

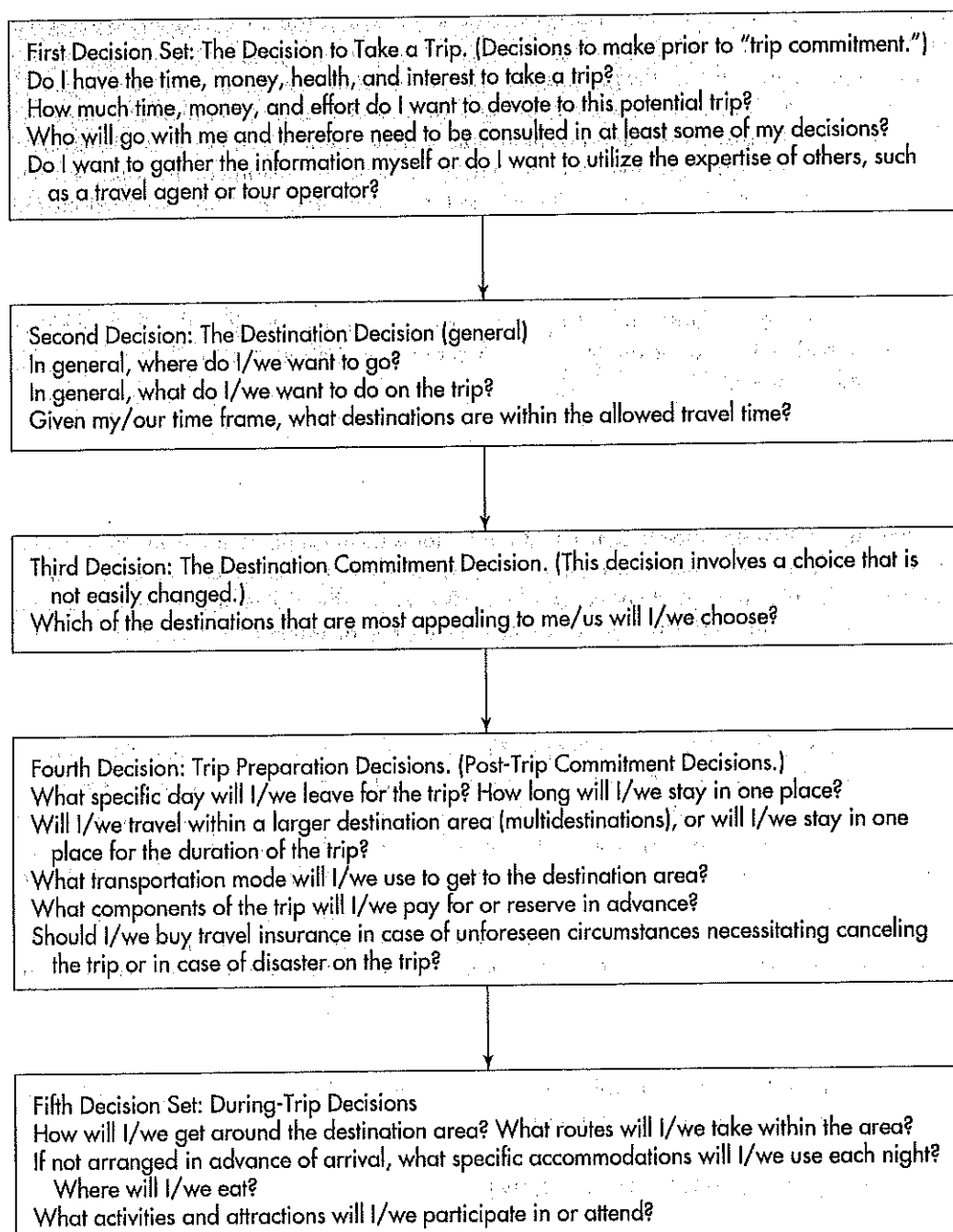


FIGURE 2.1 The travel decision-making process.

that information gathering are of substantial importance to tourism suppliers. They want to provide the information that tourists desire at the time they most desire it. Consumer research has proven that we will most notice and remember advertising messages and other forms of information when we are actively seeking information to make a certain decision. This information receptive mode is called selective attention.¹

Information Seeking

When we are in the midst of making a decision regarding a trip, we have a variety of information sources available. First, we have our own memory, including our existing base of knowledge and experiences. This form of memory reliance is called internal information search. Imagine Kurt and Sharon who are thinking about going on a weeklong family vacation. They recall the terrific time their kids had at that great Recreational Vehicle (RV) resort at Lake George in upstate New York and simply decide to make that trip again.

attractions to attend and other activities are likely to be planned ahead, although travelers will allow some flexibility in these areas.⁵

Trips of longer duration allow travelers the opportunity to have multiple destinations. Multi-destination trips tend to be less rigidly planned and allow for more spontaneity. Travelers who take long multi-destination trips tend to utilize guidebooks and on-site information sources for help in making decisions as they travel. Locals and other travelers met along the way are important personal sources of information regarding what to do, where to stay, and where to dine. Typically, the sequence of decision making for multi-destination, long-duration trips tends to be sub-destination decisions, followed by travel route (how to get from A to B), concluding with decisions concerning attractions and activities to attend/participate in.

Personality type and demographics also impact how much information search and trip planning a traveler will perform. Think of two very different friends of yours. One is a planner, a clock-watcher, and a deliberate thinker. The other is spontaneous, ready to drop everything and go where the wind blows him. Your first friend likely would enjoy pre-trip planning and view this information-gathering step as part of the challenge and fun of travel. Your other friend would view such planning as confining and ruining the surprise of a vacation. Generally speaking, older travelers tend to plan more, along with those who perceive substantial risk, such as those traveling in a country whose people do not speak the traveler's language.

Finally, think of the type of information travelers may want. In choosing a destination, travelers may seek general information to get a "feel" for the look, culture, and possible activities of the location. They may also seek more specific information once they have narrowed their focus to a few destinations, their choice set, so they can compare the possibilities in more detail. For example, Jo may want to take a fun-in-the-sun break from winter and decides from all the possibilities that she will go to one of the islands of the Caribbean. She needs detailed information about the islands she finds most intriguing. Once she chooses an island destination, St. Lucia, she will need information about resorts on the island to make an advance reservation. Finally, while at the destination, she will need to collect information to make individual decisions to satisfy her day-to-day needs for food, entertainment, local transportation, and the like.

Tourism suppliers therefore vary in the type of information they need to provide prospective customers. At the macro level, destination marketing organizations, such as Tourism British Columbia (using the slogan "Super Natural British Columbia"), need to entice visitors to their region by providing general information in an appealing format. At the micro level, individual hotels need to have websites that can be accessed directly or that are linked to the destination marketing site or will be listed when a traveler conducts a Web search. Small-scale area attractions, such as that of Jim and Andy from the chapter opener, need to have attractive brochures available in local area shops, restaurants, and the local visitor information center. From this discussion of decision making and information gathering, we hope you now have a better understanding of the challenges facing tourism suppliers in getting the right information to the right people at the right moment in time.

FOUNDATIONS FOR UNDERSTANDING TOURIST MOTIVATIONS

In Chapter 1, you learned that humans have traveled away from their homes throughout history. What has motivated people to leave familiar surroundings and travel to distant places? In this section, we will consider what psychological reasons compel individuals to travel. Psychologists have long studied motivations for a variety of human behaviors including the drive to travel. We will discuss four of the most well accepted models of tourist motivations: push and pull motivations, Maslow's hierarchy of needs, Pearce's travel career patterns (TCP), and Plog's psychocentric-allocentric continuum.

Push and Pull Motivations

For decades, tourism researchers have grouped tourist motivations as push or pull factors. The notion is that travelers are both "pushed" to travel by personality traits or individual needs and wants, and "pulled" to travel by appealing attributes of travel destinations. Generally, the push motivations are useful for explaining the desire for travel while the pull motivations are useful for explaining the actual destination choice.⁶ Table 2.1 lists many of the push and pull factors proposed and examined by tourism motivation researchers.

Table 2.1 Push and Pull Travel Motivations

Push	Pull
Desire for escape	Beaches
Rest and relaxation	Recreation facilities
Health and fitness	Historic sites
Adventure	Reasonable prices
Prestige	Cultural resources
Social interaction	Undisturbed nature
Novelty seeking	Ease of access
Exploration	Cosmopolitan environment
Enhancement of relationships	Climate
Evaluation of self	Safety and security
Regression	Shopping facilities
Learning new things	Celebrity sighting opportunities
Desire for pampering/comfort	Popular attractions
Being entertained	Scenery and landscape
Hobbies	Quality accommodation

This “theory” of travel motivation highlights the fact that tourists are pushed (motivated) to travel by many factors simultaneously, and destinations pull (attract) visitors with a combination of resources. For instance, a tourist generates the desire to escape from his mundane day-to-day routine and seeks a destination that seems to offer the “ticket” to that escape. Research has shown that push and pull factors are matched by travelers. For example, studies have found a large percentage of travelers are motivated to travel by a desire to be pampered, comfortable, and entertained. Destinations that generate the most “pull” for this group of travelers are cities and beach resorts.

Several of the “push” factors listed in Table 2.1 are identified and researched personality traits (e.g., novelty seeking). An additional and particularly appropriate personality trait theory that relates to tourism is **optimal arousal theory**. Briefly, the core of this theory is that each of us has some optimal level of arousal at which we feel most comfortable. For some, that level is quite low, leading to a relaxed, slower-paced lifestyle, whereas for many, the optimal arousal level is very high, driving individuals constantly to seek new and challenging activities. A person who is stressed out by work may desire to reduce arousal by seeking a quiet seaside resort to spend some quiet time with a loved one. Another who is bored by the routine of his job and life may instead decide to travel to Europe and test his mettle on the ski slopes of the Alps.

As mentioned in Chapter 1, other factors also play a role in the desire to travel. In addition to the push and pull factors, there are inhibitors to travel. Travel requires time, money, energy, and security. Work and school demands on time may keep a person from traveling. Lack of funds may restrict travel opportunities, and failing health prevents travel altogether for some. Family situations, for example, a new baby or caring for an elderly parent, may limit opportunities to travel. Finally, due to worldwide political unrest, uncertainty about personal safety while traveling has made many hesitant to travel. The extra security now mandated at many airports, borders, attractions, and events has dampened the carefree attitude some may have had prior to the increase in terrorist attacks on civilians, especially travelers, around the globe.

Maslow's Hierarchy of Needs

Abraham Maslow provided a good general framework for describing human needs in his classic model depicting the hierarchy of needs.⁷ This hierarchy, as can be seen in Figure 2.2, begins at the bottom with basic physiological needs and progresses upward through safety, belongingness, esteem, and self-actualization needs. Maslow further grouped these needs into two broader categories: lower-order and higher-order needs. He believed that this hierarchy of needs was shared by everyone. Although the hierarchy of needs model was developed to explain human behavior and motivation in general, we will see later in this chapter how these same concepts can be applied specifically to tourists.

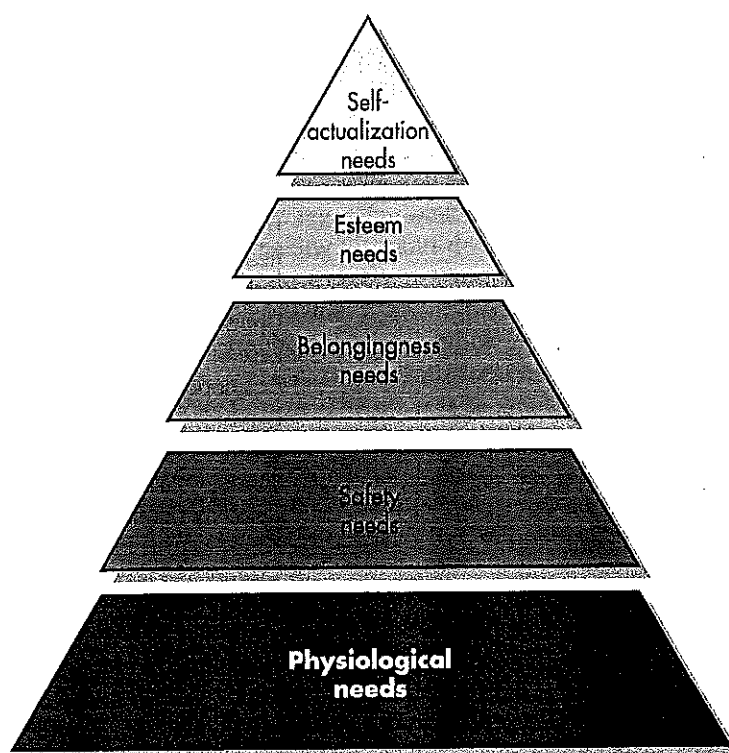


FIGURE 2.2 Maslow's hierarchy of needs.

To understand an individual's behavior, we begin at the bottom of the hierarchy and move upward. As each level of needs is satisfied, individuals move up to the next level of needs. At the lowest levels are basic physiological and safety needs. Basic physiological needs consist of food, water, clothing, shelter, and sleep. Next are safety needs, which consist of protection, security, and the comfort we seek from familiar surroundings. In the advanced economies of developed countries such as Australia, Canada, Great Britain, Japan, and the United States, most consumers' lower-order physiological and safety needs have been met. Because these needs have been satisfied, they are no longer motivators. Individuals often strive to fulfill their higher-order needs through travel.

These higher-order needs include belongingness, esteem, and self-actualization. Belongingness needs include love, friendship, affiliation, and group acceptance. Esteem needs include the desire for status, self-respect, and success. The highest level in Maslow's hierarchy of needs is self-actualization or the desire for self-fulfillment.

Travelers may be seeking to fulfill more than one need when they participate in a tourism activity. Let's put the ideas in Maslow's hierarchy of needs into practice by looking at specific examples in the tourism industry.

Physiological

- Tour packages that offer frequent rest stops
- Easily accessible food outlets in theme parks
- Sleeping shelters strategically located along the Appalachian Trail for overnight visitors

Safety

- Reservation service provided at government-approved agencies or locations
- Cruise ship lines providing medical facilities and doctors as part of their standard services
- Tour guide services provided in exotic or unfamiliar locations

Belongingness

- Group tours with people having similar interests and/or backgrounds
- Group recognition gained by belonging to frequent-user programs provided by airlines, hotels, restaurants, and car rental companies
- Trips made to explore one's ancestral roots

Esteem

- Elite status in frequent-user programs such as diamond, gold, or silver “memberships”
- Incentive travel awards for superior company performance
- Flowers, champagne, and other tokens provided to guests in recognition of special occasions

Self-Actualization

- Educational tours and cruises
- Trekking through Nepal, a personal challenge to one’s physical limits
- Learning the language and culture before traveling to another country and then practicing on arrival

The hierarchy of needs model provides a good foundation as well as a brief glimpse into the fundamentals of motivation. Can you think of other examples?

The Travel Career Patterns

The Travel Career Patterns (TCP) developed by Pearce⁸ is based on Maslow’s hierarchy of needs, but it goes further by providing more detailed insights into specific tourist behaviors. The TCP model attempts to explain individual behaviors on the basis of stages in a tourist’s life cycle. When you think about tourist life cycle stages, it may be helpful to remember that they are very similar to the stages individuals experience in their working careers. Just as a person tentatively enters a career and eventually becomes more proficient and effective based on experience, so do tourists as they venture into leisure activities.

According to Pearce, tourist motivations can be illustrated as three layers, where each layer consists of different travel motives. The most important common motives (e.g., novelty, escape/relax, enhancing relationships) are found at the center in the core layer. The next layer, surrounding the core, includes the moderately important travel motives, which include internally oriented travel motives (e.g., self-actualization) and externally oriented motives (e.g., nature and host-site involvement). The outer layer consists of common, relatively stable, and less important travel motives (e.g., nostalgia, isolation, or social status). As shown in Figure 2.3, pleasure travelers at all stages of the TCP are influenced by the most important and central travel motives as well as by less important motives. However, as their travel career develops—in other words, as they grow older, pass through the stages of their life span, and gain more travel experience—pleasure travelers’ moderately important travel motives shift from internally oriented needs to externally oriented needs.

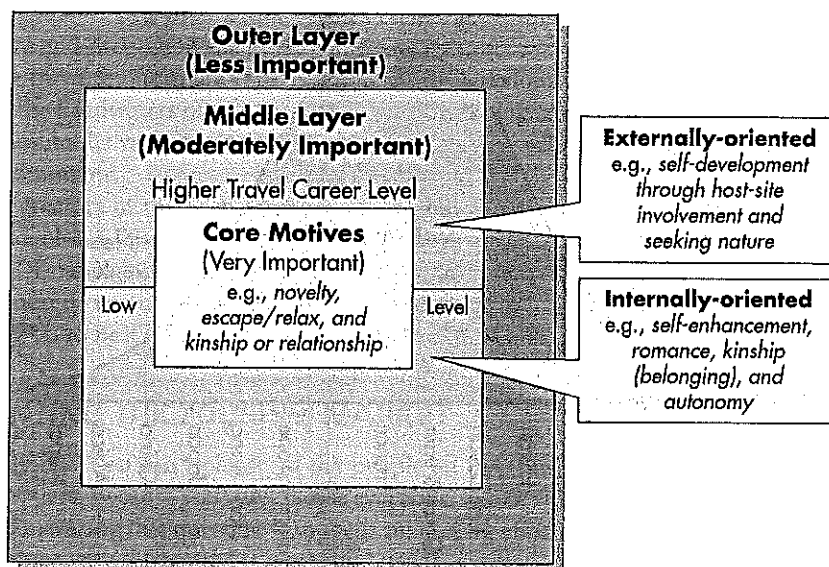


FIGURE 2.3 Travel Career Patterns (TCP). Source: Adapted from Lee, U., and Pearce, P. L. (2003). Travel career patterns: Further conceptual adjustment of travel career ladder. *Proceedings of Second Asia Pacific Forum for Graduate Students Research in Tourism*, 65–78.

Table 2.2 Psychocentric-Allocentric Personality Characteristics

Psychocentrics/Dependables	Allocentric/Venturers
Prefer familiar travel destinations	Prefer non-"touristy" destinations
Like commonplace activities at destinations	Enjoy discovering new destinations before others have visited them
Prefer relaxing sun-and-fun spots	Prefer unusual destinations
Prefer low activity levels	Prefer high activity levels
Prefer driving to destinations	Prefer flying to destinations
Prefer heavy tourist accommodations, such as hotel development, family-style restaurants, and souvenir shops	Prefer services such as adequate to good accommodations and food, and few developed tourist attractions
Prefer familiar rather than foreign featuring a full schedule of activities	Enjoy interacting with people from different cultures
Prefer purchasing complete tour packages	Prefer tour arrangements that include basics (transportation and accommodations) and allow for considerable flexibility

Source: Based on Plog, Stanley C. (1974, February). Why destination areas rise and fall in popularity. *Cornell Hotel & Restaurant Administration Quarterly*, pp. 55-58; Plog, Stanley C. (2002). The power of psychographics and the concept of venturesomeness. *Journal of Travel Research*, 40, 244-251.

The Psychocentric-Allocentric Model

Further attempts to understand and broadly describe the differing wants and needs of tourists have resulted in a widely used model developed by Stanley Plog.^{9,10} Based on observable and consistent patterns of behavior, it is possible to use personality characteristics to understand tourists' behavior patterns further (see Table 2.2). Plog accomplished this task by originally classifying tourists along a continuum with **allocentrics** anchoring one end and **psychocentrics** anchoring the other.⁹ In an update, Plog suggested the terms **venturers** and **dependables** were better descriptors for the end points. In general, venturers are seeking adventure through travel, whereas dependables are seeking the comforts of familiar surroundings in their tourism experiences. However, as the model shows, most travelers fall between these two extremes and would be classified as near-venturers, midcentrics, and near-dependables.

The venturer found at one extreme of Plog's continuum (see Figure 2.4) would be referred to by marketers as an "innovator." These innovators seek out new locations and activities before they are discovered by others. As more people become aware of these locations and activities,

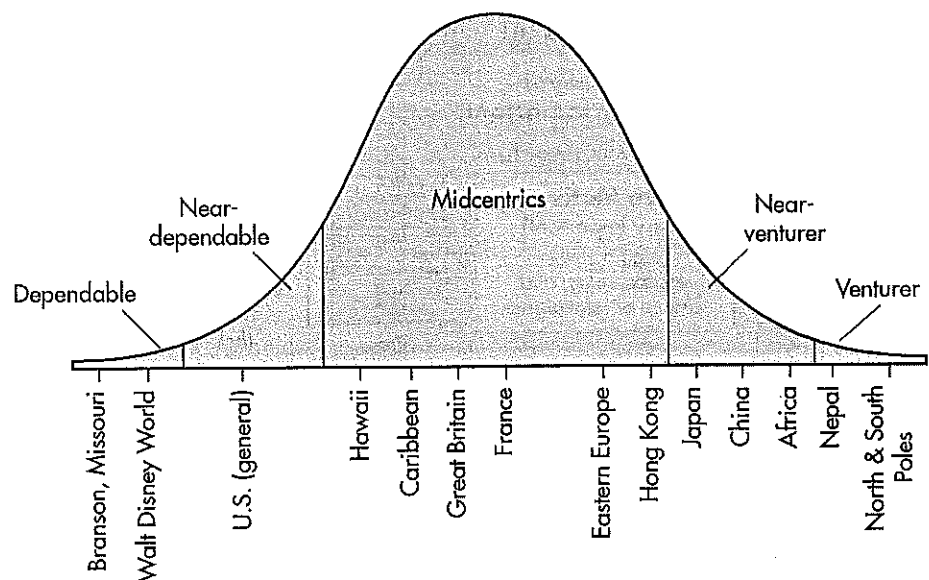
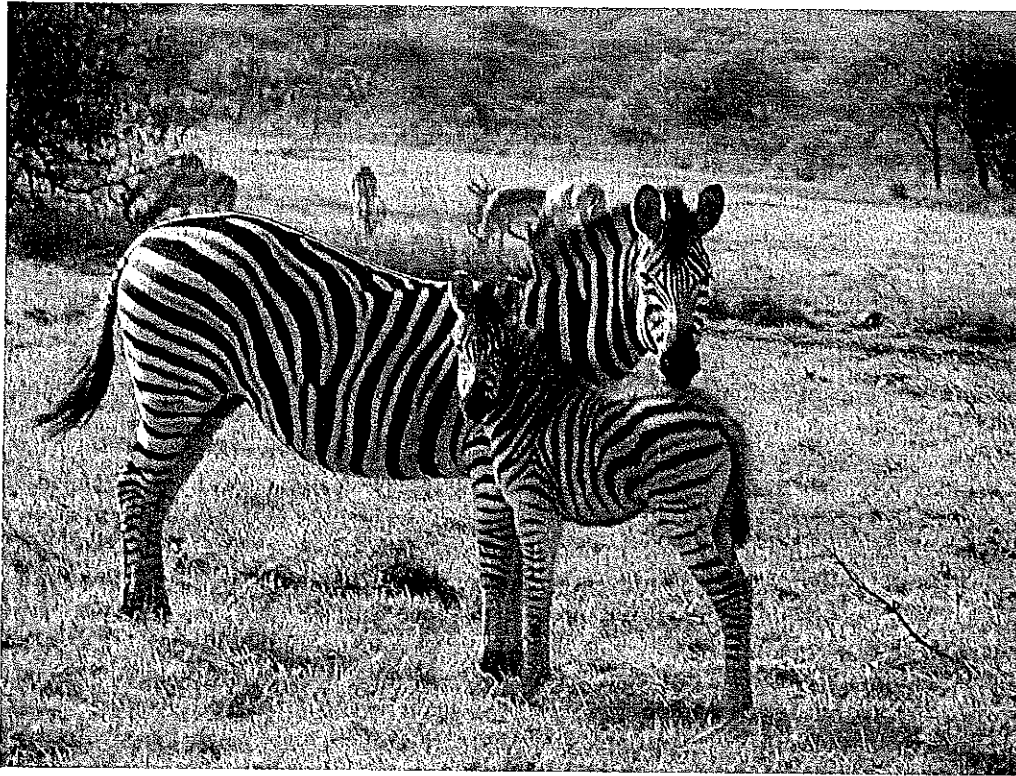


FIGURE 2.4 Psychographic positions of destinations.



An African photo safari fulfills the venturer traveler's needs. Photo by Cheryl D. Clay.

information about them is communicated or diffused to more and more people. Interest in traveling to these new locations or experiencing new activities passes from the venturer to the mid-centric and eventually to the dependable as these locations or activities become commonplace.

The dependable found at the opposite extreme of Plog's continuum would most likely be tradition bound and tend to be uncomfortable with new and different activities and/or locations. These individuals would be interested only in visiting popular locations and participating in customary activities. They desire predictability and the comforting reassurance that other visitors have enjoyed the same experiences.

Dependables can enter a McDonald's restaurant throughout the world and find a familiar atmosphere and menu. On the other extreme, venturers may be drawn by the allure of seeking out unique travel and tourism experiences that have previously gone unnoticed. Taking a rubber raft down the headwaters of the Amazon River or trekking among the highland villages of Nepal might appeal to the venturesome travelers today, but they will be looking for something new and different tomorrow.

The creators of the Disney mystique may be catering to a broad cross section of visitors. For dependables, a Disney theme park assures them of similarity and consistency in operations. However, Disney is continually adding new attractions and entertainment to appeal to a broader market group of visitors. How would you classify yourself along this continuum? To find the answer, log on to BestTripChoices.com and take a short quiz.

SEGMENTING THE TOURISM MARKET

The old saying "You can't please all the people all the time" certainly holds true for tourism service suppliers. Because you can't please everyone, whom should you please? One common approach to answering this question is to focus marketing efforts by segmenting potential customers into groups with fairly similar wants and needs.

Identifying tourism customers and deciding how to meet their wants and needs is a basic task facing everyone in the tourism industry. In large organizations, this task is often given to marketing professionals. For example, according to the vice president for Revenue Management

at MGM Brands, “The finer we can segment our market, the better we can target and get the right product in front of the right customer in the right channel at the right price” (p. 112).¹¹ In smaller organizations, such as Jim and Andy’s A Ride on the Wild Side!, this responsibility might remain with the owner or manager.

As we discussed in Chapter 1, the marketing concept creates a customer-oriented philosophy that is essential to meeting visitors’ wants and needs. Let’s think about the questions raised by Jim and Andy as they considered the future of their rafting business. They both agreed on the importance of knowing more about marketing, sales, and customer service, but they weren’t sure where to start.

The starting point for any organization planning to implement the marketing concept is to learn more about its customers. But, who are these customers? Although it may sound appealing to think of everyone as a potential customer, marketers have learned that this usually does not lead to a high level of customer satisfaction. A common example with which we can all identify will help explain this statement.

Imagine for a moment you are the president of a major lodging company. You decide that it would be profitable to come up with the perfect hotel—a hotel at which everyone would want to stay. Is such a dream possible? If you designed the “average” hotel—rooms, a restaurant, and a swimming pool—do you think every potential guest would be equally satisfied with this hotel? Of course not. Some guests want inexpensive accommodations and have no need for any amenities other than a clean, comfortable room for the night, whereas others want to be pampered and select from a large variety of services, room types, and amenities. With this in mind, could you design an “average” hotel that would satisfy everyone? Probably not, because trying to meet everyone’s needs and wants with the same services would prove to be an impossible task.

The task of meeting diverse needs and wants led to the idea of **market segmentation**. Instead of trying to meet everyone’s needs and wants with a single product or service, marketers divide the large, **heterogeneous** market for a good or service into smaller but more **homogeneous** market segments. A heterogeneous market is one composed of people having differing characteristics and needs, whereas a homogeneous market is one with people of similar characteristics and needs.

The task of grouping millions of travelers into groups with similar needs and wants may appear to be a bit complex at first. However, this process can be simplified if we begin to think of the tourism market as a large jigsaw puzzle. Each piece of this puzzle (i.e., each consumer) is unique. Once several pieces are put together, they begin to form similar-looking sections (market segments). Finally, when all of these sections of the puzzle are put together, they form the whole picture (the market).

As you saw in Chapter 1, it is possible to begin segmenting the tourism market by using the broad reasons people give for traveling: vacation and leisure, visiting friends and relatives, and business and professional. Although these broad reasons for travel may provide some initial insight into potential tourism market segments, they do not provide the level of detail needed to understand specific consumer needs. What are needed are segmentation approaches that clearly describe travelers and that can be used as a basis for planning to meet their needs and wants.

Common approaches (called “bases”) to segmenting markets can be achieved by grouping customers according to the following variables:

1. Geographic characteristics
2. Demographic characteristics
3. Psychographic characteristics
4. Product-related characteristics

These segmentation variables provide a good starting point as we begin to fit the pieces of the tourist jigsaw puzzle into a meaningful picture. Each of these segmentation approaches also serves to highlight the breadth, depth, and differences to be found among individuals and groups of tourists. However, as we begin to study groups of travelers, do not lose sight of the importance of meeting individual needs. Remember, Maslow, Pearce, and Plog showed that although we may behave in similar ways, we are all still individuals! The brand boom taking place in the hotel industry demonstrates the importance of serving the needs of varying segments of travelers. With over 350 brands, and many of them part of the same parent company, there is a hotel to cater to everyone’s needs.¹² We will explore hotel brands in more detail later in this chapter and also in Chapter 7.

Geographic Segmentation

Geographic segmentation, grouping potential tourism customers based on their location, is the oldest and simplest basis for market segmentation. Even though people in the same geographic location do not usually have similar wants and needs, their location often has an important impact on their selection of tourism goods and services. Commonly used geographic segmentation variables include nations, regions, states/provinces, counties/parishes, cities, and even neighborhoods.

Geographic segmentation has proven especially useful in segmenting the traveling public. Many tourism facilities and attractions market their services regionally, recognizing that the time and money involved in traveling makes them more attractive to consumers within a certain defined geographic area. For example, the Walt Disney Company advertises Disneyland, located in California, heavily in the western United States and the Pacific Rim countries (such as Japan), whereas it markets Walt Disney World, located in Florida, more heavily in the eastern United States and Europe. On a smaller scale, Killington Ski Resort in Vermont is promoted to skiers in northeastern North America, whereas Durango Mountain Resort outside Durango, Colorado, tries to attract skiers primarily from the southern and western United States. Would geographic segmentation provide useful information to Jim and Andy about their potential customers?

Demographic Segmentation

Although geographic segmentation is the simplest and oldest approach to grouping tourists, **demographic segmentation** is the basis most commonly used for market segmentation. Using this approach, consumers are grouped according to variables that define them in an objective, easily measurable way. These variables include classifications such as gender, age, ethnicity, occupation, education level, income, household size, and family situation. **Demographics** are frequently used by marketers because information about people's objective characteristics is routinely collected and widely available. A gold mine of segmentation information for marketers who know how to use it can be found in data gathered and reported by most national government offices, such as Statistics Canada and the U.S. Census Bureau.

Examples of tourism organizations using demographic segmentation abound. Club Med is using demographic segmentation when it attempts to serve the needs of two distinct upscale market segments. One segment is composed of young singles and the other of high-income married couples with children. Tour operators and cruise lines are using demographic segmentation when they develop special tours or cruises featuring nostalgic, educational, religious, or ethnic experiences. Can you think of other examples?

Psychographic Segmentation

Geographic and demographic variables provide easy approaches to segmenting travelers, but we all know that people are much more different than these simple pieces of information might suggest. For example, most of us listen to music. And, even though age is an important factor in determining the type of music different people enjoy, you probably know people of similar ages who have different tastes. Some Generation Yers enjoy rap music while some enjoy old-fashioned rock and roll and still others prefer the sounds of the classical music. These differences come from what marketers call "**psychographic variables**."

Psychographics were developed by marketing researchers to try to link personality to product or brand usage. Originally, these researchers relied on standard psychological personality measurement.¹³ *Personality* refers to a person's unique psychological composite that compels a person to react in consistent ways to his or her environment. Examples of personality traits that are commonly measured by psychologists are introversion/extroversion (outgoingness), need for cognition (think and puzzle things out), and innovativeness (degree to which a person likes to try new things). To better capture a person's "consuming" self, researchers added to personality concepts the measurement of activities, interests, and opinions, called AIOs.

Psychographic segmentation involves grouping people on how they live, their priorities, and their interests. Put all this together and you have a description of a person's lifestyle and personality. Psychographic segmentation has been used by cruise lines and resorts to target individuals with similar hobbies, sports preferences, and musical interests.

Table 2.3 Psychographic Lifestyle Dimensions

Activities	Interests	Opinions
Work	Family	Themselves
Hobbies	Home	Social issues
Social events	Job	Politics
Vacation	Community	Business
Entertainment	Recreation	Economics
Club membership	Fashion	Education
Community	Food	Products
Shopping	Media	Future
Sports	Achievements	Culture

Source: Wells, William D., and Tigert, Douglas J. (1971). Activities, interests, and opinions. *Journal of Advertising Research*, 11, 27–35, Cambridge University Press.

Sometimes, psychographic segmentation is called lifestyle segmentation. A **lifestyle** is broadly defined as a way of living identified by how people spend their time (activities), what they consider important (interests), and what they think of themselves and the world around them (opinions). Some examples of activities, interests, and opinions that might be important to those working in the tourism industry are included in Table 2.3.

The idea of segmenting travelers based on activities, interests, and opinions might seem familiar, because this approach was popularized by Stanley Plog in his psychocentric-allocentric continuum. More recently, three large psychographic segments have been identified in the American travel market. In a proprietary (privately funded) study based on survey information collected from thousands of travelers, a research firm developed segments by associating values expressed by the survey respondents and the type of vacations they preferred.

The largest segment the study identified is termed the “family getaway traveler” (38% of American travelers). This segment values family time above all else and seeks activities that all members of the family can enjoy together. The second segment is called the “adventurous/education traveler” (31%). This type of traveler values physical activity and challenge, and enjoys interacting with nature. Segment three is composed of “romantics” (28%). As the name suggests, these travelers value intimate companionship and have a primary desire for comfort and relaxation. Do you see yourself fitting into any of these categories?

The United States Tour Operators Association (USTOA) now includes psychographic segmentation on its website. Website viewers are encouraged to take a “vacation personality quiz” online. The test includes 15 sets of statements that link to personality type and activities, interests, and opinions. For example, when taking the test you will be asked to check which of the following three statements best fits you:

- Bungee jumping would be exciting.
- I would never fall for bungee jumping.
- I might enjoy watching friends go bungee jumping.

After you complete the test, the computer “analyzes” your results and then tells you which of the three types of tour packages offered by member companies will be best for you. By using psychographics, the USTOA better targets its members’ products to potential clients. To learn more about psychographic or lifestyle segmentation, consult any consumer behavior textbook.

Product-Related Segmentation

The previously mentioned bases for segmentation—geographic, demographic, and psychographic—are all used to help marketers move closer to the goal of developing product offerings that better satisfy potential tourism consumers. However, in all these cases, we are indirectly grouping people based on characteristics we assume are related to their needs and wants. Because assumptions can sometimes get us into trouble, marketers often try to segment less indirectly and more directly: They attempt to group potential buyers directly

FYI VALS™

The most widely used psychographic segmentation system, VALS, developed in 1978 by California firm, SRI International, is now owned and operated by SRI spinout Strategic Business Insights (SBI). VALS segments people based on psychological characteristics that correlate with buying behavior. Extensive survey research was used to identify the eight core types. VALS systems have been developed for countries the world over including the United States, Japan, Venezuela, and Nigeria. If you would like to determine which U.S. VALS segment you are most like, visit www.strategicbusinessinsights.com/VALS and take the test!

Lifestyle measurement has gone global. In addition to the "internationalization" of VALS by SBI, Backer Spielvogel Bates Worldwide is one company that annually surveys thousands of consumers around the

globe to monitor changes in the world's psychographic segments. The company's effort, called Global Scan, groups respondents into the following five major segments:

- Strivers—young people on the run
- Achievers—slightly older, affluent opinion-leaders
- Pressureds—largely women, facing economic and family concerns that drain them
- Adapters—contented older people that still find newness fun and challenging
- Traditionals—conservative older people who prefer the good old days and ways

Source: "VALS (Values and Lifestyles)—the world's five major psychographic segments," Author: David Kurtz, Author: Louis Boone, © 2009, in *Contemporary marketing* 15/e, ISBN: 9781111579715, p. 293.

from what people indicate they need or want in a particular good or service. These product-related variables include the following:

1. The benefits people seek in the good or service (e.g., the ability to guarantee the availability of a room at a hotel).
2. The amount of good or service used (light users such as occasional leisure travelers versus heavy users such as business travelers).
3. The degree of company loyalty shown by the consumer in relation to the specific good or service (participation in frequent-user programs).

In Chapter 1, we mentioned that travelers are frequently grouped into leisure versus business categories. These groupings serve as good examples of **product-related segmentation**. Tourism suppliers know that travelers seek different benefits based on the purposes of their trips. Think about the benefits a businessperson seeks in accommodations compared to the benefits desired by a person traveling on a holiday or vacation. How would these benefits differ?

Business travelers tend to be the "heavy users" of many tourism services, especially air transportation, hotels, and rental cars. Airlines, hotels, and rental car companies have responded to these needs by developing services and forms of promotion that appeal especially to these busy frequent travelers. Services such as ticketless travel, hotel rooms wired for all types of technology, and the computerized check-in kiosks at many airport rental car locations were all developed to appeal to this special group of travelers. Finally, in a special appeal to this group, frequent-user programs were developed expressly to encourage and reward loyalty and repeat patronage.

Putting Segmentation Knowledge to Work

Now that you know some of the basic approaches to market segmentation, you are faced with yet another challenge: when and how to segment. It would be nice if we could neatly categorize and slice up all travelers into distinct market segments. However, we can encounter several problems in attempting to segment markets. For example, some markets might be too small to segment. In addition, each of us can be classified as members of many different markets, which tends to complicate the segmentation task.

There are almost as many potential market segments as there are groups of people. In fact, many market segments that were not even considered a few years ago, such as travelers with disabilities and volunteerism travelers, are growing in size and importance.

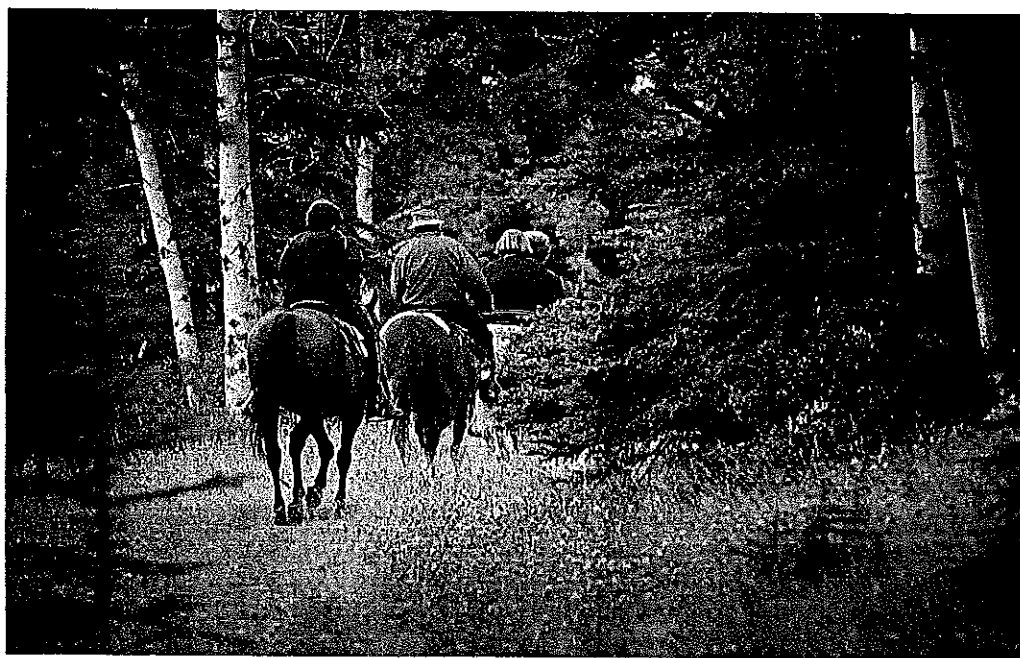
The task of deciding when and how to segment can be clarified by answering the following questions:

- Can the market segment be relatively easily identified and measured in both purchasing power and size?
- Is the segment large enough to be potentially profitable?
- Can the segment be reached efficiently and effectively through advertising and other forms of promotion?
- Is the segment interested in the service offered?
- Is the segment expected to be long term and will it grow or shrink in size?¹⁴

Although this list of questions helps narrow the range of potential segments, the most important reason for segmenting should not be forgotten. Segmenting permits tourism service suppliers to better meet specific customer needs and wants while attempting to increase their satisfaction. Once a segmentation approach has been selected, the next task is to decide which of these segments to target.

Marketers use a five-step approach to accomplish this market segmentation decision process. In Step 1, they choose one or more of the segmentation approaches we have previously described for grouping individuals. Even though we introduced each basis for segmentation separately, most organizations tend to use a combination of these approaches. For example, the Vancouver Aquarium in British Columbia might define its market in terms of geographic location and demographic profile. The aquarium's marketing team might break the potential market for its educational and entertainment services into two geographic segments, such as people within a 200-mile radius of Vancouver and those living more than 200 miles away, and then further group potential visitors by age and family situation.

In Step 2, each segment is profiled in as much detail as is cost effective. This greater amount of detail provides a more accurate understanding of the needs of the segments and is used in developing a basic outline of the marketing mix that each segment would require. Continuing with our example, management of the Vancouver Aquarium may decide to conduct a comprehensive consumer research study to gather detailed information about the visitors to the aquarium. The decision makers can then develop more thorough profiles of the various segments. In acquiring this consumer information, the research team would need to survey consumers who visit the attraction at different times of the year. Visitors during July may tend to be international travelers from the United States and Japan, whereas visitors in December may tend to be Vancouver locals and other British Columbians.



Market segmentation helps satisfy differing visitor needs. *Vibe Images/Fotolia*

Table 2.4 The Segmentation Process

- Step 1. Select segmentation approach.
- Step 2. Create detailed profile of segments.
- Step 3. Forecast market potential of each segment.
- Step 4. Estimate likely market share of each segment.
- Step 5. Decide which segment or segments to target and design appropriate marketing mix.

In Step 3, forecasts are developed for the market potential of each segment being considered. All segments will not be the same in terms of number of potential buyers and amount of purchasing power, nor will they be equally likely to desire the good or service.

In Step 4, an “educated guess” about the share of each segment’s business that the organization is likely to be able to achieve is prepared. Some segments are likely to find the organization’s offerings more appealing than are other segments.

In Step 5, the decision is made as to which segment or segments will be targeted, that is, for which segments a specific marketing mix will be developed. These segments then become the organization’s **target markets**. Returning to our example, although school trips to the aquarium are plentiful and acquaint thousands of area youngsters with its marine species, this segment does not bring in large revenues to cover the cost of operations. Other segments with more purchasing power will also need to be attracted to generate the money necessary to keep the aquarium “afloat.”

Based on the information gathered in this five-step process, as shown in Table 2.4, marketers are able to develop sets of “product, place, promotion, and price” that they hope will be attractive to the segments they have chosen to target. As an illustration, the marketing director of the Vancouver Aquarium may decide that the “within 200-mile radius, environmentally concerned, married retiree” segment has great potential during the fall. She may therefore develop a marketing package that offers these consumers special guided tours (including lunch) on Tuesdays during September and October for one all-inclusive price. She may advertise this package on area radio stations that features swing-era music.

The process of segmenting larger markets and then targeting these specific segments furnishes tourism organizations with the tools to focus their attention on providing appropriate levels of service to their most likely customers. Just like the time and effort it takes to put together an intricate jigsaw puzzle, it may also require time and commitment to identify potential groups of tourism consumers, but the effort will be worth it. When wants and needs are identified and met, tourists will return and often tell others who share similar characteristics about their positive experiences.

SPECIALIZED TOURIST SEGMENTS

Five large and distinctive segments of tourism consumers deserve special discussion because of their size and importance to the industry. These segments are business and professional travelers (product-related segmentation), incentive travelers (product-related segmentation), SMERF groups (psychographic segmentation), mature travelers (demographic segmentation), and special-interest travelers (psychographic segmentation). Let’s take a brief look at the size, importance, and common characteristics of each of these segments.

Business and Professional Travelers

Business travel is considered to be the backbone or “bread and butter” of the tourism industry because businesspeople are often required to travel as a part of their day-to-day activities. In the United States, direct spending on business travel including expenditures on meetings, events and incentive programs, reached \$233 billion in 2010.¹⁵ Because travel is a part of their jobs, the amount of money they spend on tourism services tends to stay fairly constant, and they are not as price sensitive as vacation and leisure travelers. Therefore, the demand for business travel