A multifaceted tourism demand: benefits and limits of market segmentation
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The problem: “Classical” tourism markets are saturated...

- High consumption intensity
  -> High consumption experience
- Exchangeability of destinations and service providers as fulfillment entity in tourism
  -> Price awareness
- Quality consciousness
- Zero growth, stagnation
  -> danger of substitution

➢ Consumers are hybrid and behave inconsistently
... and many tourism industries have matured
A little history of marketing...

Producer       Consumer

Opening of new markets

Market development

Market segmentation

individualised Marketing

Community Marketing
What does segmentation imply?

• create groups of customers you can work with
  – groups which are **delineable**
  – groups which exist in **reality**
  – groups which behave **homogenously**

• Look at segmentation not only in terms of **entities** but also **processes, i.e. decision making**

• try to segment
  – empirically rather than normatively,
  – a-posteriori rather than a-priori (cf. to delimitation of groups)
There are three dimensions with regard to decision making in T&T

• Decision context („old“ segmentation)
  – Ethnography
  – Culture
  – Socio-demographics
  – Travel context
  – Information environment

• Decision process (heuristics)

• Psychology and cognition („new“ segmentation)
  – Values and attitudes (personality)
  – Know-how
  – Involvement
  – Risk awareness and readiness
  – Travel motivation -> immediate demand
Subsets of decision making have three consequences (1)

- **Multi-dimensionality**
  - Portfolio decision about interdependent partial decisions
    - Destination
    - Accommodation
    - Duration
    - Means of transport
    - Time of travel

- **Sequential behaviour**
  - Information search
  - Information processing
  - Making decisions
  - Execute trip
Subsets of decision making have three consequences (2)

- Contingent hierarchical structure
  - non-conscious decisions (only implicit importance)
  - evoked decisions (conscious and considered important)
  - adjourned decisions (conscious but not considered).
**Illustration 1:** Information sourcing (process model)

**Importance of information sources before trip decision**

**Trip decision** = hardly irreversible choice with regard to either destination, accommodation, or bundle of clearly delimited activities

**Importance of information sources after trip decision**

**Information sources for decision making**

**Information sources for travel preperation**

*Shifts with regard to importance of information sources*
Result: Paths of information sourcing

Cluster Membership before definite trip decision

Informal

Direct

Professional

Cluster Membership after definite trip decision

No Info

Highly Informal

High Info
Illustration 2: Demand segmentation by travel motivation

- Cluster 1: Rest and relaxation; 34%
- Cluster 2: Family holiday; 35%
- Cluster 3: Curious hedonism; 22%
- Cluster 4: Social matters; 9%
Travel motives and holiday typology in cluster 1 *Rest and relaxation (1‘034 CHF)*

- **Motives:**
  - Rest and relaxation
  - Experience landscapes and nature
  - Get away from it all (daily routine)
  - Regeneration from daily home routine and job
  - Time for partner
  - Time for oneself
  - Liberation from obligations (and relations)
  - Sun and beach

- **Holiday typology:**
  - Vacation in the countryside and mountains (not winter)
  - Beach vacation
  - Health oriented vacation (fitness/ wellness)
Travel motives and holiday typology in cluster 2 Family holiday (1‘024 CHF)

• Motives:
  – Time for the family
  – Sports (active)
  – Get away from it all (daily routine)
  – Ability to make flexible, spontaneous decisions
  – Challenge and stimulate oneself
  – Experience of nativeness, experience landscapes and nature
  – Experience of exotic

• Holiday typology:
  – Visit friends and relatives
  – Winter vacation in the snow
  – Sports vacation
  – Beach vacation
  – Vacation in the countryside and mountains (not winter)
  – Family event/ reason
Travel motives and holiday typology in cluster 3 Curious hedonism (1‘539 CHF)

• Motives:
  – Visit/ experience sights/ culture; expand horizon
  – Experience landscapes and nature
  – Get away from it all (daily routine)
  – Enjoyment of comfort and pampering
  – Make contact with new people

• Holiday typology :
  – City trip
  – Sightseeing tour with car, bus or train
  – Events trip
  – Shopping trip
Travel motives and holiday typology in cluster 4 Social matters (608 CHF)

• Motives:
  – Other
  – Enjoy nightlife
  – Termination of a phase in one's life by a trip
  – Experience of adventure and perhaps even risk
  – Do something for my beauty
  – Search for esteem
  – Prestigious character of trip

• Holiday typology:
  – Visit friends and relatives
  – Family event/ reason
  – Events trip
Illustration 3: Segmentation by utility driven values...

- **Functional value**: The perceived utility through possession of salient functional, utilitarian or physical attributes

- **Social value**: The perceived utility through the association with positively or negatively stereotyped demographic, socioeconomic and cultural-ethnic groups

- **Emotional value**: The perceived utility through the creation or perpetuation of feelings or affective states

- **Epistemic value**: The perceived utility through the arousal of curiosity, the provision of novelty and the satisfaction of a desire for knowledge

- **Conditional value**: The perceived utility through the presence of antecedent physical or social contingencies in a specific situation

Thanks for your attention