

The Criteria of Market Segmentation during the COVID-19 Pandemic Jordan

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Abstract

The present study aimed at explore the market segmentation criteria adopted after the COVID-19 pandemic in business and marketing organizations in Jordan. A descriptive analytical approach was adopted to meet the goals of this research. A sample was selected from several business and marketing organizations in Jordan. It consists from one hundred (100) managers. It was found that COVID-19 pandemic has a moderate impact on the criteria adopted to segment the market from the perspective of the managers working in the business and marketing organizations in Jordan. It was found that COVID-19 pandemic has a moderate impact on the demographic segmentation, and geographic segmentation. The latter pandemic has a strong impact on the psychographic segmentation and behavioural segmentation. The researcher recommends benefitting from the experiences and measures of international companies in terms of the market segmentation during this pandemic.

Key Word: Keywords: Market Segmentation, COVID-19 Pandemic

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Introduction:

Market segmentation is an important strategy that is implemented by companies in order to achieve the required market outcomes market responses. Through such segmentation, the companies take their marketing resources into consideration. Market segmentation during the Coronavirus pandemic is something important because the .consumers desires and preferences change

Segmentation may be carried out in various methods. From a salesman perspective, segmentation is represented in dividing the market into several segments or groups based on the needs and preferences of the customers on .(the short-term level (Johansson, 2017

The COVID-19 pandemic is a major health crisis. It changed the way people act and behave. That is attributed to the measures taken to fight against the spread of this virus. Such measures include: the lockdown. Every economic aspect is affected by the measures taken to prevent this virus from spreading. Thus, the economic (status and markets of all countries are affected by this virus (Mehta et al., 2020

The pandemic changed many aspects in life. For instance, it changed the consumer behaviours. For instance, it made consumers rush to stores to purchase a great amount of groceries due to the major panic experienced by consumers. However, later on, the government promoted awareness among consumers about the fact that groceries shall not be missing from markets. It promoted awareness about the role of the government in managing the Coronavirus crisis. Such awareness contributed to rationalizing the consumption of groceries by .(consumers (Rajab, 2020

Companies must promote positive attitudes and values among consumers. That is needed during the COVID 19 pandemic. It shall contribute to changing the consumer behaviour (Hassan, 2020).During this pandemic, companies must implement effective marketing strategies – including effective electronic marketing strategies- during this pandemic. That shall contribute to increasing the sale volume of companies. They must employ effective electronic marketing channels, such as: websites. The use of the latter channels requires low costs. It allows companies to contract numerous consumers

Due to suffering from the COVID 19 pandemic, the shopping preferences of consumers have changed in a significant manner. The latter pandemic made consumer shift from carrying out face to face shopping into .(carrying out online shopping (Reddy, 2020

The owners of many enterprises in Jordan were facing financial difficulties before the COVID 19 crisis. The owners of many enterprises in Jordan suffer from difficulties in covering expenses before the COVID 19 crisis. The owners of many enterprises in Jordan suffered from low cash liquidity, demand and supply levels. In fact, a low percentage of enterprises in Jordan were ready to face the COVID 19 crisis. The severity of the problems .related to cash liquidity, demand and supply levels increased due to the pandemic

According to Hoekstra &Leeflang (2020), the COVID-19 pandemic is associated with changes in the consumer behaviour. It's associated with changes in the market. It is associated with changes in the needs of consumers and the things they consumer. It led to a shift from carrying out face to face purchasing processes into carrying out .online purchasing processes

The researcher believes that the Coronavirus crisis negatively affected the way in which the companies operate. That applies to the business and marketing organizations have been negatively influenced by the changes in the consumer behaviour during this crisis. In order to handle such crisis, the companies seek dividing those markets based on demographic, geographic, psychographic, and behavioural criteria.

Statement of the Problem:

The COVID-19 crisis affected the consumer behavior. It affected the way in which the market is segmented. Based on the marketing plans developed during COVID-19 crisis, there are similarities between companies in terms of the way in which the market is segmented during the lock down (Hoekstra &Leeflang, 2020).

In Jordan, there are great challenges faced by companies and organization in various sectors in the marketing field. The severity of such challenges increased during the Coronavirus pandemic. This crisis affected the marketing strategies adopted by the business and marketing organizations. Thus, the study's problem is represented in the following question:

Do COVID-19 pandemic affect the market segmentation criteria adopted in business and marketing organizations in Jordan?

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The Study's Objective Questions:

This study aimed to identify the market segmentation criteria adopted after the COVID-19 pandemic in business and marketing organizations in Jordan. To be more specific, it aimed to offer answers to the following questions:

DoCOVID-19 pandemic affect the market segmentation criteria adopted in business and marketing organizations in Jordan?

The Study's Significance:

The present study is significant because it sheds a light on a health crisis that occurred recently. This crisis is the Coronavirus crisis which affected the global economy. It affected the markets worldwide. It also affected the

customers' needs and consumption pattern. The present study is significant because it explores the market segmentation criteria adopted after the COVID-19 pandemic in business and marketing organizations in Jordan.

Definition of Terms:

The study's terms are defined below:

Covid-19 pandemic: It refers to the spread of an infectious respiratory virus worldwide. This virus emerged for the first time in Wuhan which is a city in China during December, 2019 (www.who.int).

Market segmentation: It refers to dividing the market into segments or groups based on the customer characteristics, needs and demand (Kotler & Armstrong, 2010, 391).

The Study's Limits:

The present study was conducted in Jordanian business and marketing organizations. It was conducted during January, 2021.

Review of Literature:

There are few studies about the impact of the Coronavirus pandemic on the market segmentation strategies adopted by companies. The researcher of this study reviewed several studies. Such studies are mentioned below.

Mehta et al (2020) investigated the consumer behavior during COVID-19 crisis, including during the lock down period. They explore the impact of several variables (like: the changing needs, personality, culture, age, and market segmentation on the consumer behavior). It was found that that it's challenging for organizations to set strategies for ensuring sustainable growth and meeting the consumer needs across various market segments

Hoekstra & Leeflang (2020) shed a light on the effects of COVID-19 crisis on consumer behavior and marketing policies and strategies. They found that this crisis provided marketers with many opportunities. They found that marketers developed strategies and marketing to adapt with the changes derived from the COVID-19 crisis

Loxton et al. (2020) investigated the events of COVID-19 pandemic. They reviewed the relevant literature. Such a literature is related to the consumer behavior, panic-based purchasing processes and changes to the spending pattern of the consumers. They shed a light on Maslow's hierarchy of needs, and the effective of global media on the consumer behaviors. Data was collected from American and Australian markets. The latter researchers analyzed the timing and volume of the consumer spending. They analyzed the spending pattern of consumers. They collected data about the goods consumed the most after the COVID-19 pandemic. They found that consumer behaviors after the COVID-19 pandemic are considered behaviors derived from shock.

Debnath (2020) analyzed the impact of COVID 19 pandemic on consumer behaviors in the retail sector. The sample consists from 152 individuals in Kolkata. Data was collected through using a questionnaire. The convenience sampling method was employed for choosing the sampled individuals. Data was processed statistically through performing the multiple regression analysis. It was found that the great rise in the product prices and the delay in delivering online services significantly affect the consumer behaviors during the COVID 19 pandemic in the retail sector in Kolkata.

. The data reflects after evaluation that the male respondents having monthly income ranged from 0 to 30,000 with an age group ranged from 25 to 35 highly influences the consumer purchase behavior. Therefore, higher income of male respondents and huge price rise of products are highly correlated with each other towards consumer purchase behavior.

Koch et al. (2020) examined the online shopping motives of generation Y and Z after the COVID-19 lockdown. They targeted April, 2020. They collected data from 451 German consumers through using a surveys. They found that normative determinants (e.g. media reports about the economic status) affect the purchasing intentions of consumers. They found that hedonic motivation is a better predictor for the purchasing intention than utilitarian motives. They found that women show higher hedonic motivation levels than males. The same applies to the ones who carry out social distancing measures.

West et al. (2020) shed a light on the market segmentation strategies for the automotive products. To collect data, in-depth discussion groups were formed, and semi-structured interviews were held. In addition, an online survey was developed. The researchers found that the employees in the marketing departments should rethink the

methods used for collecting data about consumer, needs, motivation and attitudes. They found that data is difficult to collect and identify.

Vasic et al. (2019) investigated the relationship between customer satisfaction from one hand and several variables from another hand. They developed a model for determining the effect of several online purchase determinants on the consumer satisfaction in Serbia. This model consists from twenty six (26) elements. Those elements are categorized into 7 variables. Those variables are: information availability, security, quality, pricing, time, shipping, and customer satisfaction. Input model parameters were collected through the use of surveys. The validity of the model was checked by the researchers through performing the Confirmatory Factor Analysis and the Partial Least Squares. Through analyzing data, the researchers found that information availability, security, quality, pricing, time, and shipping affect consumer satisfaction.

Based on the relevant literature, Coronavirus crisis has several impacts on market segmentation, marketing operations, and consumer behaviors.

Methodology:

Approach:

A descriptive analytical approach was adopted

Population:

The population is represented in all the managers who work in Jordanian business and marketing organizations.

Sample:

The sample consists from 100 managers. Those managers were selected from several Jordanian business and marketing organizations. Questionnaire forms were sent to those managers via email.

The Study's Instrument:

The study's questionnaire was developed based on the relevant literature. It consists from (20) statements. It aims to collect data about the respondents' attitudes towards the market segmentation criteria (i.e. demographic, psychographic, geographic and behavioral criteria). The rating categories in this instrument are the following ones: never, sometimes, neutral, often and always. The scores represented by those categories are the following ones respectively: 1, 2, 3, 4 and 5.

Validity of the Instrument:

To measure validity, the initial version of the questionnaire was passed to five experts to assess it. All those experts suggest that the questionnaire is clear, reliable and free from language mistakes. They suggest that the questionnaire enables the researcher to answer the question of this study. In other words, they suggest that the questionnaire enables the researcher to identify the market segmentation criteria adopted after the COVID-19 pandemic in business and marketing organizations in Jordan.

Reliability of the Instrument

The reliability of the questionnaire was measured through calculating the Cronbach alpha coefficient value. The value of Cronbach alpha is 0.818. It indicates that the questionnaire offers reliable data.

The Study's Variables

The study's variables are shown below:

- The independent variables: The COVID-19 pandemic
- The dependent variables: The market segmentation criteria (i.e. Demographic, geographic, psychographic, and behavioural segmentation criteria).

Methods & Statistical Analysis:

The SPSS program was used by the researcher to have the collected data analyzed. In addition, frequencies, percentages, means and standard deviations are calculated. In addition, the Cronbach alpha coefficient value was calculated to measure the validity.

The following criteria were adopted to classify means:

1–2.33: low

2.33–3.67: moderate

3.67–5: High

Results and Discussion:

Do COVID-19 pandemic affect the market segmentation criteria adopted in business and marketing organizations in Jordan?

Table 1 presents the means and standard deviations. Those values are calculated to explore the impact of the COVID-19 pandemic on the market segmentation criteria adopted in business and marketing organizations in Jordan.

Table 1. Means and standard deviations to explore the impact of the COVID-19 pandemic on the market segmentation criteria adopted in business and marketing organizations in Jordan.

	Type of market segmentation criteria adopted	M	Std.	Rank	Level
3	Psychographic segmentation criteria	3.81	0.96	1	High
4	Behavioral segmentation criteria	3.80	1.06	2	High
1	Demographic segmentation criteria	3.62	0.98	3	Moderate
2	Geographic segmentation criteria	3.61	1.63	4	Moderate
Basis Of Market Segmentation		3.77	0.76	High	

Based on table(1), it was found that COVID-19 pandemic has a moderate impact on the market segmentation criteria adopted in business and marketing organizations in Jordan. That is because the overall mean is 3.77 which is high. The mean of the psychographic segmentation criteria is 3.81 which is high and ranked first. The mean of the behavioral segmentation criteria is 3.80 which is high and ranked second. The mean of the demographic segmentation criteria is 3.62 which is moderate and ranked third. The mean of the geographic segmentation criteria is 3.61 which is moderate and ranked fourth. Based on the collected data, COVID-19 pandemic has an impact on market segmentation.

The detailed results about each type of market segmentation criteria adopted are shown below:

First: Demographic segmentation criteria

Table (2) presents the means and standard deviations related to the impact of the COVID-19 pandemic on the market segmentation criteria adopted in business and marketing organizations in Jordan.

Table 2. Means and standard deviations related to the impact of the COVID-19 pandemic on the demographic market segmentation criteria adopted in business and marketing organizations in Jordan

No	Statements	M	Std.	Rank	Level
3	COVID-19 pandemic affects the segmentation the market based on age	3.65	1.17	1	Moderate
2	COVID-19 pandemic affects the segmentation the market based on income	3.64	0.91	2	Moderate
1	COVID-19 pandemic affects the segmentation the market based on professions	3.61	0.95	3	Moderate
5	COVID-19 pandemic affects the segmentation the market based on academic qualification	3.60	1.52	4	Moderate
4	COVID-19 pandemic affects the segmentation the market based on gender	3.59	1.18	5	Moderate
Total		3.62	0.98	Moderate	

Based on table (2), it was found that the COVID-19 pandemic has a moderate impact on the demographic market segmentation criteria adopted in business and marketing organizations in Jordan. The overall mean is 3.62 which is moderate.

The mean of statement (3) is 3.65 which is moderate. It's ranked first. The latter statement states the following: (COVID-19 pandemic affects the segmentation of the market based on age). The mean of statement (4) is 3.59 moderate. It's ranked last. The latter statement states the following: (COVID-19 pandemic affects the segmentation of the market based on gender).

Second: Geographic Segmentation:

Table 3 presents means and standard deviations related to the impact of the COVID-19 pandemic on the geographic market segmentation criteria adopted in business and marketing organizations in Jordan.

Table 3: Means and standard deviations related to the impact of the COVID-19 pandemic on the geographic market segmentation criteria adopted in business and marketing organizations in Jordan

No	Statements	M	S.D	Rank	Degree
7	The geographic locations affect the market segmentation during the pandemic	3.66	0.95	1	Moderate
9	The institution I work at didn't face difficulty delivering products and services to all the target geographic locations during the pandemic	3.65	0.99	2	Moderate
8	COVID-19 pandemic affects the segmentation the market based on geographical factors	3.61	1.85	3	Moderate
10	After the COVID-19 pandemic, the company I work at took additional measures to segment the market based on the geographic locations	3.60	0.85	4	Moderate
6	After the COVID-19 pandemic, there isn't any difficulty in dividing the targeted sectors based on the geographical location	3.59	0.96	5	Moderate
Total		3.61	1.63	Moderate	

Based on table 3, it was found that the COVID-19 pandemic has a moderate impact on the geographic market segmentation criteria adopted in business and marketing organizations in Jordan. That is because the overall mean is (3.61) which is deemed moderate. The latter result may be attributed to the fact that Jordan is a small country. However, if the area of the Jordan is big, marketers would have faced major difficulty in market segmentation during this pandemic. The latter result may be attributed to the fact that the Jordanian government granted companies many

facilities to facilitate the delivery of food products to the targeted markets and shops.

The mean of statement (7) is 3.66 which is moderate. It's ranked first. The latter statement states the following: (The geographic locations affect the market segmentation during the pandemic). The mean of statement (6) is 3.59 which is moderate. It's ranked last. The latter statement states the following: (After the COVID-19 pandemic, there isn't any difficulty in dividing the targeted sectors based on the geographical location).

Third: Psychographic Segmentation

Table 4 presents means and standard deviations related to the impact of the COVID-19 pandemic on the psychographic market segmentation criteria adopted in business and marketing organizations in Jordan.

Table 4: Means and standard deviations related to the impact of the COVID-19 pandemic on the psychographic market segmentation criteria adopted in business and marketing organizations in Jordan

No	Statements	M	S.D	Rank	Degree
14	The psychological factors significantly affect the market segmentation during the Corona pandemic	3.86	0.99	1	High
11	Additional effort was exerted to segment the market based on psychological criteria after the COVID-19 pandemic	3.81	1.15	2	High
13	The COVID-19 pandemic significantly affects the psychological status of consumers.	3.80	0.85	3	High
12	There is a difficulty in determining the priorities of individuals during the Corona pandemic based on psychological criteria	3.80	1.33	4	High
15	There are many challenges faced in making advertisements for products during the COVID pandemic	3.79	0.77	5	High
Total		3.81	0.96	High	

Based on table 4, it was found that the COVID-19 pandemic has a moderate impact on the psychographic market segmentation criteria adopted in business and marketing organizations in Jordan. That is because the overall mean is (3.81) which is deemed high. The latter result may be attributed to the fact that people during this pandemic have concerns about the adequacy of food supplies in the country.

The mean of statement (14) is 3.86 which is high. It's ranked first. The latter statement states the following: (The psychological factors significantly affect the market segmentation during the Corona pandemic). The mean of statement (15) is 3.79 which is last. It's ranked first. The latter statement states the following: (There are many challenges faced in making advertisements for products during the COVID 19 pandemic).

Fourth: Behavioral Segmentation

Table 5 presents means and standard deviations related to the impact of the COVID-19 pandemic on the behavioral market segmentation criteria adopted in business and marketing organizations in Jordan.

Table 5: Means and standard deviations related to the impact of the COVID-19 pandemic on the behavioral market segmentation criteria adopted in business and marketing organizations in Jordan

No	Statements	M	S.D	Rank	Degree
18	The customers' purchasing behaviors have changed dramatically due to the COVID-19 pandemic	3.86	1.08	1	High
20	The change to customers' purchasing behaviors during the COVID 19 pandemic has affected the market segmentation	3.84	0.79	2	High
19	Due to the COVID 19 pandemic, the company I work at was forced to develop new marketing strategies	3.79	1.55	3	High
17	There is a difficulty in controlling the changes that occur to the consumers' purchasing behaviors due the COVID 19 pandemic	3.78	0.95	4	High
16	Due to the COVID 19 pandemic, the company I work at re-segmented the market based on the changes that occurred to the consumers' purchasing behaviors	3.76	0.96	5	High
Total		3.80	1.06	High	

Based on Table 5, it was found that the COVID-19 pandemic has a major impact on the behavioral market segmentation criteria adopted in business and marketing organizations in Jordan. That is because the overall mean is 3.80 which is high.

The mean of statement (18) is 3.86 which is high. It's ranked first. The latter statement states the following: (The customers' purchasing behaviors have changed dramatically due to the COVID-19 pandemic).

The mean of statement (16) is 3.76 which is high. It's ranked last. The latter statement states the following: (Due to the COVID 19 pandemic, the company I work at re-segmented the market based on the changes that occurred to the consumers' purchasing behaviours).

These results may be explained by the fact that the Corona pandemic has greatly affected the purchasing behavior of individuals. As the Corona crisis affected the change of purchasing preferences of individuals, and there was more rationalization and budgeting in the procurement processes, and a focus on foodstuffs, public health and others. Therefore, marketing companies and commercial agencies believe that the behavioral factor has been greatly affected by the Corona pandemic and consequently affected the division of the market.

Conclusion:

- It was found that COVID-19 pandemic has a moderate impact on the market segmentation criteria adopted in business and marketing organizations in Jordan.
- It was found that the COVID-19 pandemic has a moderate impact on the demographic market segmentation criteria adopted in business and marketing organizations in Jordan
- It was found that the COVID-19 pandemic has a moderate impact on the geographic market segmentation criteria adopted in business and marketing organizations in Jordan.
- It was found that the COVID-19 pandemic has a moderate impact on the psychographic market segmentation criteria adopted in business and marketing organizations in Jordan.
- It was found that the COVID-19 pandemic has a major impact on the behavioral market segmentation criteria adopted in business and marketing organizations in Jordan

Recommendations:

The researcher recommends the following:

Benefitting from the experiences and measures of international companies in terms of the market segmentation during this pandemic.

Local companies should benefit from the experience of global companies in the field of market segmentation during the Corona pandemic to increase efficiency in marketing operations.

Local companies can ally with each other to provide the changing local consumer requirements especially with the Corona virus pandemic.

Conducting more studies about the impacts of the COVID19 pandemic on the market segmentation in various sectors..

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