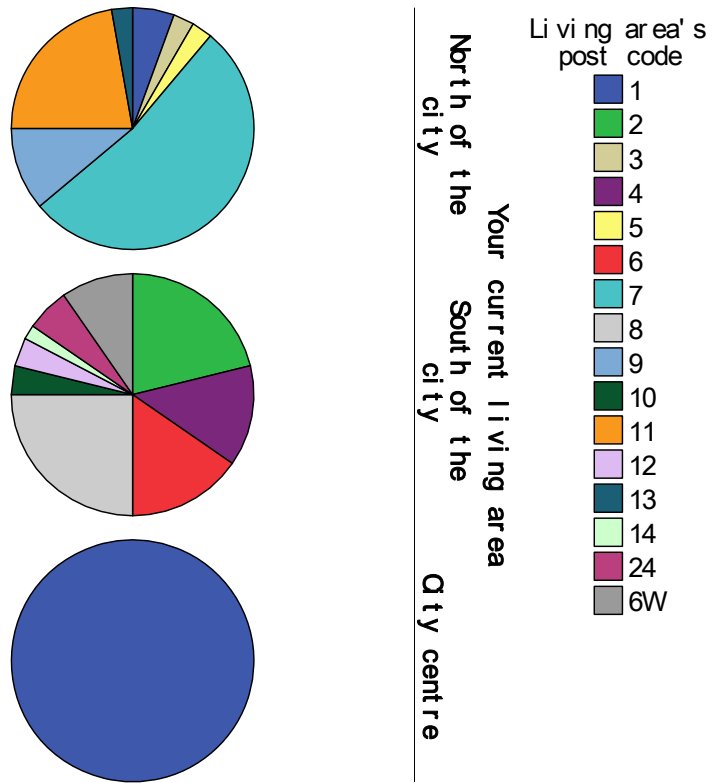


Figure 5.2.13: Consumer's current living area findings in Ireland

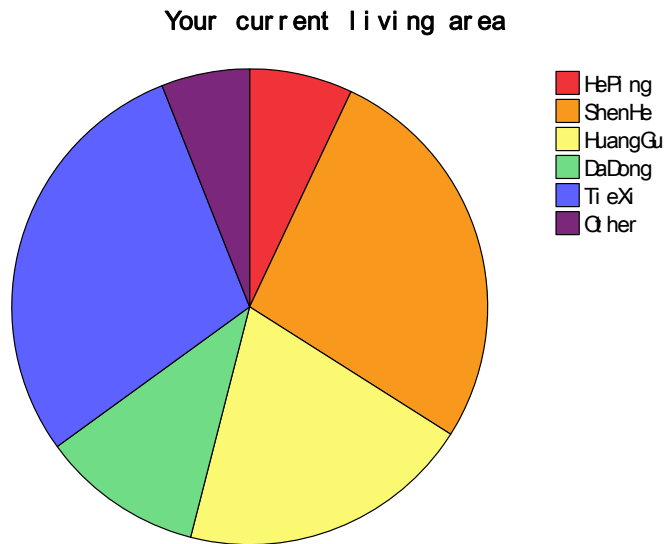


Figure 5.2.14: Consumer's current living area findings in China

Question 8: What is your *County/Region of Origin*?

Based on the relevant conditions of population between Ireland and China, the researcher stated the different country/region of origin in each side of questionnaire. Figure 5.2.15 shows that 33% of consumers come from Ireland, 31% come from the rest of Europe, 25% come from Asia, 4% come from Africa, 5% come from America, and 2% come from Australia. Figure 5.2.16 shows that 64% of consumers come from North-East area (Due to the questionnaire survey was carried out the ShenYang city which is located in North-East of China, therefore the rate of this category is very high). 16% come from North area, 3% come from South area, 5% come from East area, 3% come from Middle area, 7% come from West-South area, and the rest of 2% come from West-North area.

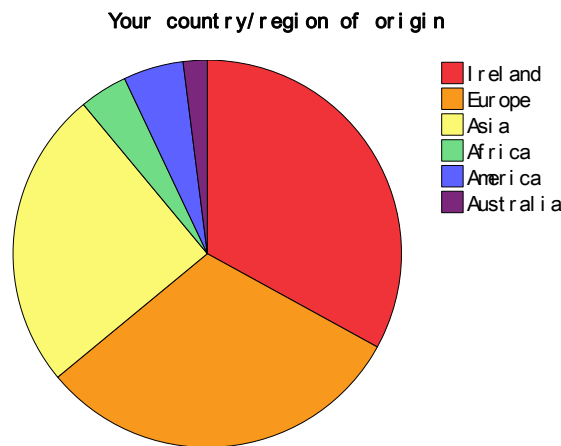


Figure 5.2.15: Consumer's country/region of origin findings in Ireland

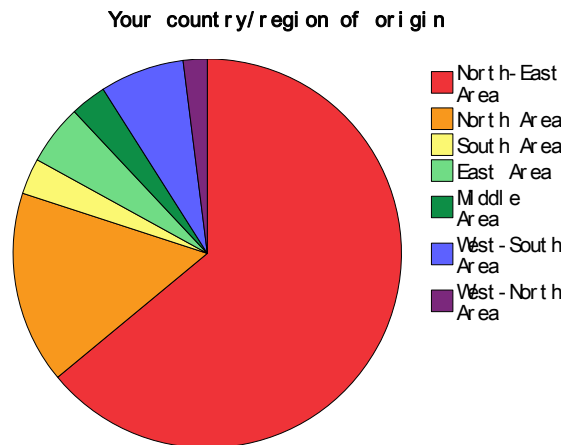


Figure 5.2.16: Consumer's country/region of origin findings in China

5.2.1.4 Demographic Segmentation Research Findings

Question 9: What is your Age category?

Figure 5.2.17 shows the consumer’s age category in Ireland, there 4% of consumers are Under 21 in this research. 31% are in 21 – 29 age category. 31% are in 30 – 39 age category. 22% are in 40 – 49 age category. 7% are in 50 – 59 age category. 5% of consumers are aged 60 and Over 60. Compare with the consumers in China (See Figure 5.2.18), 3% of consumers are Under 21 in this research. 34% are in 21 – 29 age category. 26% are in 30 – 39 age category. 18% are in 40 – 49 age category. 10% are in 50 – 59 age category. 9% of consumers are aged 60 and Over 60.

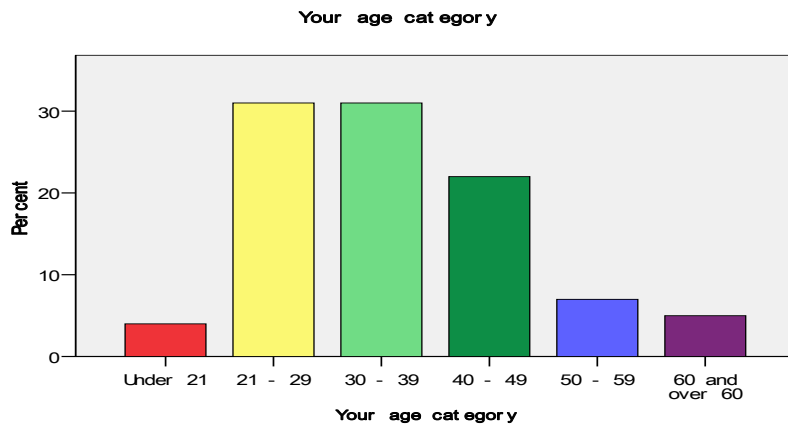


Figure 5.2.17: Consumer’s age category findings in Ireland

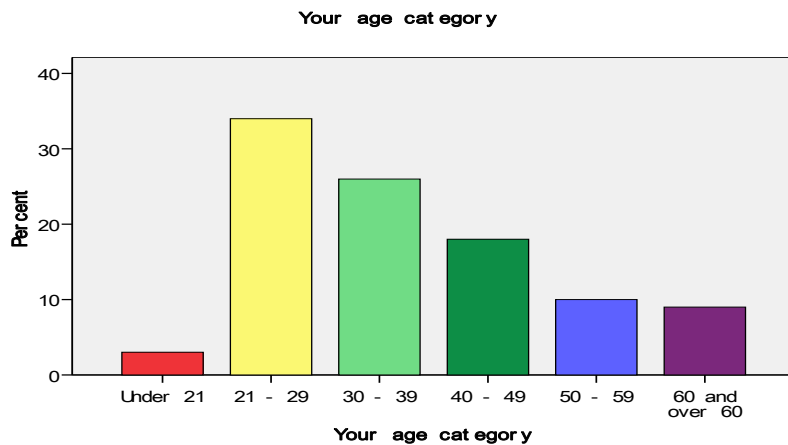


Figure 5.2.18: Consumer’s age category findings in China

Question 10: Which one is your *Income* (Per month) category?

Figure 5.2.19 shows the consumer’s income level (per month) in Ireland. 21% of consumers earn €3,000 - €4,500 per month. 33% of consumers earn €1,500 - €3,000 per month. 29% of consumers earn €800 - €1,500 per month. The rest of 17% earn Under €800 per month. There is no response on Over €4,500 category. However, in China (See Figure 5.2.20), there are 7% of consumers earn Over ¥4,500 per month. 11% of consumers earn ¥3,000 - ¥4,500 per month. 37% of consumers earn ¥1,500 - ¥3,000 per month. 25% of consumers earn ¥800 - ¥1,500 per month. The rest of 20% earn Under ¥800 per month. [Note: €1 = ¥10.1283 (Bank of China, 2008)]

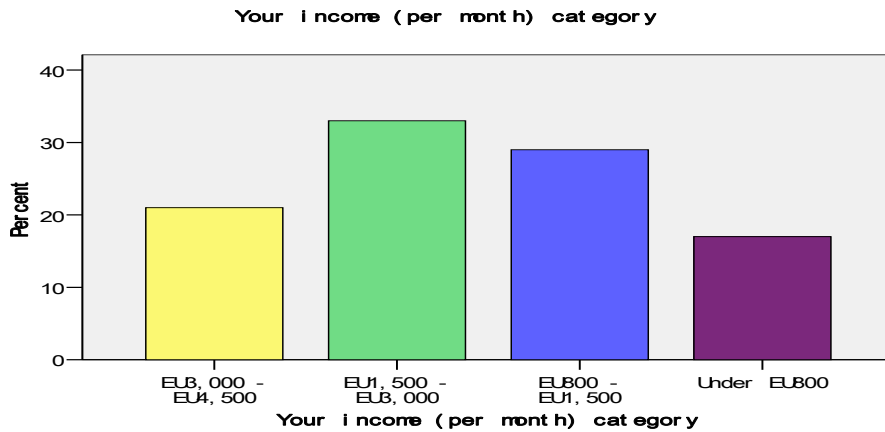


Figure 5.2.19: Consumer’s income (per month) findings in Ireland

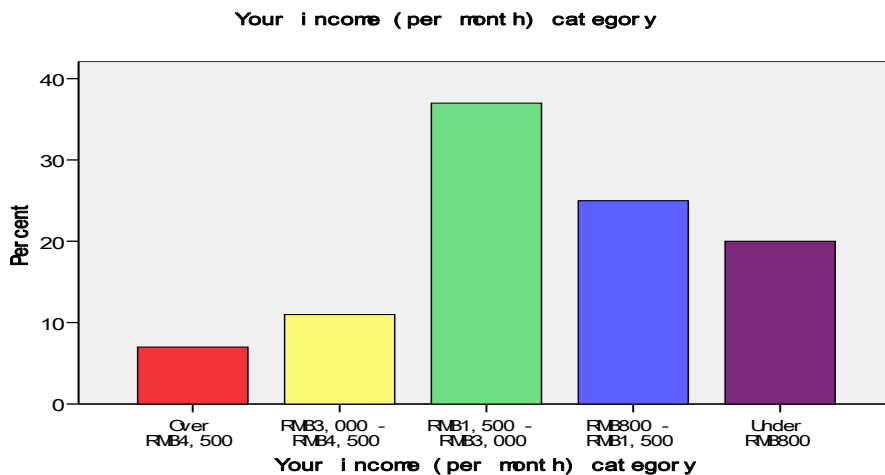


Figure 5.2.20: Consumer’s income (per month) findings in China

Question 11: What is your *Occupation / Job*?

The researcher uses Table 5.2.4 to state the occupation/job percentage of the respondents in both Ireland and China.

		Percent (Ireland)	Percent (China)
Valid	Student	13.0	5.0
	Housewife	12.0	8.0
	Professional	31.0	16.0
	Engineering/Technical	7.0	4.0
	Managerial/Executive	5.0	5.0
	Marketing/Sales	9.0	9.0
	Administrative/Clerical	4.0	10.0
	Skilled manual worker	5.0	14.0
	State pensioners	3.0	7.0
	Unskilled manual worker	4.0	11.0
	Unemployed	4.0	7.0
	Other (Specify)	3.0	4.0
	Total	100.0	100.0

Table 5.2.4: Consumer’s occupation/job findings in Ireland and China

[Note: The % of the Occupation/Job findings in this research study only comes from 100 responses which do not represent the % in Ireland and China as whole.]

In the following graphs, the researcher demonstrates the consumer’s occupation/job details in Ireland and China (See Figure 5.2.21 and Figure 5.2.22).

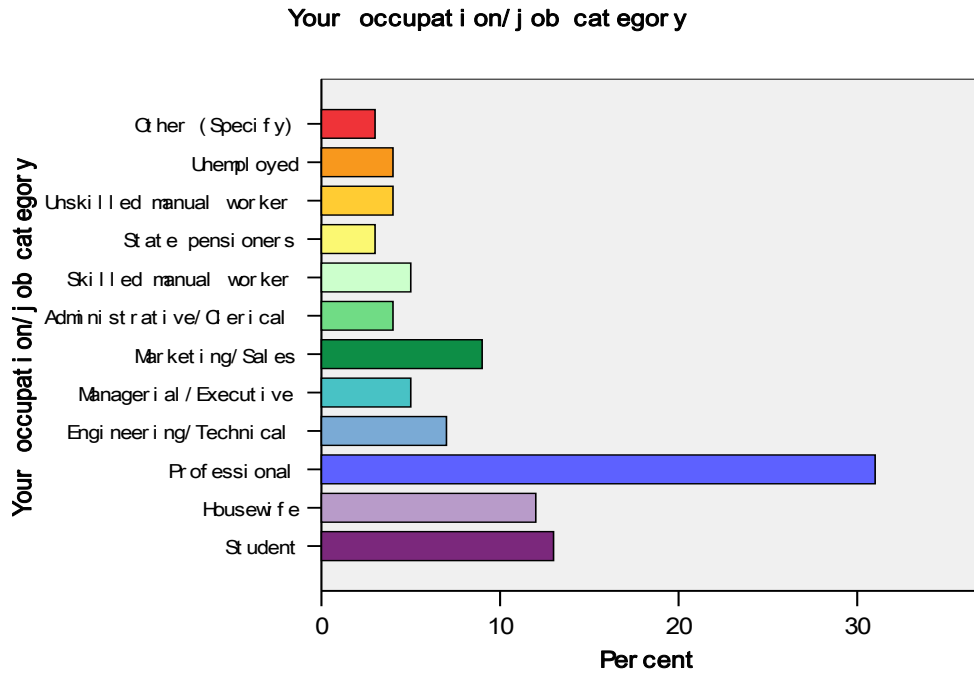


Figure 5.2.21: Consumer’s occupation/job findings in Ireland

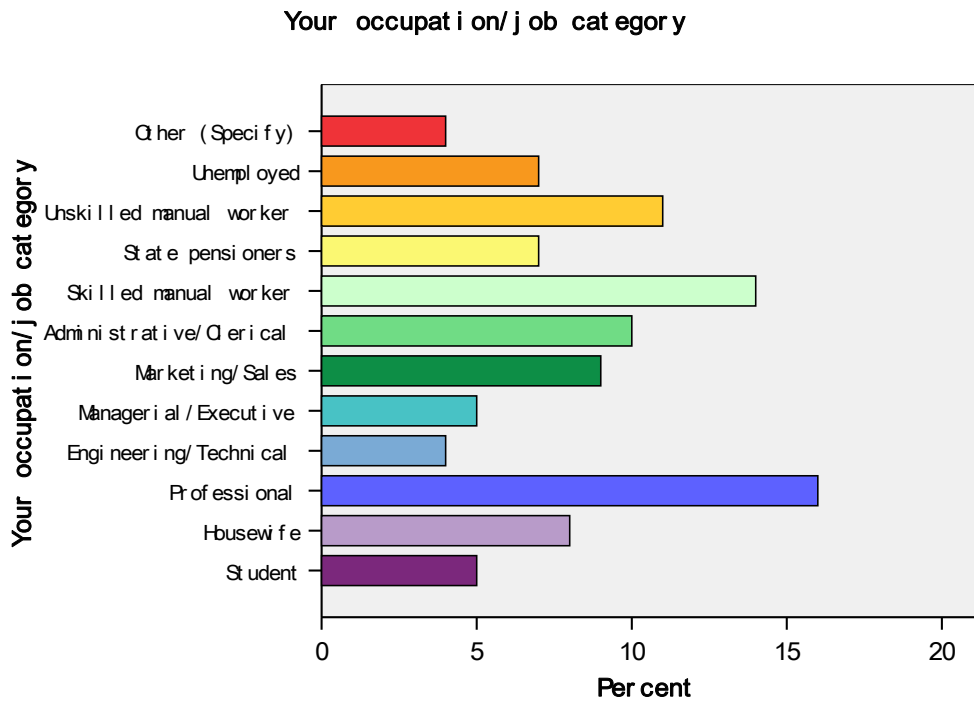


Figure 5.2.22: Consumer’s occupation/job findings in China

Question 12: What is the number of your *Household*?

Regarding the number of consumers' household's category from '1' to '5 or 5+', the percentage of the consumers' household number in Ireland are 9%, 22%, 15%, 32%, and 22% (See Figure 5.2.23). On the hand, the percentage of the consumers' household number in China are 10%, 28%, 38%, 17%, and 7% (See Figure 5.2.24).

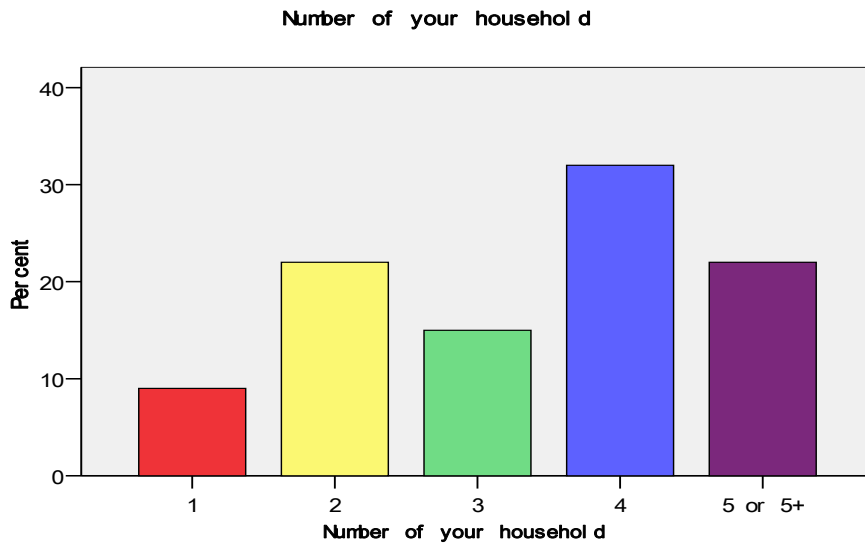


Figure 5.2.23: Consumer's household number findings in Ireland

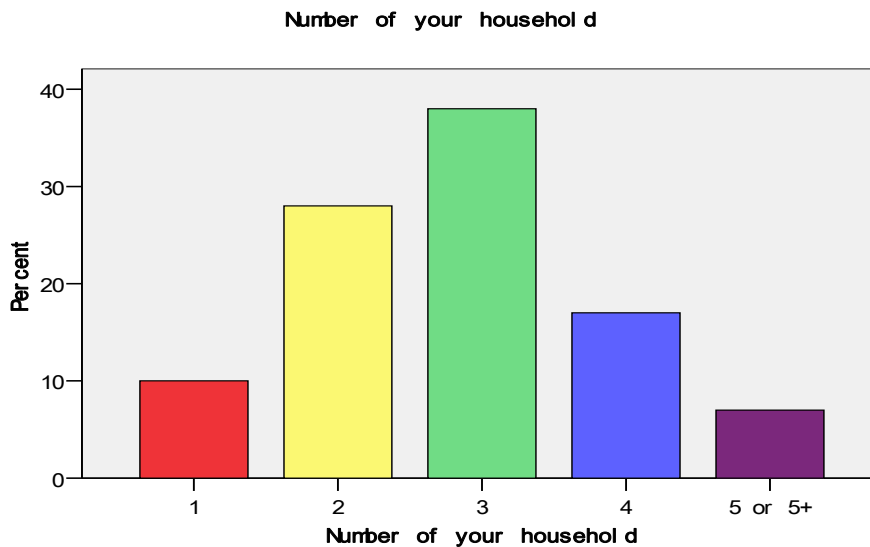


Figure 5.2.24: Consumer's household number findings in China

5.2.2 Hybrid Segmentation Research Findings

Question 13: Do you agree that sometimes location is more important than the price of goods in the supermarket?

The researcher asks this question is to find out the consumers’ opinion of the combination of geographic and demographic segmentation in Ireland and China. Table 5.2.5 shows the consumers whether or not they agree that sometimes location is more important than the price of goods in the supermarket. In the following two graphs, the researcher demonstrates the findings by using SPSS viewer output graphs (See Figure 5.2.25 and Figure 5.2.26).

	Percent (Ireland)	Percent (China)
Valid Strongly Disagree	13.0	4.0
Disagree	25.0	11.0
Average	33.0	8.0
Agree	28.0	51.0
Strongly Agree	1.0	26.0
Total	100.0	100.00

Table 5.2.5: Consumer’s opinion of the combination of geographic and demographic segmentation findings in Ireland and China

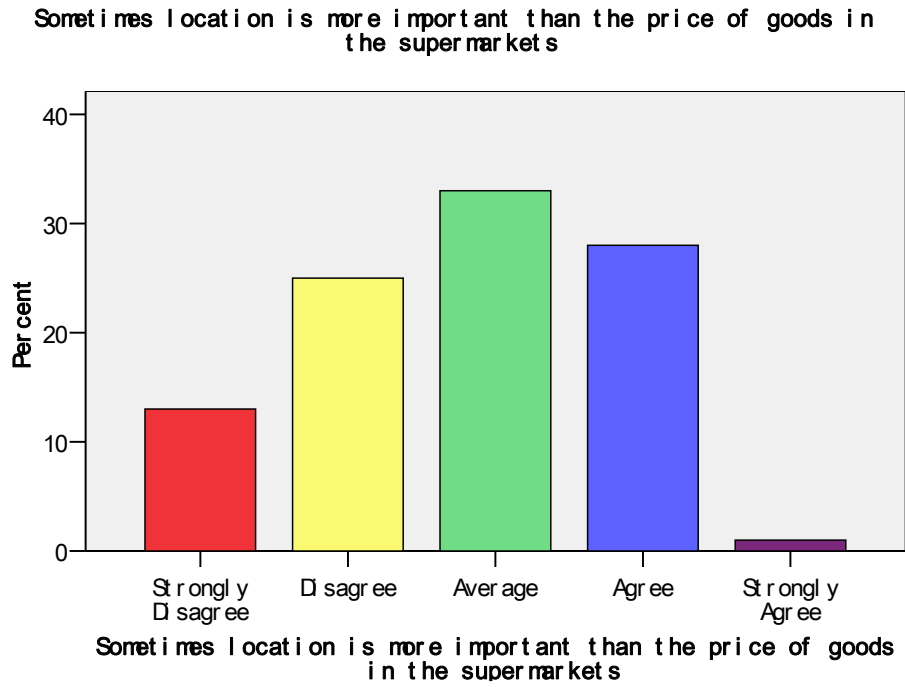


Figure 5.2.25: Consumer’s opinion of the combination of geographic and demographic segmentation findings in Ireland

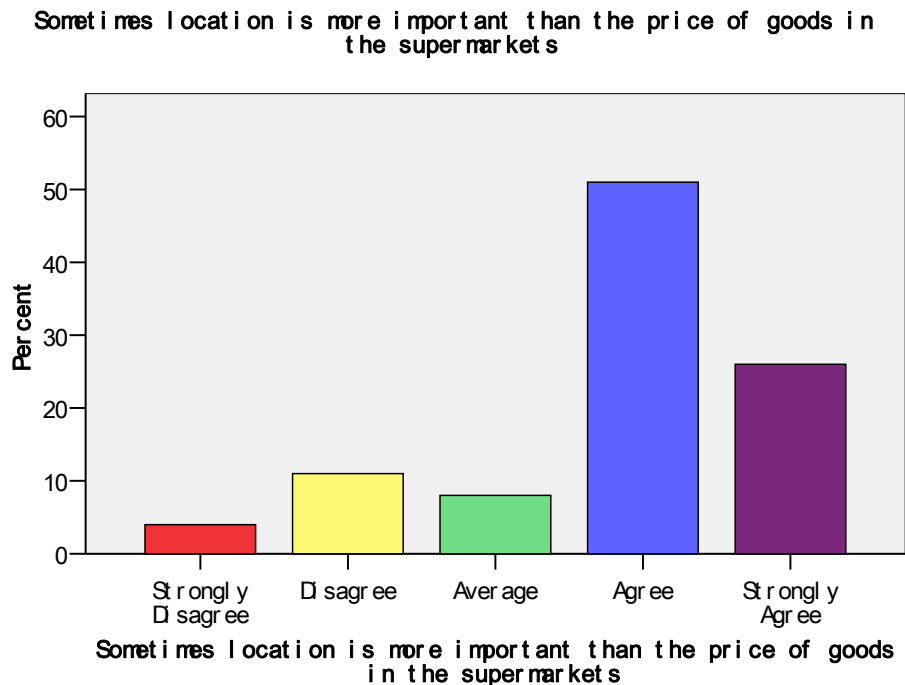


Figure 5.2.26: Consumer’s opinion of the combination of geographic and demographic segmentation findings in China

Question 14: Do you agree disposal cash influences your purchases?

The researcher asked this question to find out the consumers’ opinion of the combination of demographic and psychographic segmentation in Ireland and China. Table 5.2.6 shows whether or not the consumers agree that disposal cash influences your purchases. In the following two graphs, the researcher demonstrates the findings by using SPSS viewer output graphs (See Figure 5.2.27 and Figure 5.2.28).

		Percent (Ireland)	Percent (China)
Valid	Strongly Disagree	1.0	3.0
	Disagree	5.0	7.0
	Average	40.0	17.0
	Agree	48.0	50.0
	Strongly Agree	6.0	23.0
	Total	100.0	100.0

Table 5.2.6: Consumer’s opinion of the combination of demographic and psychographic segmentation findings in Ireland and China

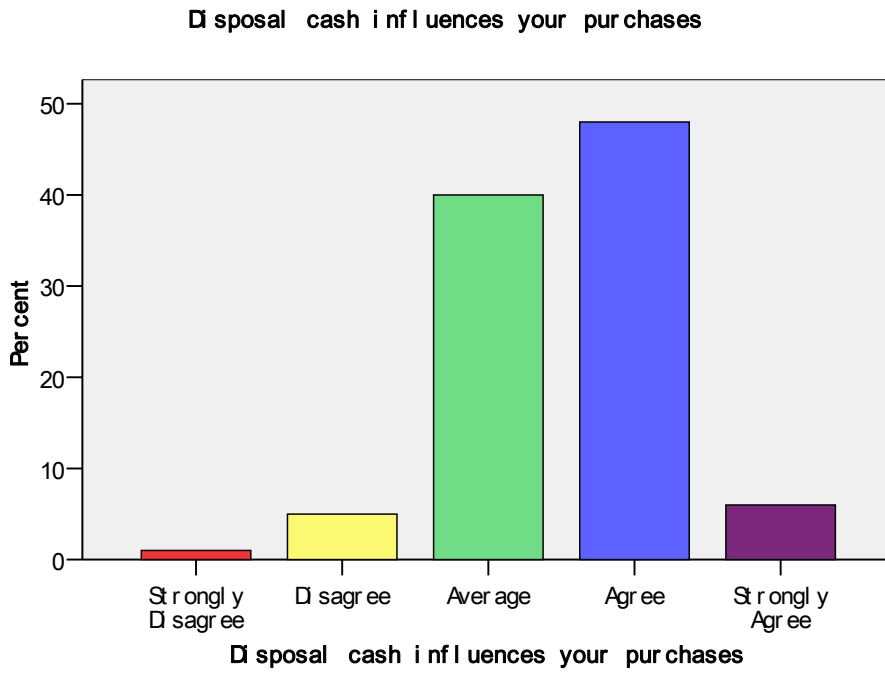


Figure 5.2.27: Consumer’s opinion of the combination of demographic and psychographic segmentation findings in Ireland

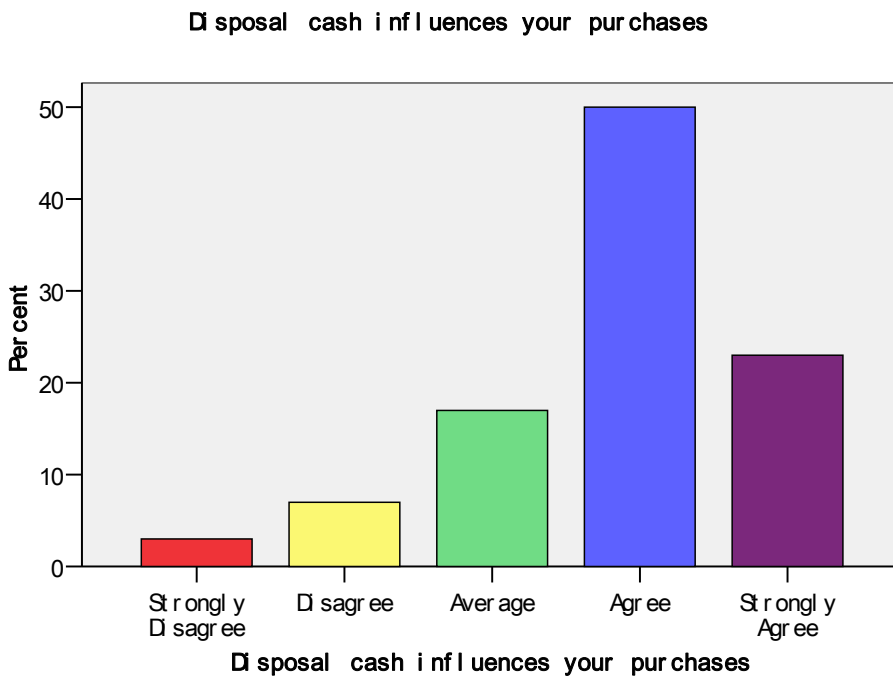


Figure 5.2.28: Consumer’s opinion of the combination of demographic and psychographic segmentation findings in China

Question 15: Do you agree quality is more important than price?

The researcher asked this question is to find out the consumers’ opinion of the combination of demographic and behavioral segmentation in Ireland and China. Table 5.2.7 shows the consumers whether or not they agree quality is more important than price. There is no response on Strongly Disagree category in Ireland. In the following two graphs, the researcher demonstrates the findings by using SPSS viewer output graphs (See Figure 5.2.29 and Figure 5.2.30).

		Percent (Ireland)	Percent (China)
Valid	Strongly Disagree	0.0	2.0
	Disagree	5.0	6.0
	Average	21.0	15.0
	Agree	55.0	53.0
	Strongly Agree	19.0	24.0
	Total	100.0	100.0

Table 5.2.7: Consumer’s opinion of the combination of demographic and behavioral segmentation findings in Ireland and China



Figure 5.2.29: Consumer’s opinion of the combination of demographic and behavioral segmentation findings in Ireland

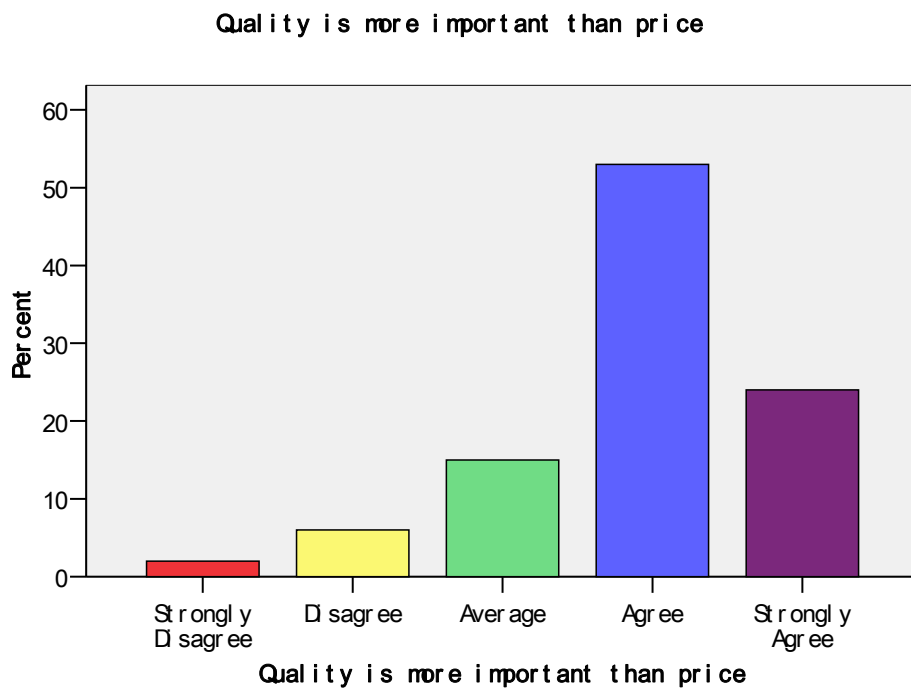


Figure 5.2.30: Consumer’s opinion of the combination of demographic and behavioral segmentation findings in China

Question 16: Do you agree that the quality between leading brands and Tesco brand goods is similar?

The researcher asked this question to find out the consumers' opinion of the combination of psychographic and behavioral segmentation in Ireland and China. Table 5.2.8 shows whether or not the consumers agree that quality between leading brand and Tesco brand goods is similar. There is no response on Strongly Disagree category in Ireland. In the following two graphs, the researcher demonstrates the findings by using SPSS viewer output graphs (See Figure 5.2.31 and Figure 5.2.32).

		Percent (Ireland)	Percent (China)
Valid	Strongly Disagree	0.0	5.0
	Disagree	16.0	25.0
	Average	53.0	46.0
	Agree	29.0	18.0
	Strongly Agree	2.0	6.0
	Total	100.0	100.0

Table 5.2.8: Consumer's opinion of the combination of psychographic and behavioral segmentation findings in Ireland and China

Quality between leading brand and Tesco brand goods is similar

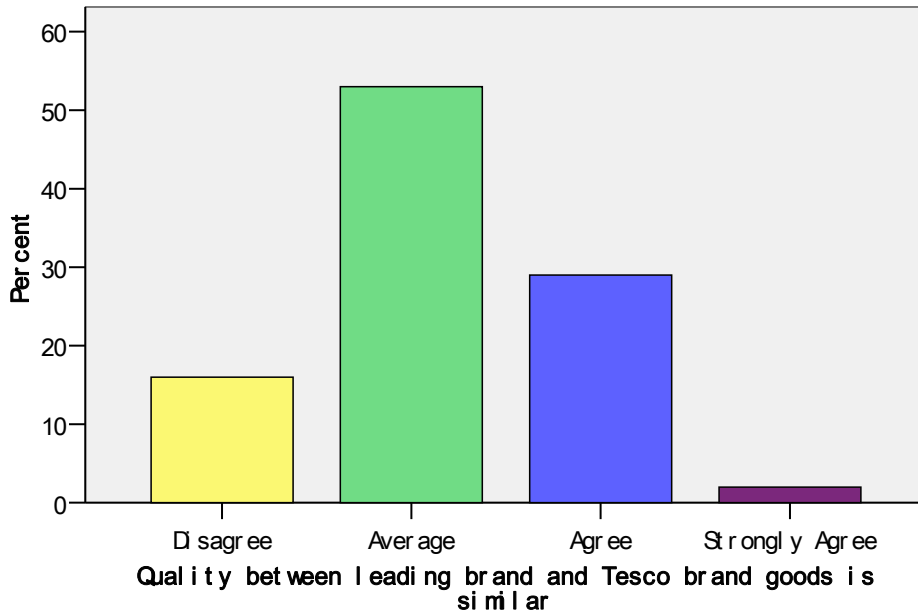


Figure 5.2.31: Consumer’s opinion of the combination of psychographic and behavioral segmentation findings in Ireland

Quality between leading brand and Tesco brand goods is similar

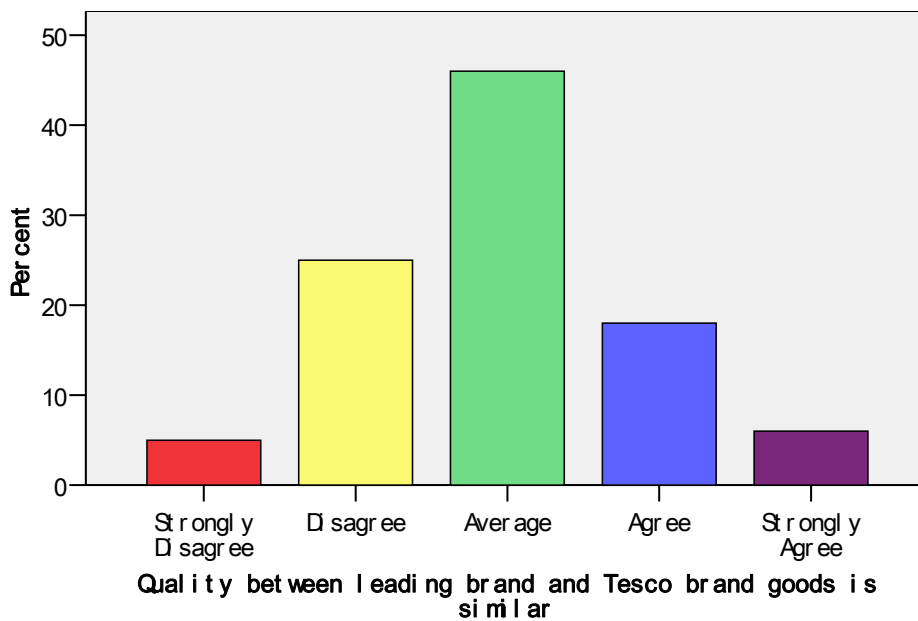


Figure 5.2.32: Consumer’s opinion of the combination of psychographic and behavioral segmentation findings in China

5.2.3 Tesco Research Findings

Question 17: Are you a *Tesco Clubcard* user?

Figure 5.2.33 shows the percentage of the consumers who are a Tesco Clubcard user or non-user in Ireland. 45% of the respondents are Tesco Clubcard users. 45% of the respondents are Tesco Clubcard non-users, another 10% of the respondents are planning to join. This percentage is similar to the findings in China (See Figure 5.2.34), 43% of the respondents are Tesco Clubcard users. 48% of the respondents are Tesco Clubcard non-users. There are another 9% of the respondents are planning to join.

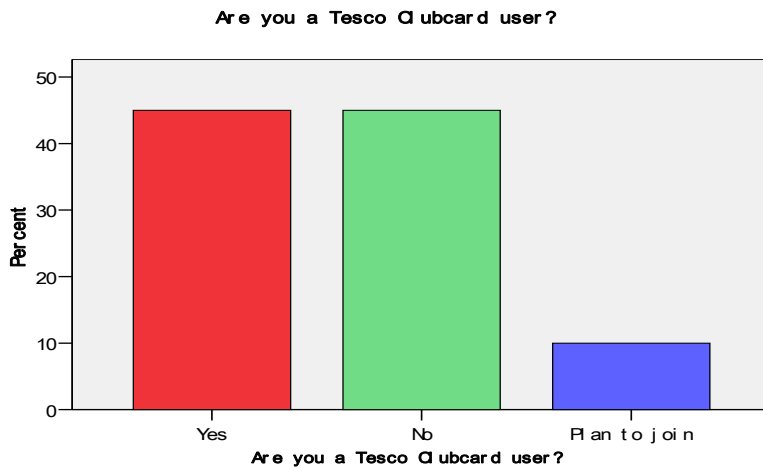


Figure 5.2.33: Tesco Clubcard user or non-user findings in Ireland

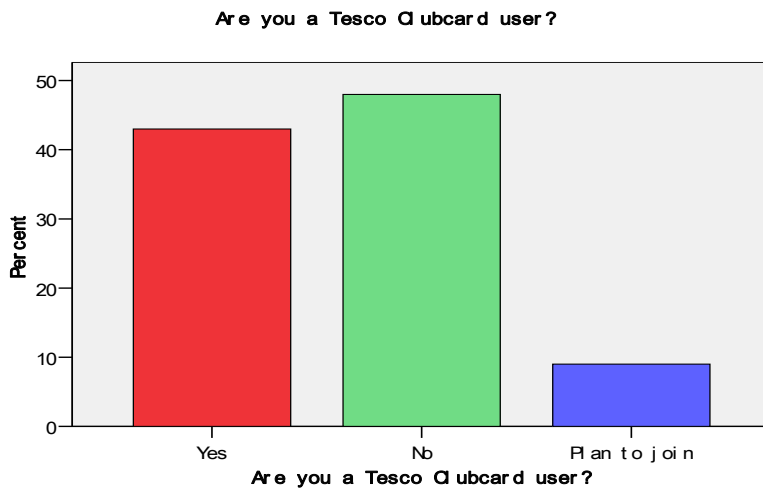


Figure 5.2.34: Tesco Clubcard user or non-user findings in China

[Note: Duo to Tesco (China) has only launched two types of Tesco sub-brand products, such as *Tesco* and *Tesco Value*, these products are not recognized as the same as in the Irish market. Therefore, the researcher set different questions in Question 18, and there is no Question 19 in Chinese questionnaire survey. More information sees Appendix 4.]

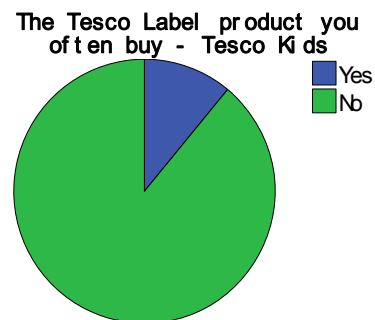
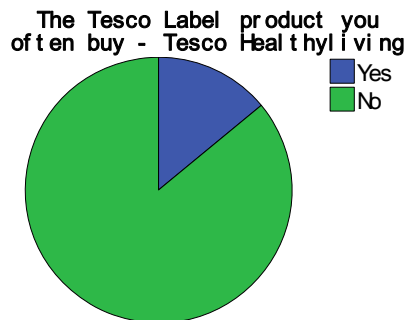
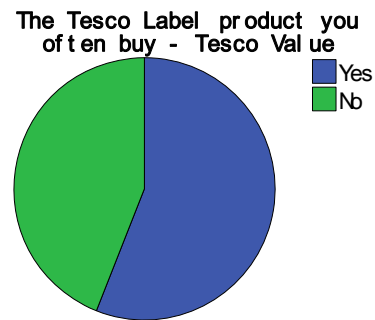
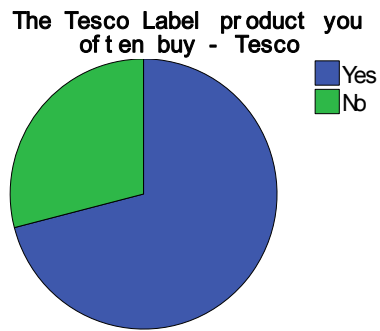
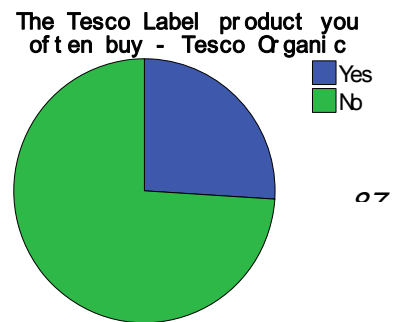
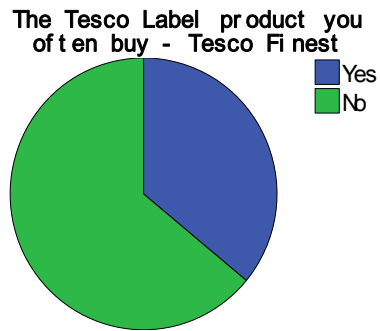
Question 18 – 1: Which the *Tesco Label* products do you often buy? (*In Ireland*)

Table 5.2.9 shows the number of consumers who often buy the corresponding Tesco label products in Ireland. The value label of Yes presents that this Tesco label product has been bought very often in the total respondents of this questionnaire survey in this research study. Whereas, the value label of No presents the opposite meaning. In the following two graphs, the researcher demonstrates the findings by using SPSS viewer output pie charts (See Figure 5.2.35).

Statement		Value Label	No.
The Tesco Label product you often buy - Tesco Finest	1 2	Yes No	36 64
The Tesco Label product you often buy - Tesco Organic	1 2	Yes No	26 74
The Tesco Label product you often buy - Tesco	1 2	Yes No	71 29
The Tesco Label product you often buy - Tesco Value	1 2	Yes No	56 44
The Tesco Label product you often buy - Tesco Healthyliving	1 2	Yes No	14 86

The Tesco Label product you often buy - Tesco Kids	1	Yes	11
	2	No	89
The Tesco Label product you often buy - Tesco Free From	1	Yes	13
	2	No	87
The Tesco Label product you often buy - Tesco Fair Trade	1	Yes	6
	2	No	94

Table 5.2.9: Tesco label products purchased Chapter Five: Research Findings



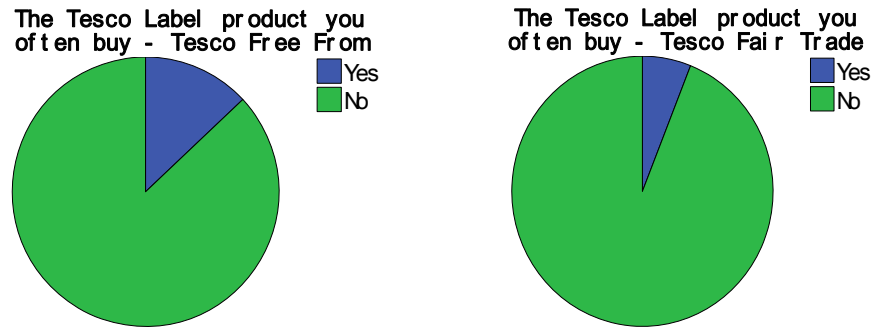


Figure 5.2.35: Tesco label products purchases findings in Ireland.

Chapter Five: Research Findings

Question 18 – 2: Would you like Tesco to launch Tesco sub-brand products in the Chinese market? (*In China*)

oo

Figure 5.2.36 shows the percentage of respondents on the idea of Tesco (China) launching Tesco sub-brand products in which has been shown in Table 5.2.9. There are 65% of consumers who would like to see Tesco sub-brand products being sold in the Chinese market. 3% of consumers would not like the idea. The rest of 32% do not mind.

Would you like Tesco (China) to launch Sub-brand products in Chinese market?

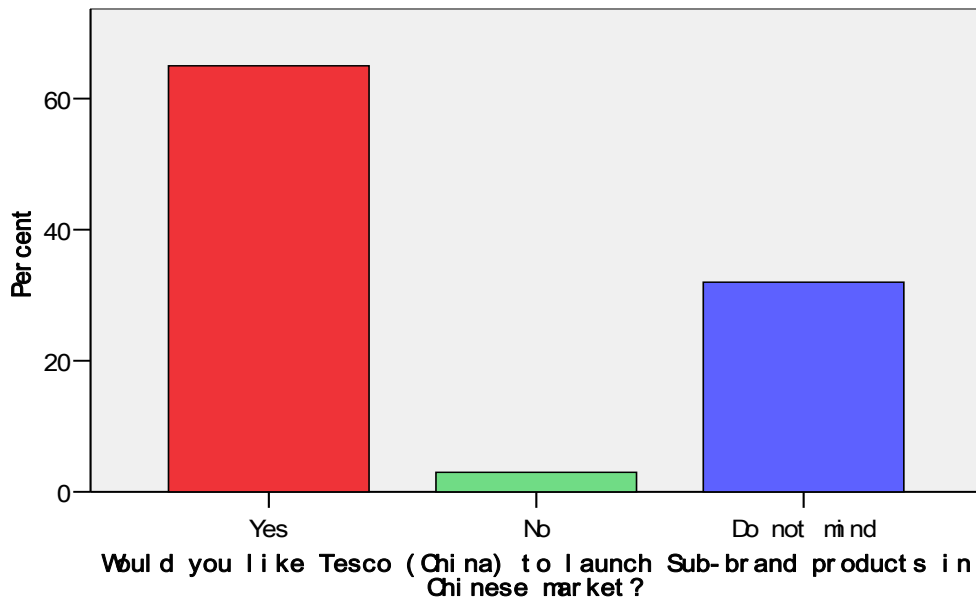


Figure 5.2.36: The idea of Tesco (China) launching Tesco sub-brand products findings in China

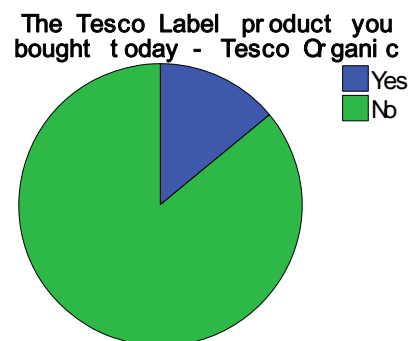
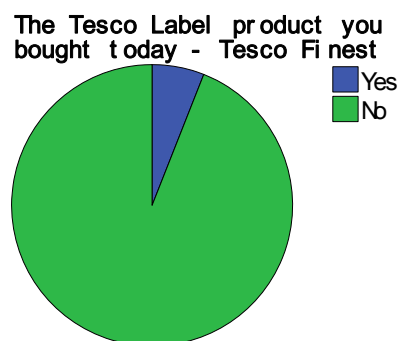
Question 19: Which Tesco label product did you buy today?

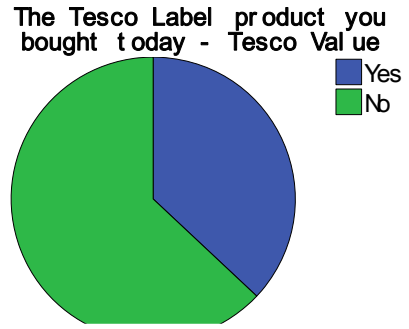
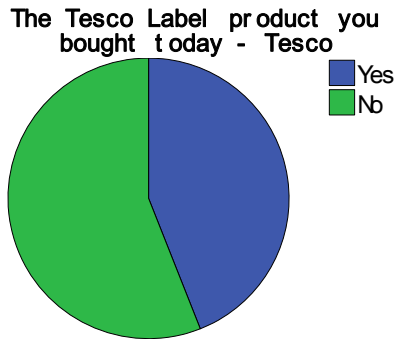
Table 5.2.10 shows the number of consumers who bought the corresponding Tesco label products in today's basket in Ireland. The value label of 'Yes' presents that the Tesco label product has been bought on the day of the researcher is carrying out this questionnaire survey in the supermarket in Ireland. Whereas, the value label of 'No' presents the opposite meaning. In the following *Chapter Five: Research Findings* illustrates the findings by using SPSS viewer output pie charts (See Figure 5.2.37).

Statement	Value	Label	No.
The Tesco Label product you bought today - Tesco Finest	1	Yes	6
	2	No	94

The Tesco Label product you bought	1	Yes	14
today - Tesco Organic	2	No	86
The Tesco Label product you bought	1	Yes	44
today - Tesco	2	No	56
The Tesco Label product you bought	1	Yes	37
today - Tesco Value	2	No	63
The Tesco Label product you bought	1	Yes	6
today - Tesco Healthyliving	2	No	94
The Tesco Label product you bought	1	Yes	9
today - Tesco Kids	2	No	91
The Tesco Label product you bought	1	Yes	4
today - Tesco Free From	2	No	96
The Tesco Label product you bought	1	Yes	3
today - Tesco Fair Trade	2	No	97

Table 5.2.10: Tesco sub-brand product is bought in today's basket findings in Ireland





Chapter Five: Research Findings

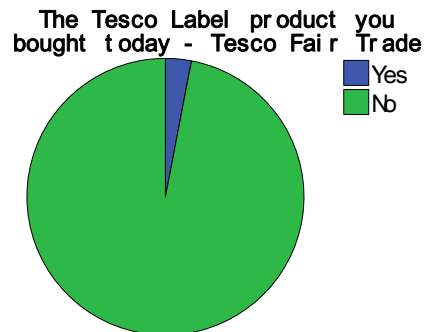
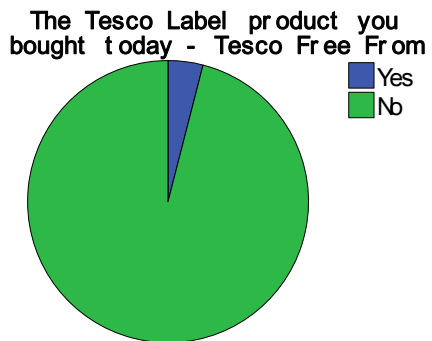
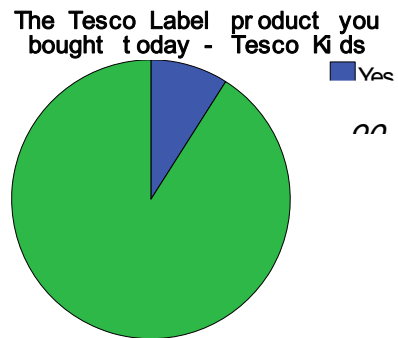
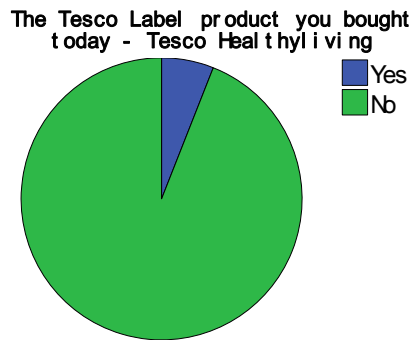


Figure 5.2.37: Tesco sub-brand product is bought in today's basket findings in Ireland

5.3 Qualitative Data (In-depth Interview) Findings

The researcher carried out in-depth interviews with Tesco Plc. One was an interview with a grocery manager in Ireland on 11 August 2008. Another one was an interview with an operational manager in China on 14 August 2008. *Chapter Five: Research Findings* Chinese researcher. Due to the reasons of confidentiality, both interviewees did not want their names to appear in this research study. Therefore, the researcher only states their job title in the findings. These two in-depth interviews took forty minutes each. 21

[Note: Due to the different business strategies in Tesco between Irish and Chinese markets, there are some changes of the interview questions on both sides. Particularly, Questions 12 – 16 with interviewee A and Questions 12 – 14 with interviewee B (There are no Questions 15 and 16 for Chinese interviewee). More details of interview questions will be seen in Appendix 6.]

5.3.1 Findings of Regarding the Consumer Segmentation Strategy

Question 1: What are the major factors that Tesco always considers with regards to segment consumers?

Interviewee A: Tesco always focuses on *Price* and *Family* factors. Tesco tries to find out the possible ways of making Tesco products as cheap as possible compared with other supermarkets. Customer's family size, age of the household, occupation of the household is the main characteristics of Family factor that Tesco has analyzed.

Interviewee B: *Consumer's Living Area* is one of the main factors. Base on a certain amount of scales (such as 0.5 Km. – 3 Km.), Tesco is seeking the similarity of the consuming structure from the population who live in the same areas, and then divides

these people into different identifying categories (such as buying power and buying trends) to analyze.

Question 2: *How does Tesco use consumer segmentation to develop consumer profiles?*

Interviewee A: Consumer segmentation strategies are used that depend on the seasons and/or time. In summer, it is holiday time. Families have parties outdoors. Tesco will concentrate on these demands in order to provide the relevant products. In autumn, it is the time for kids to go back school. Tesco will provide specific range of products for school use.

Interviewee B: Mainly, Tesco concentrates on the information of the purchasing times and the collection points from each purchase by the Tesco Clubcard users. Tesco will analyze what type of goods different kinds of consumers have bought in the supermarket in order to deduce what the needs and wants of the consumers are in the near future.

Question 3: *How does Tesco address different consumer behavior related to the consumer income level?*

Interviewee A: Most of the customers want to spend less money to buy the products they need. Tesco gives more attention to the price setting. For example, Tesco watches seasonal offers, and provides different levels of products with cheaper prices.

Interviewee B: Tesco focus on the development of customer service, selecting the new sub-stores' location in the medium-sized cities and countryside areas in China. Tesco (China) has not concentrated deeply on this part yet.

Question 4: *Do you think consumer's family size has a direct relationship with their shopping frequency?*

Interviewee A: Not really. The size of the family has some influence but not necessarily. Customers shop in different ways, especially in Ireland. They might purchase everything at once, or at many visits a week. From Tesco consumer information, customers do not really care about the shopping frequency. They likely enjoy their life, in other words, their shopping frequency relies on what they want.

Interviewee B: No. The Chinese market is *Chapter Five: Research Findings* other international markets. Under the Chinese special family planning policy, the majority of Chinese family size is very small (normally three people). The shopping times are more related to the family member's age, occupation and income etc. *22*

Question 5: *Do you think consumers in different social classes look for different product benefits?*

Interviewee A: Yes. Different class consumers are looking for different ranges of products. Customers in low class like to buy special offers. Customers in high class have more money therefore they are looking for the products with good quality.

Interviewee B: Yes. Consumers in low social class focus on the necessity goods. They buy the goods which are most needed. Consumers in higher social class buy necessity goods as well. However, they also buy some high price products for no particular reasons.

Question 6: *Does Tesco use the same segmentation techniques and categories in UK and Ireland/China?*

Interviewee A: Not really. Tesco focuses on the upper and middle class in the Irish market. There is no *Less Affluent* consumption level but Tesco has *Up-market* and *Mid-market* level. Tesco has *Finer foods*, *Healthy*, *Traditional* and *Price sensitive* product-related categories.

Interviewee B: Not really. There are no such consumption level and product-related category in the Chinese market. The Chinese consuming structure is very different to the Western world. Tesco adopts the traditional Chinese marketing strategies to face and deal with Chinese consumers.

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Question 7: *Are there any difficulties for Tesco in segmenting the Irish/Chinese market? If yes, what are they?*

Interviewee A: Yes. In the past 25 years, the Irish economy was continually growing and the economic level is now very high. Tesco was concentrating on the up-market. However, there is economic slowdown in the Irish market. Tesco moved its focus onto the lower level market in the past one and half years in order to compete with ALDI and LIDL.

Interviewee B: Yes. The Chinese supermarket sector is highly competitive and saturated. China has a wide territory with a huge population. The social-cultural environment in different regions is different. Therefore, Tesco aims to develop customer services and a selection of new sub-stores location in order to compete with other domestic and international supermarkets.

5.3.2 Findings of Regarding Tesco Clubcard Database

Question 8: *What are the main purposes of using Tesco Clubcard for Tesco?*

Interviewee A: Using Tesco Clubcard is to let the consumers get used to shopping in Tesco. Tesco is seeking repeat customers to come back for purchases.

Interviewee B: Tesco tries to establish a long-term relationship with the consumers. Tesco sets up a various range of products at Tesco member price regularly to promote the existing Clubcard users to buy more and encourage the non-user to join this membership.

Question 9: *What are the contributions of Tesco Clubcard while Tesco is analyzing and segmenting existing consumers?*

Chapter Five: Research Findings

Interviewee A: Tesco Clubcard point collection is the one. The more customers shop in Tesco the more information will be showed on the Clubcard point collection the more operating confidence that Tesco will have in order to analyze and segment consumers.

Interviewee B: Based on the Tesco Clubcard information, we will know the changes and current shopping trends in a particular area and that we can change our business strategies as soon as possible in order to satisfy consumers' needs and wants before our rivals.

Question 10: *What is/are the most useful information from Tesco Clubcard database when Tesco analyzes consumers?*

Interviewee A: From the Tesco Clubcard point collection, Tesco will know what kinds of products customers are always looking for and buying and that helps Tesco to develop future promotions. For example, what level of price will we set? What kind of product is going to sell in a particular season?

Interviewee B: The consumer's living area is the most useful information. Based on this information, Tesco makes decisions of what kind of business strategies will be used to address the target consumer groups. For example, if we launch a popular product in a particular supermarket store, it might attract some potential customers.

Question 11: *What are the differences of sales figures (weekly) between this store and*

other stores?

Interviewee A: Sales figures are similar in all stores. Tesco has considered the sales figures when setting up the stores i.e. locations with the basic consumer demographic information.

Interviewee B: Regarding the different target *Chapter Five: Research Findings* uses or different buying behavioral, Tesco head office gives the relevant sales figures to each sub-store. So the sales figures will be different.

5.3.3 Findings of Regarding Tesco Own Label Products (Sub-brand)

Question 12 – A: *What are the main purposes of selling Tesco sub-brand products?*

Interviewee A: The main purpose of selling Tesco sub-brand products is to make it easier for customers to shop. Tesco separates the products into different ranges to make the level of the products more clear to the customers.

Question 12 – B: *Is Tesco (China) going to launch sub-brand products in Chinese market?*

Interviewee B: *Tesco* and *Tesco Value* have already been launched in the Chinese market. Tesco (China) will think of introducing more Tesco own label products into the Chinese market in the future.

Question 13 – A: *Why does Tesco set up different ranges of Tesco sub-brand products (such as Tesco Finest and Tesco Value)?*

Interviewee A: Tesco sets up the different ranges of sub-brand products in order to show to the consumers directly Which Tesco product is expensive or cheap and/or Which Tesco

product has good quality or lower quality, and makes sure the consumers buy what they are really looking for.

Question 13 – B: *Is the purpose of launching Tesco Value sub-brand products in the Chinese market similar to the UK markets?*

Interviewee B: Not really. The main purpose of launching Tesco Value products in the Chinese market is to establish a business relationship with the Chinese suppliers in the Chinese supermarket sector.

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Question 14 – A: *Which Tesco sub-brand is the best selling within the product range?*

Interviewee A: Tesco Value product is the best selling one, because its price is reasonable and cheaper than others. The cheaper price does not mean the quality of the products is low. The middle class is the main consumer group of the Tesco Value products.

5.3.4 Findings of Update Information (in the current news)

Question 15 – A: *Has Tesco launched a price-cutting campaign to improve sales revenue in the economic downturn in Ireland since earlier this year?*

Interviewee A: Yes. In this economic downturn, the consumers have become more price sensitive, and with the increase in unemployment, lower price products will be the first choice for customers.

Question 14 – B: *Is Tesco (China) going to use the same marketing strategy as Tesco (Ireland)? If not, what kind of strategy does Tesco (China) use in the Chinese market?*

Interviewee B: Despite this economic slowdown situation, the general consumption level is continually increasing in the Chinese supermarket sector. The Chinese retailing

business always has less profit to earn. Therefore, Tesco (China) will not adopt the price-cutting campaign in the Chinese market. Tesco will focus on the marketing strategies of the development of customer services (includes after sales service) and the appropriate consumption framework.

Chapter Five: Research Findings

Question 16 – A: *How has this price-cutting campaign directly influenced consumer purchasing decision?* oo

Interviewee A: Tesco wants to become the supermarket which cares about the customers. This price-cutting campaign is launched at this time to build up a trust relationship between Tesco and customers. Tesco has 1,000 different types of products at the lowest price in the supermarket sector. This image will encourage consumers to buy more in Tesco.

5.4 Conclusion

The researcher demonstrated the findings of questionnaire survey by using SPSS software output tables, graphs and pie charts, and also stated the findings of in-depth interview in the chosen international supermarket in Ireland and China. Based on these research findings and with the theoretical literatures and the case study information in the pervious chapters, the researcher is going to analyze this information in order to answer the main research questions to fulfill the purpose of this research. The next chapter will consist of an in-depth analysis of all the information gathered.

Chapter Six:

Discussion

6.1 Introduction

The primary research findings of questionnaire survey and the in-depth interviews were demonstrated in the previous chapter. In this chapter, the researcher links the primary data (research findings) and the secondary data (theoretical literature and case study) together, based on the research objectives to analyze and discuss the research findings in order to answer the main research questions.

The following questions are the main research questions of this research study which are cited in the introductory chapter:

- 1) Why is it necessary to use hybrid segmentation strategies in the international supermarket industry?
- 2) How does hybrid segmentation strategy assist international supermarkets to deal with consumers?
 - 2.1) How do international supermarkets use hybrid segmentation strategy to analyze consumers in the Irish market?
 - 2.2) How do international supermarkets use hybrid segmentation strategy to analyze consumers in the Chinese market?
- 3) What are the main challenges in applying hybrid segmentation internationally?

Through the discussions of the research findings, the researcher will answer each of

these questions logically.

6.2 The reasons for the use of hybrid segmentation

Based on the research question 1: *Why is it necessary to use hybrid segmentation strategies in the international supermarket industry?* The researcher will discuss the findings from the international supermarket's and consumer behavior research in this chapter. Chapter Six: Discussion

From the consumer's point of view, the researcher carried out the survey and identify the distinctions of consumer segmentation in the international supermarket industry. Based on the psychographic, behavioral, geographic, and demographic segmentation research findings in the chapter 5, the consumers' responses are various between the Irish and Chinese market.

First of all, the findings of psychographic segmentation in the questionnaire were very different between the Irish and Chinese market, especially in *Social Class* and *Shopping Decision* findings. The consumers had 82% high rate on the *Working Class* category in China although the income level is a high rate of 48% in total between ¥1,500 – ¥3,000 and ¥3,000 – ¥4,500 category in China. Compared with the findings in Ireland, the researcher discusses the Chinese consumers have different opinion on the definition of *Social Class* and the meaning of *Working Class*. Therefore, the international supermarkets need to be aware with the consumers' psychographic and demographic characteristics when segmenting the consumer's profiles.

Also, the researcher links *Price*, *Special offers*, and *Ability to buy* factors (as these factors all relate to the price) to obtain a total rate of 47% in Ireland and 33% in China when analyzing people's decision to buy. While *Quality of the product*, *Brands* and *Personal tastes* factors were linked (as those factors relate to the quality factors) and obtains total rates of 42% in Ireland and 61% in China. Therefore, the quality factor has

a stronger influence on the consumers' shopping decision in China. The researcher uses the result to compare with the findings in the statement of *Quality is more important than price* that found the Chinese consumers response the higher rate of 77% (*Strongly Agree* and *Agree* category) than 74% in the Irish market. The two results do not match although the emphasis on quality is similar in both questions for Chinese consumers. The consumers responded differently in the psychographic segmentation section because behavioral characteristics also influence t Chapter Six: Discussion ses. Consequently, it is necessary to use a hybrid segmentation strategy in international supermarkets when these companies segment consumers.

Secondly, *Shopping frequency*, *Reason to shop*, and *Shopping habits* have some influences with purchase occasion, benefits sought, and buyer attitudes. Compared with the Irish market, the rates of these factors fluctuate very obviously in the Chinese market. Particularly, the percentage of *Don't notice, just buy the product needed* in *Shopping habits* question has responded up to a higher rate of 62% in China (10% in Ireland) while the rest of them rate 38% in total (90% in Ireland). One of the reasons is that Chinese consumers still shop in the more traditional ways, such as buying in the outdoors' food markets because they believe the food is fresher there than in the supermarkets. As the different consumers with different nationalities behave in different ways, in other words the demographic characteristics have some influences on the behavioral characteristic in the theory. As a result, the consumers' actions are not restricted to one segmentation component in the specific situations. The international supermarkets have to use multiple segmentation strategies to deal with the consumers internationally, in other words, using hybrid segmentation strategies is necessary for the international supermarkets.

Thirdly, the consumers responded to all options in the *Current Living Area* question. The finding shows some consumers are not really concentrated on the location of stores and they may shop around for other reasons, in other words the geographic characteristic of the supermarket stores do not restrict the consumers' shopping

destinations. As the total rate of 22% in the Dublin 1 and 6 areas where the questionnaire survey was carried out in Ireland, however, the researcher had the total rate of 76% in ShenHe, HuangGu, and TieXi areas in China. The result shows the Chinese consumers are more store specific. That means the single consumer segmentation component is not enough for the international supermarkets when analyzing the consumer's profiles internationally. Additionally, the finding of consumer's *Country/Region of Origin* in the Irish market Chapter Six: Discussion 116 from various countries/regions, although the Irish (33%), the Europeans (31%) and the Asians (25%) rate in the higher scores. There is a rate of 64% in North-East Area in China. It is a completely different situation to the finding of a single category in the Irish market. The issues of cultural differences or education of the respondents could be one of the reasons. Consequently, the international supermarkets need to think of the possibly relevant factors (i.e. demographic characteristics) when segmenting the consumers by geographic characteristics and that also proves using a hybrid segmentation strategy is necessary.

Finally, the consumers' demographic details contain high value information for the research study. Combine the findings of *Age* and *Income* (per month), the total rate of 62% in 21 – 29 and 30 – 39 age category in Ireland while 60% in China. Due to the fact that most consumers in these two age categories are also in the income level of €800 – €1,500 & €1,500 – €3,000 / ¥800 – ¥1,500 & ¥1,500 – ¥3,000, the researcher obtained a rate of 62% in these income levels in both countries. But there is a 7% rate in the *Over ¥4,500* category consumers shop in the chosen supermarket in China in which there was no response in Ireland. The result reminds the international supermarkets to be aware that the consumers have similarities and also differences when analyzing and segmenting the consumers in different international markets.

In addition, the comparison of *Occupation/Job* is very different in both countries. Chinese consumers are spread across all categories while the findings in Ireland are concentrated in the *Professional* category. Based on the theoretical literature that the

different level of consumers' income affects their purchase decisions and the attitudes toward the products (Cueva, 2005), when international supermarkets analyze consumer demographic characteristics that they also need to link the behavioural segmentation characteristics into the analysis to identify the consumers' profiles more precisely and create relevant marketing strategies. Therefore, the use of hybrid segmentation strategies is necessary for the international supermarkets.

Chapter Six: Discussion

From the company's point of view, the researcher uses the in-depth interview findings to show that the international supermarkets look at different consumer-related factors in the relation to segmenting consumers. *Price* and *Family* factors are the factors focused on in the Irish market. The consumer's *Living Area* is the main factor used to identify the consumers' behavioral characteristics in the Chinese market by international supermarkets. Each consumer segmentation component is not separated when the international supermarkets seek and analyze the consumer information across countries. In the findings of the in-depth interviews (Question 2), the international supermarket has considered both *Purchase occasion* and *Family* factors in Ireland and both consumer's demographic information and buying behaviors in China to identify the consumers. In other words, the international supermarket implements the combinations of demographic and behavioral segmentation strategies to deal with the consumers in the particular country. These two findings prove the use of hybrid segmentation strategy is necessary.

The findings (Question 3) show that the international supermarket sets up the reasonable or lowest price in the market to meet the requirements of the consumers, and also tries to match the offers with their buying abilities in the Irish market. On the other hand, the international supermarket focuses on the development of consumer service to improve the services in order to attract more customers to shop in China. As a result, the usefulness of combined consumer segmentation components can assist the international supermarket to measure and satisfy the consumers' needs and wants properly.

The findings (Question 4 and 5) show both positive and negative results of the hybrid segmentation implementations. The *Family* factor is not necessarily related to the consumers' purchase frequency but it has a relationship with the consumers' *Lifestyle* factor in the Irish market. While due to the Chinese special policy, the *Family* factor is not necessarily related to the consumer's purchase frequency as well in China. However, *Social class* and *Benefits sought* have a direct relationship of consumer segmentation components. The findings show there are no fixed frameworks of which segmentation component combines with the other. Furthermore each factor of the behavioral segmentation may sometimes swap one factor to another when combined with other segmentation component. Using hybrid segmentation depends on the specific situations in reality and it is necessary.

According to Canever et al (2007), the consumer information is unsteady variables in the analysis of consumer segmentation context. The hybrid segmentation strategies can help the international supermarkets to identify and segment consumers properly which the discussions of both survey and in-depth interviews have explained and have demonstrated the reasons why it is necessary to use hybrid segmentation strategies in the international supermarket industry.

6.3 How hybrid segmentation assists international supermarkets

Based on the research question 2: *How does hybrid segmentation strategy assist international supermarkets to deal with the consumers?* The researcher will relate the case study analysis to discuss the findings of the in-depth interview in the Irish and Chinese markets.

The researcher asked the consumers' opinions through the survey statements to apply the combination of consumer segmentation components, such as Geographic & Demographic segmentation, Demographic & Psychographic segmentation,

Demographic & Behavioral segmentation, and Psychographic & Behavioral segmentation. From the questionnaire findings (See 5.2.2 Hybrid segmentation research findings), the consumers responses are different in the comparisons between the Irish and Chinese market which proves that the consumers' purchasing attitudes and human behavioral is dynamic (Bond and Morris, 2002; Fennell and Allenby, 2004; Cueva, 2005). Moreover, the international supermarkets need to be aware of these features when analyzing and segmenting consumers in the global market.

Chapter Six: Discussion

In the case study (chapter 4), the researcher demonstrated and analyzed the hybrid segmentation strategies that were used by Tesco (UK). The international market based on their Clubcard membership information translated the theoretical hybrid consumer segmentation strategy into the experiential strategy (See Figure 6.3) in order to assist the company to deal with the various consumers profiles. As the hybrid segmentation strategies were successfully conducted in UK, the researcher will discuss the point that the international supermarket applies these strategies in Ireland and China based on the findings from the in-depth interviews.

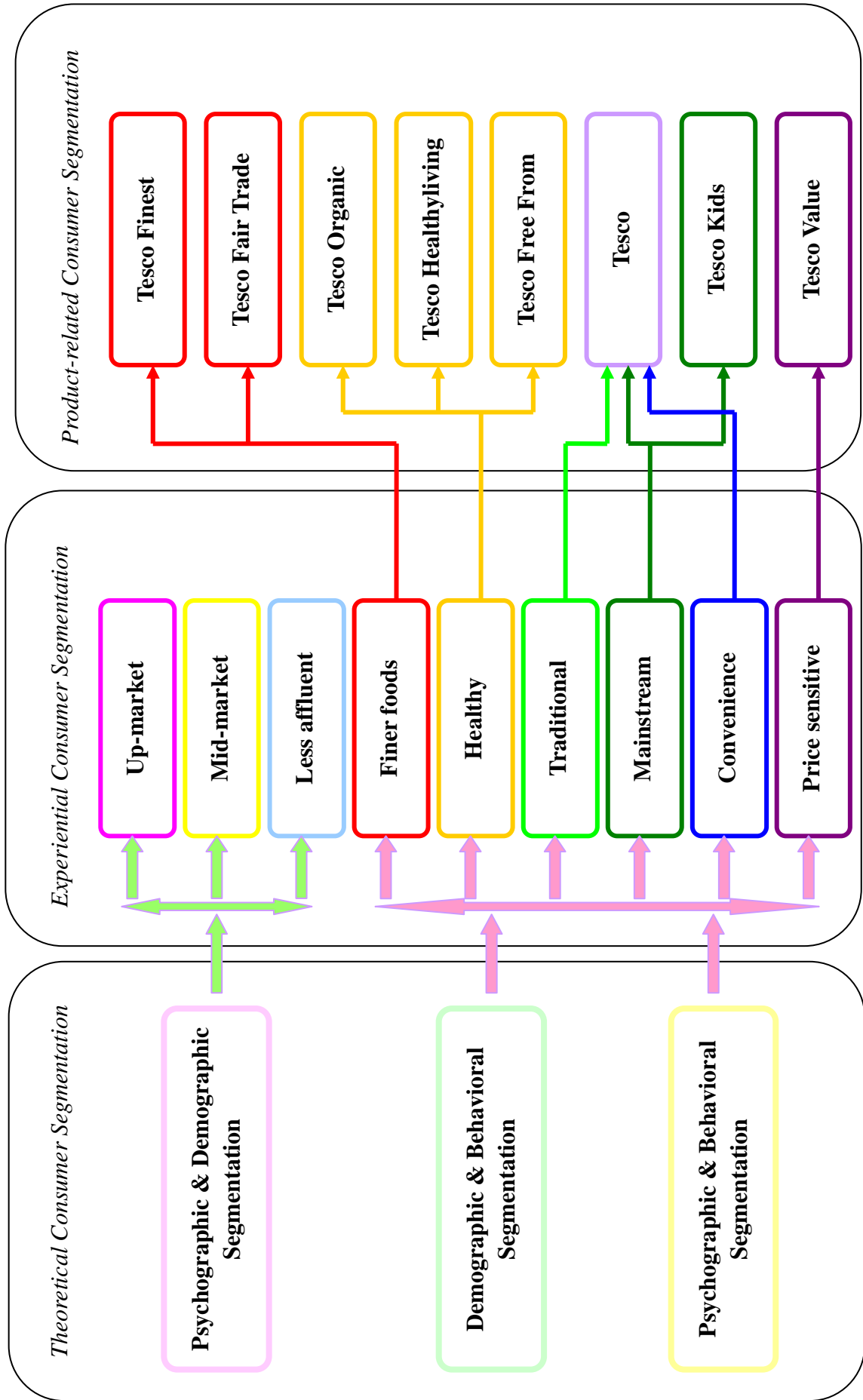


Figure 6.3: The translation of theoretical consumer segmentation strategy and experiential strategy in Tesco UK (Morries, 2004)

6.3.1 The hybrid segmentation used in the Irish market

Research question 2.1: *How does the international supermarket use hybrid segmentation strategy to analyze consumers in the Irish market?*

Compared with the hybrid segmentation strategies used in the UK, the international supermarket selected the most appropriate strategies for the Irish market situation in order to measure and analyze consumers in Ireland. As the company has the focus on the top and middle classes in Ireland. The *Up-market* and *Mid-market* of the consumers' levels are the focuses in the Irish market therefore the adoption of *Finer foods*, *Healthy*, *Traditional* and *Price sensitive* product-related categories from the UK hybrid segmentation strategies.

In the Irish market, the international supermarket used the same Clubcard membership system as in the UK. But the main purpose of using this system is to gain repeat business by making the consumers become accustomed to purchasing in its supermarket stores. The Clubcard point collection holds the consumers' psychographic and behavioral information (such as what they buy and when they buy), the company analyzes the accumulated points to build up a consumer database which will provide updated information for the company to identify and segment the consumers in the hybrid segmentation related levels and categories. This is one way of using hybrid segmentation strategy to analyze consumers in the Irish market. Furthermore, the Clubcard membership system contains the consumers' geographic and demographic information (such as where they live and who they are). Consequently, the company links the consumer segmentation-based information to structure the relevant marketing strategies, such as making future sales promotions. This is another way of using hybrid segmentation strategy to analyze consumers in the Irish market.

Based on the hybrid segmentation related level and categories, the international

supermarket transferred the relevant sub-brand products from the UK market to the Irish market. This makes their products ranges clear to the consumers and creates the image of caring for customers and in return they can gather more consumers' information to consummate the hybrid segmentation with upgraded tactics.

6.3.2 The hybrid segmentation used in the Chinese market

Research question 2.2: *How does the international supermarket use hybrid segmentation strategy to analyze consumers in the Chinese market?*

Compared with the hybrid segmentation strategies used in the UK, the international supermarket did not use similar hybrid segmentation strategies in the Chinese market. Due to the fact that Chinese consuming structure in the supermarket sector is very different to the Western world, the company adopted the hybrid segmentation strategies with special Chinese marketing features to analyze the Chinese consumer in the Chinese way.

In the Chinese market, the international supermarket used the same Clubcard membership system but focused on different areas. With the similar strategy of offering consumer Clubcard points in order to update consumer segmentation strategy information, the company uses this Clubcard system to build up a long-term relationship with the Chinese consumers. The information from the regular customers (existing customers) is the most valuable consumer segmentation information to the company. And also is the basis (way) of how the international supermarket uses hybrid segmentation strategy to analyze consumers in the Chinese market. The consumer's geographic factor was pointed out as the most useful information through the Clubcard system in the in-depth interview. Through this regular customer information, the company will know the changes of consumers' geographic and demographic characteristics in the specific groups, and will be aware of the trends of consumer's psychographic and behavioral characteristics with particular consumers.

Moreover, there is another way of using hybrid segmentation to analyze consumers in the Chinese market that the company gathers the information of new customers to add on to the regular customer information together in order to restructure the hybrid segmentation strategies. Therefore, the special Chinese hybrid segmentation will be the most appropriate segmentation tool for the international supermarket while segmenting the Chinese consumers. Additionally, the company adopted two sub-brand products in China to experiment as to whether these products containing Western features fit in the Chinese market or not.

From the discussions of how the international supermarket uses hybrid segmentation strategy to analyze consumers in the Irish and Chinese market, the researcher discusses the international supermarket bases on the different situations in the different markets and chooses the most relevant hybrid segmentation strategies in order to analyze consumers internationally.

6.4 The main challenges in applying hybrid segmentation

Based on the research question 3: *What are the main challenges in applying hybrid segmentation internationally?* The researcher will discuss the findings of the survey and in-depth interviews and explain the main challenges for the international supermarket when using hybrid segmentation strategies.

One of the main challenges for the international supermarket in applying the hybrid segmentation strategy is whether the consumers recognize the brand (label) or not. Based on the survey findings, the Clubcard system of the chosen international supermarket in this research study is being used by 50% of the consumers. Its own label products were succeeding in the Irish market. On the other hand, 65% of Chinese consumers responded that they would support the launch of these types of own label products in the Chinese market. Although, over half of the consumers recognize these own label products in this

survey. There are a huge number of consumers who have not shopped in this supermarket. So, the international supermarket needs to find the way of expanding its' own label recognition internationally.

Through the in-depth interview findings, the researcher found that there is price competition between the international supermarkets in Ireland. Price is a main string to link the demographic and behavioral characteristics, and also has some effects on the psychographic characteristics when the international companies structure the hybrid segmentation strategies to the particular market. Due to the Irish economic downturn since early in 2008, consumers have become more price sensitive and that creates a lot of difficulties and challenges for the international supermarket. The chosen international supermarket of this research study launched a price-cutting campaign to compete with the other competitors in the Irish market. The company aims to change its public image as a customer's caretaker in this economic downturn situation. 1000 different types of products were set up at the lowest prices in the Irish supermarket sector which focus on the lower level of consumers in order to satisfy their needs and seek repeat business. Whether this price-cutting campaign succeeds or not is an unknown variable in the Irish supermarket sector.

Compared to the Irish market, there are more challenges for the international supermarket in applying the hybrid segmentation strategies in China. Firstly, based on the in-depth interview findings, there is a huge population with different social-cultures and the wide territory in China. These are significant difficulties for the international supermarket to measure and analyze the Chinese consumers' profiles in order to establish the appropriate hybrid segmentation strategies in the Chinese market. Regarding the geographic, demographic, psychographic, and behavioral segmentation components, the Chinese consumers' factors of different regions, different education/occupation background, different lifestyle, different buying behavior etc. are the possible challenges to establishing and applying the hybrid segmentation strategies in the Chinese market.

Secondly, the other challenge is that product-related hybrid segmentation strategies may not apply in the Chinese supermarket sector compared with the Irish market because the international supermarket's own label products are not suited to the Chinese market. The Chinese consumers have a strong opinion on the products sought. The Chinese consumers always seek the products as needed, therefore, the own label products plan will not succeed in China if the international supermarket does not restructure the product-related hybrid segmentation strategies which were implemented in the Irish and UK market.

Finally, the global economic slowdown effect does not influence the growth of Chinese general consumption ratio in the Chinese supermarket sector. In spite of the competition on the lower profit rate is one of the main challenges to the international supermarket in China. Through the in-depth interview findings, the researcher found there is a better way to be succeeding over the competition among the international supermarkets which is to focus on the development of customer service and establish the appropriate supermarket consumption framework in the Chinese market.

The researcher used survey and in-depth interviews findings to demonstrate and discuss the main challenges in the Irish and Chinese market, and also compared the findings in both markets to discuss the possible challenges in applying hybrid segmentation strategies in each market.

6.5 Conclusion

Based on survey and in-depth interview findings, the researcher linked the relevant findings and uses the correlations tactics between the segmentation components characteristics in order to create strong debates to discuss the research findings. Followed by the three main research questions, the researcher analyzed the use of hybrid segmentation strategies in both the Irish and Chinese markets, and discussed the challenges in the applying these strategies internationally. The researcher will conclude

each chapter and the research findings to the main research questions, give the appropriate recommendations for the future research in next chapter.

Chapter Seven:

Conclusion and Recommendations

7.1 Introduction

Through the deep discussions of the consumer segmentation and hybrid segmentation strategies on the research findings based on the previous chapter, the researcher explored the possible view points from consumers and the international supermarkets. Based on the relevant information of consumers' responses and the hybrid segmentation strategies used in the international supermarket, the researcher analyzed and discussed the reason for the transfer of hybrid segmentation, how hybrid segmentation assists international supermarkets in Ireland and China, and the main challenges in applying hybrid segmentation. In this chapter, the researcher is going to conclude the research findings from the questionnaire survey and in-depth interview by applying the theoretical literature and case study in order to answer the main research questions of this research study. Additionally, the researcher will provide the recommendations for the future research.

7.2 Conclusions of the Research

This research study started at a theoretical point of view to claim that the hybrid segmentation is an upgraded consumer segmentation strategy which is pursued by the international supermarkets while segmenting consumers' profiles internationally.

In the *Introduction Chapter*, the researcher stated the background information of consumer segmentation strategy and how the effects of this marketing strategy influenced international supermarkets while identifying and analyzing consumers' profiles. Based on the current theoretical literatures of consumer segmentation and hybrid segmentation, the researcher set up the research objectives and established the main research questions in order to carry out the secondary and primary research in the selected industry and international markets.

In the *Literature Review Chapter*, the research reviewed a significant amount of

theoretical literatures in the consumer segmentation field, stated the benefits of using consumer segmentation strategy and each segmentation component in detail. The researcher explained the emergence of the hybrid segmentation and confirmed the traditional consumer segmentation strategies no longer fit the requirement of analyzing and segmenting consumers in various situations in theory. Furthermore, the researcher claimed the usefulness of hybrid segmentation enrich the quality of consumer segmentation implementations.

In the *Methodology and Method Chapter*, as this research study used both quantitative and qualitative researches, the researcher utilized realism and interpretivism research philosophies followed by the deductive and inductive research approaches in order to build up the most appropriate research basis for the research. The researcher took the mixed-method research of the multiple methods to conduct the questionnaire survey, in-depth interviews and case study in the primary and secondary researches. Followed by the probability sampling method, the researcher carried out the primary research in Tesco supermarket in the Irish and Chinese market. Additionally, the researcher stated the possible research limitations and ethical issues to explain the biases in this research study.

In the *Case Study Chapter*, the researcher briefly stated the background information of the UK-based international supermarket giant Tesco and gave an overview of Tesco in the Irish and Chinese markets. PEST analysis was used to analyze the current Macro-environment in both international markets. Based on the Tesco (UK) case study, the researcher interpreted the consumer segmentation and hybrid segmentation strategies that have been implemented in the UK market. Moreover, related to the Tesco Clubcard information that the researcher explored the six product-related categories and three consumption levels strategies which were used in UK market to prove the hybrid segmentation have succeed in assisting the international supermarket to solve the difficulties of segmenting consumers' profiles internationally.

In the *Research Findings Chapter*, the researcher utilized SPSS software to process two

hundred questionnaire feedbacks (quantitative data) and demonstrated the results using SPSS output tables, graphs and pie charts to show the research findings from the supermarket survey in Ireland and China. The statistical SPSS outputs provided the clear demonstrations and comparisons for the researcher to compare and analyze the research results. Also, the researcher gave details of two in-depth interview feedbacks (qualitative data) from Tesco (Ireland) and Tesco (China). The primary research findings provided the most persuasive evidence for the discussion of this research study.

In the *Research Discussion Chapter*, firstly, the researcher discussed why it is necessary to use hybrid segmentation strategy in the international supermarket industry. Based on the research findings, the consumer segmentation components have close correlations with each other in reality. The researcher used the survey and in-depth interview findings which provided the strong arguments of how Geographic & Demographic segmentation, Demographic & Psychographic segmentation, Demographic & Behavioral segmentation, and Psychographic & Behavioral segmentation interacted in order to analyze and measure the consumers' profiles in the Irish and Chinese supermarket sector. The researcher concludes that the hybrid segmentation strategies can assist the international supermarkets to identify and segment consumers appropriately in the different situations internationally.

Secondly, the researcher discussed how hybrid segmentation strategies assist the international supermarkets to deal with consumers and how international supermarkets use hybrid segmentation strategies to analyze consumers in the Irish and Chinese markets. Compared to the Irish and Chinese market, the researcher discussed the usefulness of the hybrid segmentation and what kinds of hybrid segmentation have been adopted in these two international markets. As the current economic condition in the UK and Irish markets are similar the company chose the most appropriate hybrid segmentation strategies to implement in Ireland. The researcher concludes the combinations of Demographic & Psychographic segmentation, Demographic & Behavioral segmentation, and Psychographic & Behavioral segmentation strategies are used in the Irish market while

the Geographic & Demographic segmentation is the most important strategy to analyze and segment the Chinese consumers as other strategies are selected. The researcher also concludes that the international supermarkets adopt the particular hybrid segmentation strategies to meet their particular needs in Ireland and China.

Finally, the researcher discussed what the main challenges were in applying hybrid segmentation internationally. Based on the research findings of survey and in-depth interviews, the researcher concluded that consumers are more price sensitive in the Ireland due to the Irish economic slowdown since the beginning of 2008 which is the challenge for the international supermarkets when structuring the hybrid segmentation strategy in order to match the requirements of the consumers' needs and wants. The researcher also concluded that the international supermarkets have to face high competition with a lower profit rate in the Chinese market. The Chinese consumers are seeking product quality more than the price of the products. The international supermarket switched product-related segmentation strategy to concentrate on the customer service and supermarket consumption framework in China. Additionally, the international supermarket's own brand recognition, social-cultural and demographic differences are also the main challenges in applying hybrid segmentation strategies internationally.

7.3 Recommendations of the Research

This research study is conducted on the issues of the emergence of hybrid segmentation as the most appropriate marketing strategy as pursued by the international supermarkets. Through primary research in international supermarket, the researcher concluded that the combinations of consumer segmentation components from the research findings analysis are the most valuable contributions in the research study which actualizes the processes from implementing the theories into actual practices and traces back from practical experiences to upgrade the consumer segmentation theories.

As attempting further academic consideration of this topic, the researcher recommends that the international supermarkets need to seek to expand the hybrid segmentation strategies based on multiple combinations among the consumer segmentation components. In other words, the international supermarkets need to consider the correlations among more than two segmentation components in which more components are used to structure the hybrid segmentation strategy that the more appropriate strategy will be in the relation of analyzing and segmenting the dynamic consumers internationally. For instance, adopting demographic segmentation with both psychographic and behavioral segmentations as establishing a basis of the hybrid segmentation strategy, in terms of the international companies can aim on the age, gender, income level and occupations characteristics of the targeting consumers, and add on their purchasing behaviors and benefits sought with their social class/consume level and the features of buying decisions. These correlations will provide accurate and efficient outcomes for the international companies on the purposes of fulfill the requirements of identifying and analyzing the consumers in the international markets. Consequently, these new hybrid segmentation strategies contain more beneficial applications to incorporate with potential changes in international marketing environment that will achieve greater conversions of the consumer segmentation theory.

Furthermore, the researcher recommends choosing larger sample sizes (such as over 1,000 surveys), researching in more international supermarkets or other industries internationally, and carrying out the survey in more countries for the future research.

7.4 Conclusion

As the final chapter of this research study, the researcher concluded all previous chapters of this research study that briefly summarized the main points and outcomes from each chapter. Particularly, the researcher concluded the research findings based on the research discussions in order to answer the main research questions of this research study. Hybrid segmentation strategy is the most effective and valuable consumer segmentation strategy

to analyze and segment consumers' profiles internationally as pursued by the international supermarkets. Furthermore, the researcher recommended that the international companies need to focus on the multiple combinations of consumer segmentation strategy and develop future research in this field.

Appendices

Appendix 1: Geographic/Demographic (Geodemographics) segmentation

Geodemographics is based on the notion that people who live close to one another are likely to have similar financial means, tastes, preferences, lifestyles, and consumption habits.

<i>Geodemographic Segments</i>
<p>Movers & Shakers</p> <ul style="list-style-type: none"> • 1.59% of U.S. households • Median household income: \$95,372 • Predominant employment: Professional • Social group: Elite suburbs • Lifestage group: Midlife success • Key education level: College grad+ • Adult age range: 35 – 64 <p>Characteristics: Movers & Shakers is home to America’s up-and-coming business class: a wealthy suburban world of dual-income couples who are highly educated, typically between the ages of 35 and 54 and often with children. Given business bent to this segment: Movers & Shakers rank number-one for owning a small business and having a home office.</p> <p>Lifestyle traits:</p> <ul style="list-style-type: none"> • Go scuba diving/snorkeling • Plan travel on the Internet • Read <i>PC Magazine</i> • Listen to adult contemporary radio • Drive a Porsche
<p>New Empty Nests</p> <ul style="list-style-type: none"> • 1.05% of U.S. households • Median household income: \$65,832 • Predominant employment: Professional, white-collar • Social group: The Affluentials • Lifestage group: Conservative classics • Key education level: College Grad+ • Adult age range: 65+ <p>Characteristics: With their grown-up children recently out of the house, New Empty Nests is composed of upscale older Americans who pursue active – and activist – lifestage. Nearly three-quarters of residents are over 65 years old, but they show no interest in a rest-home retirement. This is the top-ranked segment for all-inclusive travel packages; the favorite destination is Italy.</p> <p>Lifestyle Traits:</p>

<ul style="list-style-type: none"> • Choose all-inclusive travel pkg. • Belong to a fraternal order • Watch <i>Meet the Press</i> • Drive a Buick Park Avenue
<p>Boomtown Singles</p> <ul style="list-style-type: none"> • 1.22% of U.S. households • Median household income:\$37,407 • Predominant employment: White-collar, service • Social group: City Centers • Lifestage group: Young Achievers • Key education level: H.S./College • Adult age range: Under 35 <p>Characteristics: Affordable housing, abundant entry-level jobs and a thriving singles scene – all have given rise to the Boomtown Singles segment in fast-growing satellite cities. Young, single and working-class, these residents pursue active lifestyle amid sprawling apartment complexes, bars, convenience stores, and Laundromats.</p> <p>Lifestyle Traits:</p> <ul style="list-style-type: none"> • Buy alternative music • Play soccer • Read <i>Muscle & Fitness</i> • Watch MTV • Drive a Daewoo
<p>Bedrock America</p> <ul style="list-style-type: none"> • 1.79% of U.S. households • Median household income: \$26,037 • Predominant employment: Service, BC, Farm • Social group: Rustic living • Lifestage group: Sustaining families • Key education level: Elementary/H.S. • Adult age range: Under 35 <p>Characteristics: Bedrock America consists of young, economically challenged families in small, isolated towns located throughout the nation’s heartland. With modest educations, sprawling families, and blue-collar jobs, many of these residents struggle to make ends meet. One quarter live in mobile homes. One in three haven’t finished high school. Rich in scenery, Bedrock America is a haven for fishing, hunting, hiking, and camping.</p> <p>Lifestyle Traits:</p> <ul style="list-style-type: none"> • Go freshwater fishing • Buy kids’ bicycles • Read baby magazines • Watch <i>Days of Our Lives</i> • Drive a Chevy S10 pickup

Source from: Schiffman and Kanuk, 2007:64/67-68.

Appendix 2: Demographic/Psychographic segmentation

Demographic and psychographic profiles are highly complementary approaches that work best when used together. By combining the knowledge gained from including both demographic and psychographic factors, marketers are provided with powerful information about their target markets.

Demographic-psychographic profiling has been widely used in the development of advertising campaigns to answer three questions: “Whom should we target?” “What should we say?” “Where should we say it?” To help advertisers answer the third question, many advertising media vehicles sponsor demographic-lifestyle research on which they base very detailed *audience profiles*.

Source from: Schiffman and Kanuk, 2007:62

Appendix 3: Demographic/Behavioral (person-situation)

Expert suggests the approach of person-situation to segmentation outlined in *Exhibit 1*. This approach combines not only the person and the situation but also other important segmentation bases: benefits sought, product and attribute perceptions, and marketplace behavior.

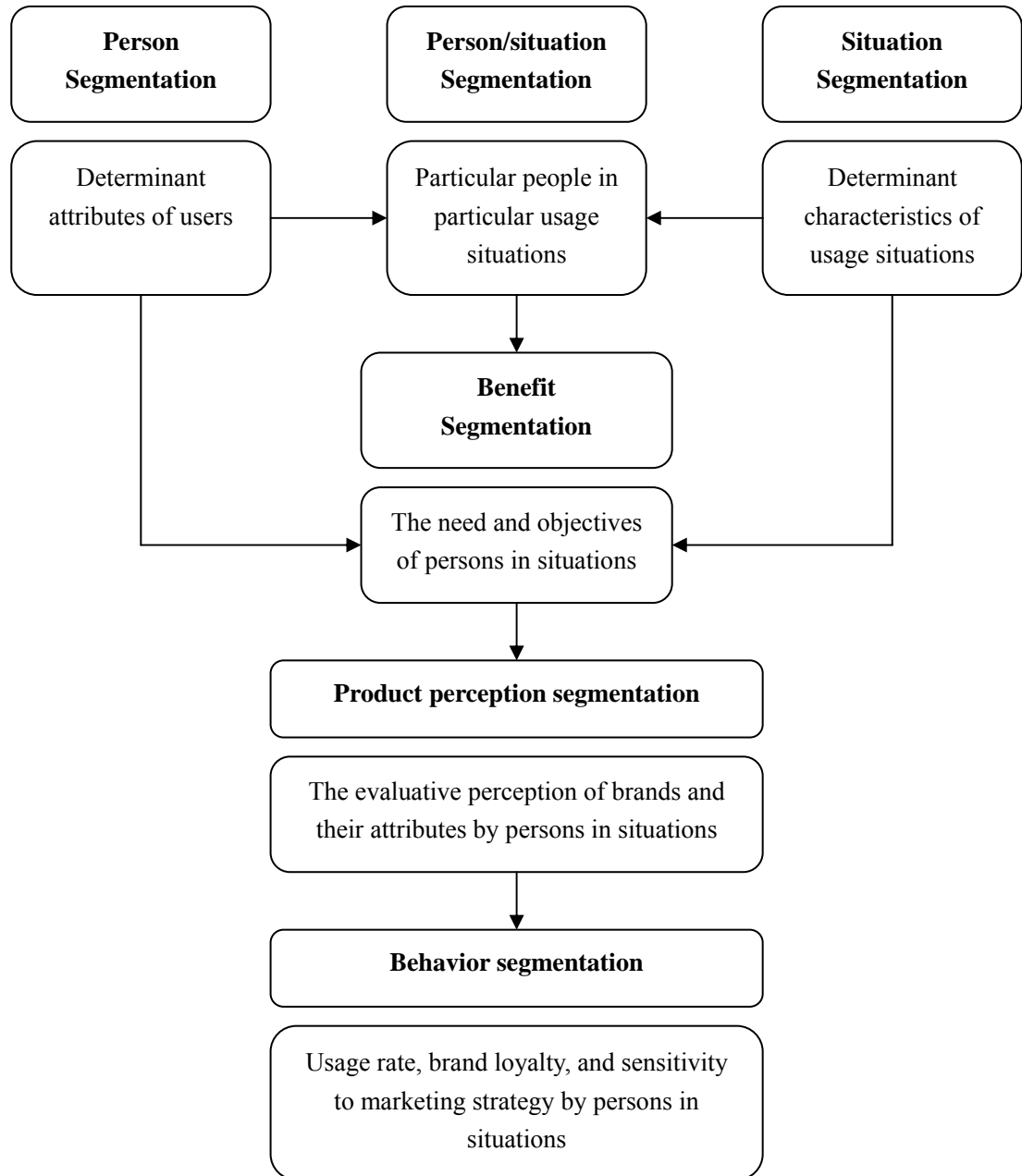


Exhibit 1: Person/Situation segmentation (adapted from Peter R. Dickson, “Person-Situation: Segmentation’s Missing Link”, journal of marketing, 46(Fall 1982), 55-64).

This segmentation approach involves the following steps:

Step 1: Use observational studies, focus group discussions, and secondary data to discover whether different usage situations exist and whether they are determinant, in the sense that they appear to affect the importance of various product characteristics.

Step 2: If step 1 produces promising results, undertake a benefit, product perception, and reported market behavior segmentation survey of consumers. Measure benefits and perceptions by usage situation as well as by individual difference characteristics. Assess situation usage frequency by recall estimates or usage-situation diaries.

Step 3: Construct a person/situation segmentation matrix. The rows are the major usage situations, and the columns are groups of users identified by a single characteristic or combination of characteristics.

Step 4: Rank the cells in the matrix in terms of their submarket sales volume. The person/situation combination that results in the greatest consumption of the generic product would be ranked first.

Step 5: State the major benefits sought, important product dimensions, and unique market behavior for each nonempty cell of the matrix. (Some types of people will never consume the product in certain usage situations.)

Step 6: Position your competitors' offerings within the matrix. The person/situation segments they currently serve can be determined by the product feature they promote and other marketing strategies.

Step 7: Position your offering within the matrix on the same criteria.

Step 8: Assess how well your current offering and marketing strategy meet the needs of the submarket compared to the competitors' offering.

Step 9: Identify market opportunities based on submarket size, needs, and competitive advantage.

Source from: Peter and Olson, 2008:377-379

Appendix 4: Psychographic/Behavioral segmentation (Values and lifestyles VALS™)

Psychographic/Behavioral segmentation (Values and lifestyles VALS™) is to explain the changes of values and lifestyle and has been redone to enhance its ability to predict consumer behavior. (Peter and Olson, 2008:374)

A brief description of the Eight VALS™ segments	
Innovators	Innovators are successful, sophisticated, take-charge people with high self-esteem. Because they have such abundant resources, they exhibit all three primary motivations in varying degrees. They are change leaders and are the most receptive to new ideas and technologies. Their purchases reflect cultivated tastes for upscale, niche products and services.
Thinkers	<i>Motivated by ideals; high resources</i> Thinkers are mature, satisfied, comfortable, and reflective. They tend to be well educated and actively seek out information in the decision-making process. They favor durability, functionality, and value in products.
Believers	<i>Motivated by ideals; low resources</i> Believers are strongly traditional and respect rules and authority. Because they are fundamentally conservative, they are slow to change and technology averse. They choose familiar products and established brands.
Achievers	<i>Motivated by achievement; high resources</i> Achievers have goal-oriented lifestyles that center on family and career. They avoid situations that encourage a high degree of stimulation or change. They prefer premium products that demonstrate success to their peers.
Strivers	<i>Motivated by achievement; low resources</i> Strivers are trendy and fun loving. They have little discretionary income and tend to have narrow interests. They favor stylish products that emulate the purchases of people with greater material wealth.
Experiencers	<i>Motivated by self-expression; high resources</i> Experiencers appreciate the unconventional. They are active and impulsive, seeking stimulation from the new, offbeat, and risky. They spend a comparatively high proportion of their income on fashion, socializing, and entertainment.
Makers	<i>Motivated by self-expression; low resources</i> Makers value practicality and self-sufficiency. They choose hands-on constructive activities and spend leisure time with family and close friends. Because they prefer value to luxury, they buy basic products.
Survivors	Survivors lead narrowly focused lives. Because they have the fewest resources, they do not exhibit a primary motivation and often feel powerless. They are primarily concerned about safety and security, so they tend to be brand loyal and buy discounted merchandise.

Source from: Schiffman and Kanuk, 2007:70

Appendix 5: Questionnaire Design Checklist

Questionnaire Design Checklist

Step 1 Specify the information needed.

1. Ensure that the information obtained fully addresses all the components of the problem. Review components of the problem and the approach, particularly the research questions, hypotheses, and the information needed.
2. Prepare a set of dummy tables.
3. Have a clear idea of the target population.

Step 2 Specify the type of interviewing method.

1. Review the type of interviewing method determined based on considerations.

Step 3 Determine the content of individual questions.

1. Is the question necessary?
2. Are several questions needed instead of one to obtain the required information in an unambiguous manner?
3. Do not use double-barreled questions.

Step 4 Design the questions to overcome the respondent's inability and unwillingness to answer.

1. Is the respondent informed?
2. If respondents are not likely to be informed, filter questions that measure familiarity product use, and past experience should be asked before questions about the topics themselves.
3. Can the respondent remember?
4. Avoid errors of omission, telescoping, and creation.
5. Questions that do not provide the respondent with cues can underestimate the actual occurrence of an event.
6. Can the respondent articulate?
7. Minimize the effort required of the respondents.
8. Is the context in which the questions are asked appropriate?
9. Make the request for information seem legitimate.
10. If the information is sensitive:
 - a. Place sensitive topics at the end of the questionnaire.
 - b. Preface the question with a statement that the behavior of interest is common.
 - c. Ask the question using the third-person technique.
 - d. Hide the question in a group of other questions that respondents are willing to answer.
 - e. Provide response categories rather than asking for specific figures.
 - f. Use randomized techniques, if appropriate.

Step 5 Decide on the question structure.

1. Open-ended questions are useful in exploratory research and as opening questions.
2. Use structured questions whenever possible.
3. In multiple-choice questions, the response alternatives should include the set of

all possible choices and should be mutually exclusive.

4. In a dichotomous question, if a substantial proportion of the respondents can be expected to be neutral, included a neutral alternative.
5. Consider the use of the split ballot technique to reduce order bias in dichotomous and multiple-choice questions.
6. If the response alternatives are numerous, consider using more than one question to reduce the information-processing demands on the respondents.

Step 6 Determine the question wording.

1. Define the issue in terms of who, what, when, where, why, and way (the six Ws).
2. Use ordinary words. Words should match the vocabulary level of the respondents.
3. Avoid ambiguous words: usually, normally, frequently, often, regularly, occasionally, sometimes, etc.
4. Avoid leading questions that clue the respondent to what the answer should be.
5. Avoid implicit alternatives that are not explicitly expressed in the options.
6. Avoid implicit assumptions.
7. Respondents should not have to make generalizations or compute estimates.
8. Use positive and negative statements.

Step 7 Arrange the questions in proper order.

1. The opening questions should be interesting, simple, and nonthreatening.
2. Qualifying questions should serve as the opening questions.
3. Basic information should be obtained first, followed by classification, and, finally, identification information.
4. Difficult, sensitive, or complex questions should be placed late in the sequence.
5. General questions should precede the specific questions.
6. Questions should be asked in a logical order.
7. Branching questions should be designed carefully to cover all possible contingencies.
8. The question being branched should be placed as close as possible to the question causing the branching, and the branching questions should be ordered so that respondents cannot anticipate what additional information will be required.

Step 8 Identify the form and layout.

1. Divide a questionnaire into several parts.
2. Questions in each part should be numbered.
3. The questionnaire should be precoded.
4. The questionnaire themselves should be numbered serially.

Step 9 Reproduce the questionnaire.

1. The questionnaire should have a professional appearance.
2. Booklet format should be used for long questionnaires.
3. Each question should be reproduced on a single page (or double-page spread).
4. Vertical response columns should be used.
5. Grids are useful when there are a number of related questions that use the same set of response categories.
6. The tendency to crowd questions to make the questionnaire look shorter should be avoided.

7. Directions or instructions for individual questions should be placed as close to the questions as possible.

Step 10 Eliminate bugs by pretesting.

1. Pretesting should be done always.
2. All aspects of the questionnaire should be tested, including question content, wording, sequence, form and layout, question difficulty, and instructions.
3. The respondents in the pretest should be similar to those who will be included in the actual survey.
4. Begin the pretest by using personal interviews.
5. Pretest should also be conducted by mail or telephone if those methods are to be used in the actual survey.
6. A variety of interviewers should be used for pretests.
7. The pretest sample size is small, varying from 15 to 30 respondents for the initial testing.
8. Use protocol analysis and debriefing to identify problems.
9. After each significant revision of the questionnaire, another pretest should be conducted, using a different sample of respondents.
10. The responses obtained from the pretest should be coded and analyzed.

Source from: Malhotra, 2007:321-322.

Appendix 6: Questionnaire

Appendix 6.1: Questionnaire (Ireland)

Questionnaire

I am a postgraduate student at Portobello College Dublin. The purpose of this survey is to seeking your opinions of shopping in supermarket (Tesco), which in turn to fulfil the requirements of my dissertation. The answers of this survey as the primary data will be used for confidential academic purpose only.

Please answer all sections of this survey, thanks for your patience and co-operation.

Location of Supermarket: _____ Date: _____ Time: _____

Section A (*Psychographic Segmentation*)

1. Please select which is closest to your *Lifestyle*:

- Achievers – have goal-oriented lifestyles that centre on family and career.
- Believers – are strongly traditional and respect rules and authority.
- Strivers – are trendy and fun loving.
- Makers – value practicality and self-sufficiency.
- None of the above.

2. Please select which is closest to your *Social Class*:

- Upper middle class
- Middle class
- Working class

3. Please select which of the following most influences your *Shopping Decision*:

- | | |
|--|---|
| <input type="checkbox"/> Price | <input type="checkbox"/> Quality of the product |
| <input type="checkbox"/> Brands | <input type="checkbox"/> The same product as last time bought |
| <input type="checkbox"/> Personal tastes | <input type="checkbox"/> Special offers |
| <input type="checkbox"/> Ability to buy | <input type="checkbox"/> Other (Specify) _____ |

Section B (*Behavioural Segmentation*)

4. Please select your *Shopping Frequency* category in supermarket (Tesco):

- More than 5 times per week
- 3 – 5 times per week
- 1 – 2 times per week
- Less than once per week
- Other (Specify) _____

5. Compared with other supermarkets, please select the *Reason* you shop in Tesco (Tick one or more):

- Location (Close where I live / work etc.)
- Convenience (On the way home / after work etc.)
- Prefer Tesco reasonable price
- Prefer Tesco shopping environment
- Some product available that cannot buy in other supermarkets
- Randomly shopping around
- Others (Specify)_____

6. Please select which is closest to your *Shopping Habits*:

- Always buy same (brand) product
- Buy special offers' product
- Buy Tesco label product
- Other reason (Specify):_____
- Likely to try new product
- Buy the cheapest available
- Don't notice, just buy the product needed

Section C (Geographic Segmentation)

7. Please select your *Current Living Area* and include Post code (e.g. D1):

- City centre: _____
- North of the city: _____
- South of the city: _____
- Other (Specify):_____

8. Please select your *County/Region of Origin*:

- Ireland
- Europe
- Asia
- Africa
- America
- Australia
- Other (Specify)_____

Section D (Demographic Segmentation)

9. Please select your *Age* category:

- Under 21
- 21 – 29
- 30 – 39
- 40 – 49
- 50 – 59
- 60 and Over 60

10. Please select your *Income* (Per month) category:

- Over €4,500
- €3,000 – €4,500
- €1,500 – €3,000
- €800 – €1,500
- Under €800

11. Please select your *Occupation / Job* category:

- Student
- Engineering / Technical
- Administrative / Clerical
- Unskilled manual worker
- Housewife
- Managerial / Executive
- Skilled manual worker
- Unemployed
- Professional
- Marketing / Sales
- State pensioners
- Other (Specify) _____

12. Please select number of your *Household*:

- 1
- 2
- 3
- 4
- 5 or 5+

Section E (Hybrid Segmentation)

Please rate your immediate reaction to each of the statements that describes your true feeling as closely as possible (Circle the number)

Statements	Strongly Disagree	Disagree	Average	Agree	Strongly Agree
13.Sometimes location is more important than the price of goods in the supermarket.	1	2	3	4	5
14.Disposal cash influences your purchases.	1	2	3	4	5
15.Quality is more important than Price.	1	2	3	4	5
16.Quality between leading brand and Tesco brand goods is similar.	1	2	3	4	5

Section F

17. Are you a *Tesco Clubcard* user?

Yes

No

Plan to join

18. Please select the *Tesco Label* product you often buy *and*

19. Tick the one you bought today:

	Tesco Finest	Tesco Organic	Tesco Value	Tesco Healthy Living	Tesco Kids	Tesco Free From	Tesco Fair Trade	Other (Specify)
Often Buy								
Bought Today								

Section G

Please use the field below if you have any additional *Comments* about this survey. Thanks in advance, your help is greatly appreciated.

A copy of this survey findings will send to you if it is required, please state your Email address: _____

Thanks for taking your time to complete this survey!

Appendix 6.2: Questionnaire (China)

调查问卷

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笔者是一名爱尔兰波里贝洛大学的学生。这份调查问卷的目的在于通过寻求您对超市（乐购）购物意见，来满足笔者毕业论文的调查评估。笔者对您回答的答案和相关资料会严格保密，并且所有的信息资料仅用于学术研究。

请回答调查问卷的所有部分，非常感谢您的耐心和合作！

超市地点：_____ 日期：_____ 时间：_____

第一部分（心理划分）

1. 请选择最接近您的生活方式的一项：

- 实现者 – 拥有以家庭和事业为中心的生活目标
- 相信者 – 有强烈责任感和传统观念
- 奋斗者 – 随着改变而努力地生活
- 创造者 – 有现实的价值观并能自给自足
- 哪个都不是

2. 请选择最接近您所在社会阶层的一项：

- 高-中产阶级 中产阶级 劳动阶层

3. 请选择最能影响您的购买决策的一项：

- 价格 产品质量
 品牌 上次购买的产品
 个人品味 特价
 购买力 其他(注明)：_____

第二部分 (行为划分)

4. 请选择您的购物 (在乐购) 次数：

- 每周 5 次或者多于 5 次 每周 3 – 5 次
 每周 1 – 2 次 每周少于 1 次
 其他(注明)：_____

5. 和其他的超市相比较，请选择您在乐购购物的原因 (可多选)：

- 地理位置 (临近居住或是工作的地方)
 购物便利 (在回家或者是下班经过的地方)
 喜欢乐购合理的价格
 喜欢乐购的购物环境
 只有在乐购才能买到的产品
 没有特别留意应该去哪家超市

Appendices

其他(注明) : _____

6. 请选择最接近您购物习惯的一项 :

- | | |
|--|--|
| <input type="checkbox"/> 总是购买相同的产品 | <input type="checkbox"/> 喜欢尝试新产品 |
| <input type="checkbox"/> 购买特价产品 | <input type="checkbox"/> 购买最便宜的产品 |
| <input type="checkbox"/> 购买乐购自己生产的产品 | <input type="checkbox"/> 没有特殊的习惯 , 只是购买需要的产品 |
| <input type="checkbox"/> 其他(注明): _____ | |

第三部分 (地理位置分析)

7. 请选择您目前所居住的区域 :

- | | |
|------------------------------|--|
| <input type="checkbox"/> 和平区 | <input type="checkbox"/> 沈河区 |
| <input type="checkbox"/> 皇姑区 | <input type="checkbox"/> 大东区 |
| <input type="checkbox"/> 铁西区 | <input type="checkbox"/> 其他(注明): _____ |

8. 请选择您所来自的城市或者是地区 :

- | | | | |
|-------------------------------|-------------------------------|-------------------------------|--|
| <input type="checkbox"/> 东北地区 | <input type="checkbox"/> 华北地区 | <input type="checkbox"/> 华南地区 | <input type="checkbox"/> 华东地区 |
| <input type="checkbox"/> 华中地区 | <input type="checkbox"/> 西南地区 | <input type="checkbox"/> 西北地区 | <input type="checkbox"/> 其他(注明): _____ |

第四部分 (人口统计划分)

9. 请选择您的年龄段 :

- 21 岁以下 21 – 29 岁 30 – 39 岁
 40 – 49 岁 50 – 59 岁 60 或者是 60 岁以上

10. 请选择您的月收入类别：

- 每个月高于¥4,500 每个月¥3,000–¥4,500 每个月¥1,500–¥3,000
 每个月¥800–¥1,500 每个月低于¥800

11. 请选择您所属职业的那一项：

- 学生 家庭主妇 专业人员
 工程技术人员 行政管理人员 销售人员
 管理人员 技术人员 公务员
 非技术人员 自由职业者 其他(注明)：_____

12. 请选择您居住的家庭人数：

- 1 人 2 人 3 人 4 人 5 或者 5 人以上

第五部分 (混合划分)

根据以下的陈述内容和您第一时间感觉，请选择表达您的想法的那一项 (在所
 选的数字上画圈)：

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陈述内容	完全				完全
------	----	--	--	--	----

	不同意	不同意	无所谓	同意	同意
13.在某些时候 ,超市的地理位置比价位重要.	1	2	3	4	5
14.家用开销的数额影响您的购买力.	1	2	3	4	5
15.产品质量比价格重要.	1	2	3	4	5
16.市场主导品牌的质量和乐购自产品牌类似.	1	2	3	4	5

第六部分

17. 您是乐购超市的会员吗？

- 是的
 不是
 打算加入

18. 乐购在全球市场设有其自有的品牌产品。特别在欧洲市场，公司对乐购品牌的设计非常详细和系统化。除了乐购的“超值产品”，乐购还设有专门为儿童设计的食品，乐购的有机食品，以健康为主题的食品等等。而且在产品质量等同的情况下，乐购产品的价格要低于市场主导产品。在中国的市场，您是否希望乐购能引进相同的产品：

- 是的
 不是
 无所谓

请注明原因：_____

第七部分

如果您对这份调查问卷有什么意见或者是建议的话，请在下面注明。非常感谢。

如果您对这份市场调查问卷的分析结果感兴趣的话，请留下您的电子邮箱地址，笔者将会把分析结果发送给您。

电子邮箱地址：_____

非常感谢您能抽出时间来完成这份调查问卷和您的合作！

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Appendix 6.3: Questionnaire (China, English Version)

Questionnaire

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I am a postgraduate student at Portobello College Dublin. The purpose of this survey is to seeking your opinions of shopping in supermarket (Tesco), which in turn to fulfil the requirements of my dissertation. The answers of this survey as the primary data will be used for confidential academic purpose only.

Please answer all sections of this survey, thanks for your patience and co-operation.

Location of Supermarket: _____ Date: _____ Time: _____

Section A (*Psychographic Segmentation*)

1. Please select which is closest to your *Lifestyle*:
 - Achievers – have goal-oriented lifestyles that centre on family and career.
 - Believers – are strongly traditional and respect rules and authority.
 - Strivers – are trendy and fun loving.
 - Makers – value practicality and self-sufficiency.
 - None of the above.

2. Please select which is closest to your *Social Class*:
 - Upper middle class
 - Middle class
 - Working class

3. Please select which of the following most influences your *Shopping Decision*:
 - Price
 - Brands
 - Personal tastes
 - Ability to buy
 - Quality of the product
 - The same product as last time bought
 - Special offers
 - Other (Specify) _____

Section B (*Behavioural Segmentation*)

4. Please select your *Shopping Frequency* category in supermarket (Tesco):
 - More than 5 times per week
 - 3 – 5 times per week
 - 1 – 2 times per week
 - Less than once per week
 - Other (Specify) _____

5. Compared with other supermarkets, please select the *Reason* you shop in Tesco (Tick one or more):
 - Location (Close where I live / work etc.)
 - Convenience (On the way home / after work etc.)
 - Prefer Tesco reasonable price
 - Prefer Tesco shopping environment
 - Some product available that cannot buy in other supermarkets
 - Randomly shopping around
 - Others (Specify) _____

6. Please select which is closest to your *Shopping Habits*:
 - Always buy same (brand) product
 - Buy special offers' product
 - Buy Tesco label product
 - Other reason (Specify): _____
 - Likely to try new product
 - Buy the cheapest available
 - Don't notice, just buy the product needed

Section C (*Geographic Segmentation*)

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7. Please select your *Current Living Area*:

- HePing ShengHe
 HuangGu DaDong
 TieXi Other (Specify) _____

8. Please select your *County/Region of Origin*:

- North-East Area North Area South Area East Area
 Middle Area West-South Area West-North Area Other (Specify) _____

Section D (*Demographic Segmentation*)

9. Please select your *Age* category:

- Under 21 21 – 29 30 – 39
 40 – 49 50 – 59 60 and Over 60

10. Please select your *Income* (Per month) category:

- Over ¥4,500 ¥3,000 –¥4,500 ¥1,500 –¥3,000
 ¥800 –¥1,500 Under ¥800

11. Please select your *Occupation / Job* category:

- Student Housewife Professional
 Engineering / Technical Managerial / Executive Marketing / Sales
 Administrative / Clerical Skilled manual worker State pensioners
 Unskilled manual worker Unemployed Other (Specify) _____

12. Please select number of your *Household*:

- 1 2 3 4 5 or more

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Section E (*Hybrid Segmentation*)

Please rate your immediate reaction to each of the statements that describes your true feeling as closely as possible (Circle the number)

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Statements	Strongly Disagree	Disagree	Average	Agree	Strongly Agree
13.Sometimes location is more important than the price of goods in the supermarket.	1	2	3	4	5
14.Disposal cash influences your purchases.	1	2	3	4	5
15.Quality is more important than Price.	1	2	3	4	5
16.Quality between leading brand	1	2	3	4	5

and Tesco brand goods is similar.					
-----------------------------------	--	--	--	--	--

Section F

17. Are you a *Tesco Clubcard* user?

- Yes No Plan to join

18. Tesco sells its own label products around the world. Particularly, Tesco has clear definition of the products and is launched in European market. For instance, Tesco has *Tesco Value*, *Tesco Organic*, *Tesco Kids*, and *Tesco Healthyliving* sub-brand products etc. The quality of these sub-brand products is similar to the market leading brands products but at lower price. Would you like Tesco (China) to launch these sub-brand products in the Chinese market?

- Yes No Do not mind

Please explain the reason: _____

Section G

Please use the field below if you have any additional *Comments* about this survey. Thanks in advance, your help is greatly appreciated.

A copy of this survey findings will send to you if it is required, please state your Email address: _____

Thanks for taking your time to complete this survey Appendices

Appendix 7: An in-depth interview design checklist

<i>Checklist: To help you prepare for in-depth interview</i>
<input type="checkbox"/> How might your level of preparation and knowledge (in relation to the research context and your research question) affects the willingness of the interviewee to share data? <input type="checkbox"/> What will be the broad focus of your in-depth interview, or what are the themes that you wish to explore of seek explanations for during a semi-structured interview? <input type="checkbox"/> What type of information, if any, will it be useful to send to your interviewee prior to the interview? <input type="checkbox"/> What did you agree to supply to your interviewee when you arranged the interview? Has this been supplied? <input type="checkbox"/> How will your appearance during the interview affect the willingness of the

interviewee to share data?

- Have you considered the impact that your interview location may have on participants' responses and on your own personal safety?
- How will you prepare yourself to be able to commence the interview with confidence and purpose?
- What will you tell your interviewee about yourself, the purpose of your research, its funding and your progress?
- What concerns, or need for clarification, may your interviewee have?
- How will you seek to overcome these concerns or provide this clarification?
- In particular, how do you intend to use the data to which you are given access, ensuring, where appropriate, its confidentiality and your interviewee's anonymity?
- What will you tell your interviewee about their right not to answer particular questions and to end the interview should they wish?
- How would you like to record the data that are revealed to you during the interview? Where this involves using a tape recorder, have you raised this as a request and provided a reason why it would help you to use this technique?
- How will you seek to overcome potential issues related to the reliability of the data you collect, including forms of interviewer bias (related to your role and conduct), interviewee bias (the level of access that you gain to the data of those whom you interview) and sampling bias?

Source from: Saunders et al, 2007:332.

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Appendix 8: In-depth interview

Appendix 8.1: In-depth interview question (Ireland)

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Primary research (Interview): *Tesco Ireland*

All collected data will be treated as confidential information and used for academic purpose only.

Interview questions:

Regarding the Consumer Segmentation Strategy:

1. What are the major factors that Tesco always considers with regards to segment

consumers?

2. How does Tesco use consumer segmentation to develop consumer profiles?
3. How does Tesco address different consumer behavior related to the consumer income level?
4. Do you think consumer's family size has a direct relationship with their shopping frequency?
5. Do you think consumers in different social classes look for different product benefits?
6. Tesco is a British enterprise. Does Tesco use the same segmentation techniques and categories in UK and Ireland?
7. Are there any difficulties for Tesco in segmenting the Irish market (in Q6)? If yes, what are they?

Regarding Tesco Clubcard Database:

8. What are the main purposes of using Tesco Clubcard for Tesco?
9. What are the contributions of Tesco Clubcard while Tesco is analyzing and segmenting existing consumers?
10. What is/are the most useful information from Tesco Clubcard database when Tesco analyzes consumers?

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11. What are the differences of sales figures (weekly) between this store and other stores?

Regarding Tesco Own Label Products (Sub-brand):

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12. Tesco is very successful of launching Tesco sub-brand products. What are the main purposes of selling Tesco sub-brand products?
13. Why does Tesco set up different ranges of Tesco sub-brand products (such as Tesco Finest and Tesco Value)?
14. Which Tesco sub-brand is the best selling within the product range?

Update Information (in the current news):

15. Currently, Tesco announced a €100 million price-cutting campaign in which 1,000 strong ranges of products at the lowest price in Irish market (25 July 2008). Has Tesco launched this movement is to improve sales revenue in the economic downturn in Ireland since early this year?
16. How has this price-cutting campaign directly influenced consumer purchasing decision?

Interviewee: _____

Date: _____

Thank you for you cooperation!

Appendices

Appendix 8.2: In-depth interview question (China)

市场调查采访问卷: 乐购 (中国)

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采访者将保证对调查所获得信息进行严格保密，并且这些调查采访的内容仅用于学术研究。

采访问题：

关于消费者划分策略：

1. 在进行消费者信息划分时，乐购通常会考虑的主要因素是什么？
2. 在从事扩展消费者的基本信息时，乐购是怎样采用的“消费者划分”的？
3. 在消费者的收入水平不同的情况下，乐购是怎样分析不同消费者的消费行为方式？
4. 您认为消费者的家庭成员数量与他们的购物次数有直接的关系吗？(请解释原因)
5. 您认为在不同等级的社会阶层里的消费者对于产品有不同的需求吗？(请解释原因)
6. 乐购是一家英国企业。在中国市场的经营过程中，乐购采用与在英国市场相同的消费层次和产品相关分类的策略了吗？
7. 乐购(中国)在进行中国市场划分的过程中遇到了什么样的困难了吗？如果有的话，是什么样的困难？

关于乐购会员卡的相关信息

8. 乐购采用会员卡制度的主要目的是什么？
9. 当乐购划分现有的消费者信息的时候，乐购会员卡制度有什么样的贡献？
10. 当乐购分析消费者信息时，在会员卡信息中最有帮助的信息是什么？
11. 每一家乐购分店的一周销售量和和其他分店的有什么不同的地方吗？(请解释原因)

关于乐购品牌的产品

Appendices

12. 乐购品牌产品的销售在英国和爱尔兰市场是非常成功的。乐购(中国)会在中国市场引进相同的产品品牌吗？
13. 在中国市场的经营过程中，采用“乐购超值”的市场策略与在英国使用的策略相同吗？

关于最新的乐购新闻

14. 进入 2008 年以来，全球经济萧条，特别是欧盟地区。乐购(爱尔兰)采用了

一个千种商品大减价的商业活动策略来面对激烈的国内市场竞争，同时为了减缓消费者对日益增长的生活消费水平的顾虑。在中国经济增长平缓时期，乐购（中国）打算使用和乐购（爱尔兰）相同的市场策略吗？如果不是的话，针对中国市场，乐购（中国）将采用了什么样的市场策略？

被采访者：_____

采访日期：_____

感谢您的合作！

Appendices

Appendix 8.3: In-depth interview question (China, English Version)

Primary research (Interview): *Tesco China*

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All collected data will be treated as confidential information and used for academic purpose only.

Interview questions:

Regarding the Consumer Segmentation Strategy:

1. What are the major factors that Tesco always considers with regards to segment consumers?
2. How does Tesco use consumer segmentation to develop consumer profiles?
3. How does Tesco address different consumer behavior related to the consumer income level?
4. Do you think consumer's family size has a direct relationship with their shopping frequency? (Explain the reason)
5. Do you think consumers in different social classes look for different product benefits? (Explain the reason)
6. Tesco is a British enterprise. Does Tesco use the same segmentation techniques and categories in UK and China?
7. Are there any difficulties for Tesco in segmenting the Chinese market? If yes, what

are they?

Regarding Tesco Clubcard Database:

8. What are the main purposes of using Tesco Clubcard for Tesco?
9. What are the contributions of Tesco Clubcard while Tesco is analyzing and segmenting existing consumers?
10. What is/are the most useful information from Tesco Clubcard database when Tesco analyzes consumers?
11. What are the differences of sales figures (weekly) between this store and other stores? (Explain the reason) *Appendices*

Regarding Tesco Own Label Products (Sub-brand):

12. Tesco is very successful of launching Tesco sub-brand products in _____ and. Is Tesco (China) going to launch sub-brand products in Chinese market? *1115*
13. Is the purpose of launching *Tesco Value* sub-brand products in the Chinese market similar to the UK markets?

Update Information (in the current news):

14. Due to the global economic downturn since the beginning in 2008, Tesco (Ireland) announced a price-cutting campaign in which 1,000 strong ranges of products at the lowest price in Irish market in order to face highly competition in supermarket sector and the increasing costs of living. Is Tesco (China) going to use the same marketing strategy as Tesco (Ireland)? If not, what kind of strategy does Tesco (China) use in the Chinese market?

Interviewee: _____

Date: _____

Thank you for you cooperation!

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