Segmentation of Entertainment Consumers: An Ecuadorian Experience

Segmentación de Grupos de Clientes del Entretenimiento: Una Experiencia Ecuatoriana

José Morales Vergara / Pablo Pérez Gosende / Danny Arévalo Avecillas
Carmen Padilla Lozano / Guillermo Albán González

Abstract
This paper is the result of applying post-hoc segmentation procedures to entertainment customers in Latacunga, in Ecuador. Qualitative exploratory tools such as group focusing and the Delphi method were used for identifying and validating the features that customers value when selecting their entertainment. Multivariate statistical techniques like hierarchical cluster analysis and discriminant analysis were used to prepare this paper. Respondents were classified based on the preferences they showed when selecting their entertainment. This research aims to classify Latacunga entertainment according to the benefits they sought. It was found that there were three well defined customer groups: Some customers were very demanding; some were conformists and others looked for artistic offers. Quite a few wanted improvement in customer service.

Keywords: Post-hoc segmentation, Delphi method, hierarchical cluster analysis, discriminant analysis.

Resumen
Este trabajo es el resultado de aplicar, a los clientes del entretenimiento en Latacunga, Ecuador, un proceso de segmentación post hoc. A fin de identificar y validar las características que los clientes valoran cuando eligen su entretenimiento, se usaron herramientas cualitativas de exploración, tales como el enfoque grupal y el método Delphi. En la preparación del presente trabajo, se usaron, también, técnicas estadísticas de multivarianza. A los que respondieron se los clasificó sobre la base de las preferencias que mostraron al seleccionar el entretenimiento que prefieren. El objeto de este paper es clasificar, según lo que busca el cliente, el entretenimiento que se ofrece en Latacunga. Se encontró que hay tres grupos bien definidos de clientes: algunos son muy exigentes, otros, en cambio, son conformistas y lo que otros buscan es la oferta artística. Lo que muchos quieren es que se mejore el servicio al cliente.

Palabras clave: Segmentación post-hoc, método Delphi, análisis del grupo jerárquico, análisis discriminante.

Fecha de envío: 20 de noviembre del 2016
Fecha de aprobación: 21 de diciembre del 2016
Introduction

In Ecuador, entertainment activities have increased because an increasingly globalized world demands more leisure-time opportunities. According to Ecuador’s Instituto Nacional de Estadísticas y Censos (INEC) this represents only 0.1% of total company income, but entertainment services are, nevertheless, important for tourist development. INEC’s 2016 classification includes entertainment in Subcategory IS630.01 class IS630: Beverage Service Activities and in Class R9329: Other amusement and recreation activities.

Currently in Latacunga, these services are concentrated in five discos which are very similar to discos in other countries but their shows and the food they offer is alien to the natives who prefer the traditions of Ecuadorian culture. This has led to a very unstable demand; potential local customers are not interested; the discos bore them and they stay away in droves.

This worries discotheque managers; they do not really understand the local market and seem unable to come up with entertainment offers that might attract local groups and make discos profitable. We attempted to segment the Latacunga market and identify improvement opportunities. According to McIntyre and Gangly (2012) entertainment is essential factor for tourism development. Cultural tourism goes beyond elitist and formal events. Tourists demand innovative attractions and popular and informal events such as sporting events, demonstrations of skills, artistic and musical shows but entertainment is essential (Pearce, 2008). It is extremely important for entertainment companies to provide an adequate and satisfactory experience, which requires a detailed knowledge of their expectations and wishes.

Literature Review

It is extremely important for entertainment companies to provide a satisfactory experience to consumers; this requires a detailed knowledge of customer expectations and wishes (Williams, 2006). Market segmentation is a valuable management strategy. Kotler, Bowen, and Makens (2009) define it as a process of dividing the market into distinctive buyer groups and different mixes in order to satisfy the expectations of all groups.

Academic consumer segmentation researchers use different methods and variables for market segmentation (Diaz-Martín, Iglesias, Vázquez, & Ruiz, 2000; Loker & Perdue, 1992; Yüksel & Yüksel, 2002). Academic scientists research segment identification and efficient assignment of limited resources (Sung, Chang, & Sung, 2015). Consumer variety is a fundamental concept which justifies segmentation strategies, positioning and micro-marketing (Kamakura, Kim, & Lee, 1996). It allows identification of homogenous groups who respond to the same strategy. Even though segmentation has been used in different markets and situations, determination of appropriate variables and methods is a debatable issue (Rondán, Villarejos, & Franco, 2007). The proper election of variables to subdivide the market is a critical issue (Guadarrama-Álvarez, 2016). Criteria as activities (Hsieh, O’Leary, & Morrison, 1992) found benefits (Jang, Morrison, & O’Leary, 2002; Navarro & Pérez Benegas, 2013), communication channels (Hsieh & O’Leary, 1994), demographic profiles (Taylor, 1987) satisfaction and value, Among others, they are the most common segmentation refers (Kau & Lim, 2005).

Wind (1978) classified segmentation strategies as a priori and a posteriori as a function of applied methodology.
For *a priori* segmentation, the criteria of market division are established prior to data collection, while in a posteriori segmentation such criteria are the result of analyzing the collected data. According to Rodriguez & Molina (2007) the key difference is that in *a priori* segmentation the individuals’ classification must have been expected in the design phase, through the use of one or more variables. This resulted in a comprehensive classification of the population, and also pointed out that in *a posteriori* segmentation the classification emerged from the data obtained through the analysis of similarities between observed individuals for the different analyzed variables; hence it proposed association to a one of the groups by probabilistic terms.

This research purports to group consumers on the bases of expected benefits; it is not necessary to go in depth into the personal factors that motivate benefit search; it is first necessary to identify the benefits that they look for and second, to group them so that their behavior can be represented in general terms. In order to do this, two methodologies are proposed which have been widely used in research: Cluster analysis and factorial analysis. The first allows classifying the individuals on the basis of answer proximity of which also provides an idea of their preferences while the second one allows the identification of the underlying variables that justify the observable answer.

Clearly, the expected customer benefits are tied to two motivation theories: the theory of hierarchical necessity (Maslow, 1943) and the theory of internal and external motivators (push and pull) plus the lazy stairway model (Pearce, 1996). The push-and-pull theory will also be considered. It corresponds to internal and external motivators. Individuals are motivated by internal forces, by personal necessities and by desires which provide motivation to look for entertainment; there are also external factors which cause individuals to become interested in a particular event; this is what is known as the pull factor (Cha, McCleary, & Uysal, 1995; Epperson, 1983). Examples of internal motivators are: the need for prestige, defiance, adventure and relaxation while the external motivators can be: the venue’s fame, special event promotion, scenery, recreation facilities, holidays, etc. In other words internal motivators are related to internal forces produced by the individual's personality which determines behavior patterns and thereby determine preferences. On the other hand, external motivators produce consumer interest due to the emotions generated by expectation.

**Materials and Methods**

Traditionally there are two ways of segmenting markets: *a priori* and *a posteriori* (Pesonen, 2014). Since neither consumer characteristics nor the benefits they look for in a discotheque are previously known, the *a posteriori* model was chosen (Wedel & Kamakura, 1998) also known as post-hoc, as suggested by Ferreira, Rial & Varela (2009). The resulting segments shall be composed by consumers with greater preference consistency and greater group heterogeneity than could be obtained by *a priori* segmentation models.

The study was conducted in two phases. The purpose of the first phase (December 2014 - January 2015) was to develop an instrument to measure both the level of importance and the perception of the benefits sought by entertainment consumers. The initial list of the benefits that customers seek was obtained by exploratory research with a focus group. Subsequently a group of experts reduced the list by developing a Delphi test. Two statistical tests methods were used in order to
ensure the reliability of the technique used to obtain the results: the Kendall concordance test and the Friedman test (Dieguez, 2009; Pérez-Gosende, 2009). The development of the survey included variables that could significantly differentiate the sample.

A one-to-five scale was used to measure both the importance and the perception levels. This scale is frequently used in market research because it can cover all the existing criteria. Finally, the instrument reliability was ascertained with the Cronbach Alpha coefficient.

The second phase of the research took place between February and March 2015. This phase included the implementation of the questionnaire, market segmentation and finally the purported to identify opportunities of customer service improvement based on the gap between the actual and the desired state of benefits for each segment.

Prior research showed the relevance of cluster analysis (Frochot, 2005; Molera & Albaladejo, 2007; Park & Yoon, 2009; Moreno, 2009; Oh & Schuett, 2010; Ferreira, Rial & Varela, 2010; Bianchi, 2012; Pesonen, 2012; Martins, Correia & Pimpão, 2014; Triantafillidou & Siomkos, 2014). In fact, according to Everitt (1993) (as cited in Pesonen, 2014), most of post-hoc segmentation studies have used techniques that belong to the cluster-analysis family. As stated by Álvarez-Guale (2012), in applying this tool, the researcher must decide how to measure the similarity, how to form clusters and how many groups to choose. In order to partition the discotheque entertainment market on the basis of the importance level, valuation is assigned to costumer benefits. A Hierarchical Cluster Analysis was performed by using the Ward Minimum Variance method, which was shown to be useful and relevant in previous research (Pérez-Gosende, 2009; Moreno, 2009; Ferreira, Rial & Varela, 2010; Royo & Martínez-Garcia, 2010; Ferreira, Real & Rial, 2011; Martins, Correia & Pimpão, 2014). The proximity measure used was the squared Euclidean distance as recommended by Moreno (2009) and Royo & Martínez-Garcia (2010). Selection of optimal number of clusters can be obtained from the following criteria analysis: group size, distance between centroids and interpretability and validation by a multivariate discriminant analysis technique.

After the segment profile was identified, a comparison between the levels of importance given to each variable (desired status) and its perceived value (current status) was established for each segment. As part of this analysis, a benefit was considered to have been satisfied if its perception level surpassed the importance level granted. Finally, the use of an importance-perception matrix, allowed the definition of improvement opportunities. SPSS software was used for all statistical analyses.

Results

A. Construction of the main collection instrument.

Since there is no previous scientific research to list the benefits expected by Latacunga discotheque costumers, exploratory research was conducted with a control group which included 10 customers of different age, sex and occupation. As a result, a list of 27 items was obtained. Expert techniques were used in order to determine the final list of the benefits that customers seek and a competency questionnaire was submitted to experts; a competency coefficient greater than 0,7 was obtained by the eight previously selected experts. Then, after the experts agreed, the second round determined 21 variables which the experts regarded as the main benefits sought by discotheque customers.
The reliability of the results obtained by using the Delphi method was measured by two statistical tests: the Kendall Concordance Test and the Friedman Test (Dieguez, 2009; Gosende-Pérez, 2009). For the Friedman test the significance resulted lower than 0.05. This result ensures with 95% confidence that the 21 items do not all have the same importance, which demonstrates the validity of Delphi test. The Kendall coefficient has a value of 0.7185; as a result it can be stated that random agreement among experts ensures the reliability of the Delphi test results.

Survey development included variables that significantly differentiate the sample. Through interviews with operating discotheque executives it was ascertained that variable segmentation was considered relevant in defining market segment profile. These variables are: gender, age, occupation, monthly visiting frequency, preferred discotheque days, average expenditure per person and preference for being alone or accompanied.

In order to determine the reliability and validity of the instrument, the administration began with a pilot sample. As a result, Cronbach Alpha values of 0.80 and 0.88 were obtained for the measuring scales of importance and perception levels, which proved its stability and consistency (Cronbach, 1951; Nunnally, 1978).

<table>
<thead>
<tr>
<th>Table 1. Fieldwork sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population</strong></td>
</tr>
<tr>
<td><strong>Scope</strong></td>
</tr>
<tr>
<td><strong>Time</strong></td>
</tr>
<tr>
<td><strong>Type of survey</strong></td>
</tr>
<tr>
<td><strong>First stage: Sample units selection</strong></td>
</tr>
<tr>
<td><strong>Sampling method</strong></td>
</tr>
<tr>
<td><strong>Sampling frame</strong></td>
</tr>
<tr>
<td><strong>Second stage: Selection of sample elements</strong></td>
</tr>
<tr>
<td><strong>Sampling method</strong></td>
</tr>
</tbody>
</table>

**B. Administration of the instrument.**

A two stage no probabilistic sampling was used in administering the instrument. This type of sampling is justified by the fact that there are no previous market studies of the Latacunga discotheque market segments. It is also justified by the difficulty of conducting fieldwork in discotheques where lighting was poor and music played at high volume.

Table 1 shows the sampling system traits. As shown in Table 2, quotas were assigned in proportion to the number of clients Thursday through Saturday within thirty days prior to fieldwork. The sample size estimates a 5% error and a 95% confidence level with 365 elements. By the time the fieldwork was completed, 372 out of 385 questionnaires were valid.
Table 2.
Assignment of ad-hoc quotas by day of service

<table>
<thead>
<tr>
<th>Day of service</th>
<th>Served consumers</th>
<th>Percentage</th>
<th>Ad-hoc quotas</th>
<th>Total surveys applied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thursday</td>
<td>1840</td>
<td>26.5</td>
<td>97</td>
<td>101</td>
</tr>
<tr>
<td>Friday</td>
<td>2256</td>
<td>32.5</td>
<td>119</td>
<td>124</td>
</tr>
<tr>
<td>Saturday</td>
<td>2845</td>
<td>41.0</td>
<td>150</td>
<td>160</td>
</tr>
<tr>
<td>Total</td>
<td>6941</td>
<td>100</td>
<td>365</td>
<td>385</td>
</tr>
</tbody>
</table>

C. Post-hoc segmentation.

In performing hierarchical cluster analysis using SPSS software, 2 to 5 cluster groups were determined. Table 3 lists group size and solution validation tested by means of discriminant analysis.

This technique led to the realization that the best pooling was obtained for 4 clusters, as the value predicted by discriminant function matches the actual value of group membership, which means that all cases were correctly classified. Objects within clusters are very close to cluster centroid, and groups are sufficiently far apart for an adequate level of internal homogeneity within clusters and external heterogeneity between clusters.

Table 3 confirms that the first segment is composed of 174 elements, the second by 47, and the third by 149. The fourth segment only has by only 2 elements and will therefore not will not be taken into account.

Segments were subsequently identified by labels which reflected the degree of importance given to the variables considered significant for the partition (Moreno, 2009; Pérez-Gosende, 2009).

Segment profile was defined by using demographic, psychographic and behavioral classification variables excluded from the cluster analysis.

Table 3.
Groups size and validation

<table>
<thead>
<tr>
<th>Clusters</th>
<th>Groups size</th>
<th>Average percentage of cases correctly classified</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 groups</td>
<td>219</td>
<td>97.2%</td>
</tr>
<tr>
<td>3 groups</td>
<td>219</td>
<td>99.5%</td>
</tr>
<tr>
<td>4 groups</td>
<td>174</td>
<td>100%</td>
</tr>
<tr>
<td>5 groups</td>
<td>169</td>
<td>99.1%</td>
</tr>
</tbody>
</table>

Segment 1: "The demanding consumers". It represents 47% of the universe and is composed by 57% men, mostly young from 18 to 35 (64%) although there is a smaller proportion between 36 and 45 (35%). Among them 58% are students and 19% are professionals. 78% like to go out alone or with friends and a smaller proportion go with their couple (22%). This segment is characterized by more than four
monthly attendances, preferably on Fridays and Saturdays. Consumption levels range from less than 20 USD (65%) to 29 USD (22%). They valued the following factors in order of importance: quick service, hygiene, food variety, suitable climate, attentive and qualified staff, communication and advertising, parking availability.

Segment 2: “The conformists”. It represents 13% of the universe; it is composed mostly of men (65%), who come only on Saturdays, once and twice a month. In this segment 32% are students, 30% are workers and 22% are professionals. The 36-45 age group is slightly predominant; they come accompanied by their couples or friends. Expenditure levels are between 30 and less than 50 USD (53%). They are easily satisfied and demand a limited number of items that they consider important; karaoke, physical appearance of facility and staff and ambience/atmosphere.

Segment 3: “Those who expect a varied artistic offer”. It represents 40% of the universe; 53% are men, mostly professionals and workers. Predominant age range is 36-45 (57%). They come on Thursday, Friday and sometimes on Saturday from one to three times a month. About 43% spend between 30 and 50 USD; 22% spend more than 50 USD. They valued the following in order of importance: traditional music, an artistic show, humorists and a live band. They value the quality and variety of the food.

D. Analysis of the relative importance the benefits sought by consumers.

Table 4 compares the level of importance given to every variable as a factor in each segment’s level of customer satisfaction. A benefit could be considered satisfied if it is perceived to be above its estimated level of importance; otherwise it should be considered unsatisfied.

Table 4.
Comparison between current and desired status of benefits for each market segment

<table>
<thead>
<tr>
<th>Benefits sought</th>
<th>The demanding consumers</th>
<th>The conformists</th>
<th>Varied artistic offer lovers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Desired status</td>
<td>Current status</td>
<td>Gap</td>
</tr>
<tr>
<td>1 Physical appearance of facility</td>
<td>4.63</td>
<td>3.52</td>
<td>-1.11</td>
</tr>
<tr>
<td>2 Accessibility</td>
<td>4.28</td>
<td>4.45</td>
<td>0.17</td>
</tr>
<tr>
<td>3 Parking availability</td>
<td>4.92</td>
<td>3.21</td>
<td>-1.71</td>
</tr>
<tr>
<td>4 Quality of the artistic offering</td>
<td>4.03</td>
<td>3.88</td>
<td>-0.15</td>
</tr>
<tr>
<td>5 Varied gastronomic offer</td>
<td>3.87</td>
<td>4.98</td>
<td>1.11</td>
</tr>
<tr>
<td>6 Quality of gastronomic offer</td>
<td>4.12</td>
<td>4.81</td>
<td>0.69</td>
</tr>
<tr>
<td>7 Celebrity of service</td>
<td>4.73</td>
<td>2.98</td>
<td>-1.75</td>
</tr>
<tr>
<td>8 Ambience/ atmosphere</td>
<td>4.35</td>
<td>4.61</td>
<td>0.26</td>
</tr>
<tr>
<td>9 Air conditioning</td>
<td>3.65</td>
<td>4.26</td>
<td>0.61</td>
</tr>
<tr>
<td>10 Hygiene</td>
<td>4.97</td>
<td>3.02</td>
<td>-1.95</td>
</tr>
<tr>
<td>11 Quality-price relation</td>
<td>4.79</td>
<td>4.41</td>
<td>-0.38</td>
</tr>
<tr>
<td>12 Communication and advertising</td>
<td>4.80</td>
<td>2.34</td>
<td>-2.46</td>
</tr>
<tr>
<td>13 Staff appearance</td>
<td>3.01</td>
<td>3.25</td>
<td>0.24</td>
</tr>
<tr>
<td>14 Attentive and qualified staff</td>
<td>4.85</td>
<td>4.21</td>
<td>-0.64</td>
</tr>
<tr>
<td>15 Singularity of service</td>
<td>3.04</td>
<td>2.65</td>
<td>-0.39</td>
</tr>
<tr>
<td>16 Live band performances</td>
<td>4.22</td>
<td>2.67</td>
<td>-1.55</td>
</tr>
<tr>
<td>17 Intern. music varied and updated</td>
<td>4.94</td>
<td>4.98</td>
<td>0.04</td>
</tr>
<tr>
<td>18 Traditional music</td>
<td>2.04</td>
<td>4.01</td>
<td>1.97</td>
</tr>
<tr>
<td>19 Artistic show</td>
<td>3.02</td>
<td>2.11</td>
<td>-0.91</td>
</tr>
<tr>
<td>20 Karaoke</td>
<td>3.12</td>
<td>3.96</td>
<td>0.84</td>
</tr>
<tr>
<td>21 Humourism</td>
<td>2.93</td>
<td>2.65</td>
<td>-0.28</td>
</tr>
</tbody>
</table>
The importance-perception matrix provides a more specific analysis of the relationship between the importance and the perception levels of benefits sought by customers (Dieguez, 2009). This tool helps to identify the relative importance of customer benefits and point the ones that deserve improvement and attention and resources from the management. Figure 1 shows an example of the matrix for this segment.

![Importance-perception matrix](image)

**Benefits:**
1. Physical appearance of facility
2. Accessibility
3. Parking availability
4. Quality of the artistic offering
5. Varied gastronomic offer
6. Quality of gastronomic offer
7. Celerity of service
8. Ambiance/atmosphere
9. Air conditioning
10. Hygiene
11. Quality-price relation
12. Communication and advertising
13. Staff appearance
14. Attentive and qualified staff
15. Singularity of service
16. Live band performances
17. Intern. music varied and updated
18. Traditional music
19. Artistic show
20. Karaoke
21. Humorism

**Figure 1. Importance - perception matrix for the Varied artistic offer lovers segment**

Improvement actions to increase the perceived benefits should concentrate on the benefits that are considered of great importance in the high perception quadrant (Strengths of service) and high importance - low perception quadrant (critical points). The gap between current and desired status for each benefit should be considered. Table 5 lets readers visualize the strengths and the critical points of the service them.

Specifically for those who expect a "varied artistic offer" the importance-perception matrix shown in Figure 1, reveals that the benefits located in quadrant I (high importance - high perception) are: food quality and variety-quality-price relationship, attentive and qualified staff and hygienic facilities. It can, therefore, be stated these benefits are service strengths although the negative gap indicates the need to keep track of them since they might need improvement. In quadrant II (high importance - low perception) are the benefits: artistic show, communications and advertising, live bands, quick service, show quality, and parking availability. These benefits should receive special attention, as they are the first priority to improve on service.

Traditional music and humorism are shown in quadrant III (low importance - low perception) In this quadrant are located the benefits assessed with a low degree of perceived presence and have low customer priority. These benefits are of average importance and should also be considered for improvement.
Benefits in quadrant IV (low importance - high perception) are: ambient/atmosphere, physical appearance of the facility, accessibility, variety of food offer, international music variety, staff appearance, karaoke and air conditioning. Since clients give low importance to service, it appears to be irrelevant. A similar analysis for all other segments can be derived from.

Table 5.
Strengths and critical points of discotheque services in Latacunga according to market segments served

<table>
<thead>
<tr>
<th>Segments</th>
<th>Strengths</th>
<th>Critical points</th>
</tr>
</thead>
<tbody>
<tr>
<td>The demanding customers</td>
<td>• Quality of the artistic offering</td>
<td>• Communication and advertising</td>
</tr>
<tr>
<td></td>
<td>• Accessibility</td>
<td>• Hygiene</td>
</tr>
<tr>
<td></td>
<td>• Ambience/atmosphere</td>
<td>• Celerity of service</td>
</tr>
<tr>
<td></td>
<td>• Quality of gastronomic offer</td>
<td>• Parking availability</td>
</tr>
<tr>
<td></td>
<td>• International music varied and updated</td>
<td>• Live band performances</td>
</tr>
<tr>
<td></td>
<td>• Quality-price relation</td>
<td>• Physical appearance of facility</td>
</tr>
<tr>
<td></td>
<td>• Attentive and qualified staff</td>
<td></td>
</tr>
<tr>
<td>The conformists</td>
<td>• Quality-price relation</td>
<td>• Parking availability</td>
</tr>
<tr>
<td></td>
<td>• Hygiene</td>
<td>• Ambience/atmosphere</td>
</tr>
<tr>
<td></td>
<td>• Attentive and qualified staff</td>
<td>• Live band performances</td>
</tr>
<tr>
<td></td>
<td>• Staff appearance</td>
<td>• Celerity of service</td>
</tr>
<tr>
<td></td>
<td>• International music varied and updated</td>
<td>• Physical appearance of facility</td>
</tr>
<tr>
<td></td>
<td>• Quality of gastronomic offer</td>
<td>• Quality of the artistic offer</td>
</tr>
<tr>
<td>Varied artistic</td>
<td>• Quality of gastronomic offer</td>
<td>• Communication and advertising</td>
</tr>
<tr>
<td>offer lovers</td>
<td>• Quality-price relation</td>
<td>• Artistic show</td>
</tr>
<tr>
<td></td>
<td>• Attentive and qualified staff</td>
<td>• Communication and advertising</td>
</tr>
<tr>
<td></td>
<td>• Hygiene</td>
<td>• Live band performances</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Singularity of service</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Quality of the artistic offer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Parking availability</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Celerity of service</td>
</tr>
</tbody>
</table>

Discussion

This research purported to allow the segmenting of discotheque costumers in Latacunga and led to the finding of three market segments, based on the importance given to the benefits sought by each customer segment. The three segments were identified as "The demanding customers," "The conformists" and "Those who demanded a varied artistic offer".

Since there is no previous scientific research in discotheque customer satisfaction, the Delphi method proved relevant for defining the 21 satisfaction items (Table 4) that proved to be effective despite the criticism of some authors such as Dolnicar & Grün (2008). They did not consider that the Delphi method was best for identifying costumer groups with homogeneous preferences and attitudes. Thus, discriminant analysis also demonstrated relevance in validating the identified segments.

This research creates a precedent in the study of night-recreation services in Ecuador since there are no comparable studies in scientific literature. An important finding is, undoubtedly, the fact that in the city of Latacunga, these services are not designed according to the real needs of market segments. Table 4 shows, for instance, that the most solvent market segment (The who demand a varied artistic offer) is at the same time the most dissatisfied one, because current services meet only six of the benefits they seek (air conditioning,
karaoke, varied food offer, accessibility, staff appearance and varied and updated international music). The remaining fifteen benefits, including artistic shows, live bands, traditional music and humorists do not meet consumer expectations,

As for the other segments, "the conformists", in spite of being conformists, are dissatisfied with thirteen items and "The demanding consumers" are dissatisfied with twelve items (see Table 4).

In general, it can be hoped that the dissatisfaction of the segments identified in this study will enable current discotheque management and potential discotheque entrepreneurs, to develop effective marketing plans that allow targeted market selection, design or redesign of services, prioritizing improvement of items considered critical and the adoption of appropriate communication techniques.

For future research, it is strongly suggested that segmentation quality be validated by analyzing segment homogeneity, size, potential profitability, stability, accessibility and compatibility as suggested by Dibb & Simkin (2010). Segment stability is often tested and results are considered valid and reliable if segments are repeatedly identified (Pesonen, 2014). As a consequence, it is advisable to replicate research in the future to confirm the stability of the identified segments, and at the same time, to validate the segmentation procedure. For this purpose, future research should consider the limitations of this study. First, financial restrictions prevented access to all the discotheques operating in the city. Therefore this study should only be considered exploratory. It should be further understood that the application of questionnaires in discotheques is extremely complex due to adverse conditions in which the pollster operates: scarce and intermittent lighting, loud music, uncooperative clients who may be under the influence of alcohol or psychotropic substances. Thus, it is suggested that targeted personal and not self-administered surveys should be used; they should be administered when the customer has had time to perceive the characteristics of the service but is still able to give rational responses.

As a final thought, it does not sound unreasonable for managers to try to please the entire market. At least most of cultural benefits sought by customers could be satisfied by changing offers every day to meet the interests of each segment. For example, traditional music groups may be the main attraction on specific days; international music and karaoke contests should be programmed for days of high demand. Programs should be varied to please the three main customer segments.

Conclusions

The implementation post-hoc segmentation determined that the market under study is composed of three main segments, which were identified in this research as "The demanding customers", "The conformists" and "Those who the man a varied artistic offer".

In the city of Latacunga the discotheque services are not designed according to the real needs of the market segments that consume them, in consequence it needs to be redesigned based on the specific needs of the consumers to whom the service will be oriented to. In particular, the most solvent market segment (Those who the man a varied artistic offer), is also the most dissatisfied. These are followed by "The conformist" and lastly "The demanding consumers".

Opportunities for service improvement were identified from the perspective of segments after the implementation of an Importance-perceptions matrix and also by mean of the gap between the desired and current status of such benefits.
References


José Morales Vergara
E-mail: roberto.moralesvg@ug.edu.ec

Pablo Pérez Gosec
E-mail: pperezg@ups.edu.ec

Danny Arevalo Aveillas
E-mail: danny.arevalo@cu.ucsg.edu.ec

Carmen Padilla Lózano
E-mail: carmen.padilla@cu.ucsg.edu.ec

Guillermo Albán González
PhD en Lingüística, Universidad de Jaén. Magíster en Enseñanza del Inglés como Idioma Extranjero. Universidad de Jaén. Bachelor of Arts, Yale University. Director del Writing Center. UES. Docente de la Universidad Espíritu Santo.
E-mail: galban@ues.edu.ec

133
PODIUM No. 30, Guayaquil, diciembre 2016, pp. 121-133
Universidad Espíritu Santo - UES
ISSN: 1390 - 5473