

International Tourism Market Segmentation Based on Consumer Behavior

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Abstract

The globalization, the economy's digitization and the hyper-competition, characterizing today's environment, have significantly changed consumer behavior in tourism. It has become a multidimensional concept, viewed as a specific result of a dynamic system of relations between processes of perception, information, attitude, motivation and effective manifestation.

In this context, researching certain dimensions that are at the core of consumer behavior, and consequently, determine the purchasing and consumption pattern, it is essential to know your customers, in order to tailor and cater to their needs and wants, in a way that translates into repeat business.

As this paper refers to the international tourism market, the diversity, that describes this market, requires bidders to focus on niche marketing, while market segmentation becomes, in this framework, a very attractive strategy, viable and with high potential rates of profitability.

Keywords: *consumer behavior, purchase decision making, market segmentation, primary research*

JEL classification: M31, L83

Introduction

The term "consumer behavior" is defined as the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs. Consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) and consumption-related items (1. Schiffman, L., Lazar Kanuk, L., 2009, pp. 4-5).

With the main objective as satisfying customer needs, customer-oriented companies pay a special attention to consumer behavior, capitalizing on the obtained information in order to attract new customers and to retain existing customers (2. Kotler, Ph., 2002, p. 12).

In this context, the complexity of the tourism market emphasizes the necessity for segmentation, based on consumer behavioral influences.

1. The role of marketing research in tourism market segmentation

Tourism market research allows companies to know and to differentiate consumers' purchasing and consumption habits, attitudes and perceptions regarding distinct market offers. All these dimensions of consumer behavior enable tourism companies to understand both their short-term needs, which determine the best tactics to attract consumers, and their long-term goals, which involves the stability of the tactics concerned with consumer retention and loyalty (3. Page, S., Connel, J., 2006, p. 300).

The information, provided by the consumer behavior research, regarding tourism and travel-related services, is essential in order to understand the five stages of purchase decision process: identification of need to visit / go on holiday; search for destination information; emotional evaluation of alternatives; the visit / holiday; post-visit/post-holiday assessment (4. Kolb, B., 2006, p. 15).

Researching consumer behavior regarding tourism services also enables the analysis of the relationship between the tourist and the travel-related service, namely the benefits sought by a person from buying a particular service (5. Swarbrooke, J., Horner, S., 2007, pp. 51-52). The resulted information from this analysis is exploited in the tourism market segmentation approach, in terms of: purpose of travel; needs; buyer's motivations and benefits sought; buyer's and user's characteristics; price; psychographic, demographic and economic features (6. Middleton, VTC., Clarke, J., 2004, p. 107).

2. Researching certain consumer behavior dimensions, regarding tourism services, across Europe and North America

The preliminary phase of the research starts with the problem definition, and in this case, it refers to a detailed understanding of the changes occurred in the purchasing and consumption behavior of tourism products and services, due to certain alterations in the social and economic environment, at a global level. Furthermore, also in this phase, the main purpose, the objectives and the hypotheses were established, as follows:

- The main purpose: To determine the consumer behavior dimensions in relation to tourism products and services, at an international level.
- Objective 1: The segmentation of respondents, according to certain latent traits.

- Hypothesis 1: There are at least two distinct segments of respondents.
- Objective 2: The creation of factors based on the respondents' common characteristics.
- Hypothesis 2: After the analysis, there will be at least three new factors based with common characteristics.
- Objective 3: Determining the main influence on the attitudes of respondents, when choosing a travel package.
- Hypothesis 3: Exogenous influences are the ones that have a greater impact in the formation of attitudes, when choosing a holiday.

In the design phase of the research, the sources of information, the research unit and the survey unit were chosen (table 1), and afterwards, the variables were defined (table 2).

The typology of the information sources, used in this research

Table 1

No.	Criterion	Types of sources	Explanations
1.	Original source of information in relation to the organization requesting it	External sources	In this research, we seek to understand certain distinct characteristics of the survey's respondents, regarding tourist behavior.
2.	Type of information provided by the source	Sources of primary information	This type of information relates to those specially acquired in order to achieve the main purpose of the research; and this data is obtained from individuals, via the internet. It seeks information from geographically dispersed potential tourist customers, from North America and Europe.
3.	The identity of the source	The individual	The individual is the basis of research in order to obtain data about his/her purchasing and consumption behavior of tourism-related products or services, and to track consumer behavior dimensions underlying the purchase decision.
4.	The cost of the information provided	Sources that offer information, on a commercial basis	In this case, the online research was accomplished through FreeOnlineSurveys (.com), in exchange for a sum of money, and through networking sites, like Facebook and MySpace.

The conceptual and operational defining of the variables

Table 2

The value's denomination	Conceptual defining	Operational defining
Q1. Preference	A positive motivation, which shows an affective compatibility of a tourism-related service in relation to a particular season.	<input type="checkbox"/> Strongly Agree <input type="checkbox"/> Agree <input type="checkbox"/> Undecided <input type="checkbox"/> Disagree <input type="checkbox"/> Strongly Disagree
Q2. Attitude	A propensity to act on the basis of strong beliefs regarding the importance of certain attributes of a travel package.	<input type="checkbox"/> -1 -2 -3 -4 -5 Accommodation 1 2 3 4 5 <input type="checkbox"/> -1 -2 -3 -4 -5 Things to do 1 2 3 4 5 <input type="checkbox"/> -1 -2 -3 -4 -5 Customer Care 1 2 3 4 5 <input type="checkbox"/> -1 -2 -3 -4 -5 Scenery 1 2 3 4 5 <input type="checkbox"/> -1 -2 -3 -4 -5 Places to Eat 1 2 3 4 5 <input type="checkbox"/> 1 -2 -3 -4 -5 Availability of tourist information 1 2 3 4 5 <input type="checkbox"/> -1 -2 -3 -4 -5 Family friendly facilities 1 2 3 4 5 <input type="checkbox"/> -1 -2 -3 -4 -5 Infrastructure 1 2 3 4 5 <input type="checkbox"/> -1 -2 -3 -4 -5 Price 1 2 3 4 5
Q3. Attitude	A learned predisposition to search for information.	<input type="checkbox"/> Previous personal experience 1 2 3 4 5 6 7 <input type="checkbox"/> Influence of family/Friends 1 2 3 4 5 6 7 <input type="checkbox"/> Mass media 1 2 3 4 5 6 7 <input type="checkbox"/> Internet 1 2 3 4 5 6 7
Q4. Sex	Sex of the respondent	<input type="checkbox"/> Male <input type="checkbox"/> Female
Q5. Country	The country in which the respondent lives	(Opened question)
Q6. Age	The respondent's age	<input type="checkbox"/> 20 or younger <input type="checkbox"/> 21 to 34 years old <input type="checkbox"/> 35 to 50 years old <input type="checkbox"/> 51 to 65 years old <input type="checkbox"/> 66 or older
Q7. Income	Annual household income before taxes	<input type="checkbox"/> Less than 20 000 \$ <input type="checkbox"/> 20 000\$ - 40 000\$ <input type="checkbox"/> 40 000\$ - 60 000\$ <input type="checkbox"/> 60 000\$ - 80 000\$ <input type="checkbox"/> 80 000\$ - 100 000\$ <input type="checkbox"/> More than 100 000\$

The data was collected using a primary research, which involved getting original data by conducting a field research. In this case, the information was collected directly from respondents via the internet, from February 22 to April 18, 2010, and the data analysis is quantitative. Also, this paper is based on an exploratory research whose primary objective is to provide insights into and an

understanding of marketing phenomena, namely the identification of the respondent's consumer behavior dimensions in relation to tourism. The present research uses as a method the pilot survey, for which the sample is small (150 respondents), not statistically representative and not determined based on an established formula 7 (Cătoi I., 2009, p. 216).

In the data analysis phase of the research, the data was collected via the Internet (FreeOnlineSurveys, Facebook, MySpace), and for the information's preparation and processing we used the statistical analysis program SPSS, version 16.0, and especially the TwoStep Cluster and Factor Analysis methods. Factor analysis was used to reduce the number of variants of the questions. Thus, for question 1 ("How much do you agree with the following sentences?") we obtain a newly formed variable called the preference for a travelling season; for question 2 ("Which of the following attributes do you consider the most important in choosing a particular holiday package?") resulted three new factors termed demanding tourists (due to high scores recorded for Accommodation; Elements regarding infrastructure; Customer care), tourists with family, oriented towards exploring the visited place (high scores for: Availability of tourist information; Places to eat; Family friendly facilities) and price-oriented adventurous tourists (high scores for: Things to do; Scenery; Price); and for question 3 ("Which of the following aspects would be more likely to influence your attitude regarding the purchase of a particular holiday package?") two new factors emerged, called exogenous influences and endogenous influences.

The next stage involved using the TwoStep Cluster method in order to obtain segmentation, based on newly created factors. Thus, giving the six scale variables (presented above), three clusters were formed.

In fig. 1, the most important information, about each segment, is presented. Thus, the following aspects were calculated: the mean for each variable; the distribution of observed values within each cluster, superimposed on the total distribution for all three clusters combined.

Cluster 1, equivalent to segment 1, contains 29.3% of the database's observations, i.e. 44 respondents, who tend to be demanding, in the sense that they expect for the purchased services (especially accommodation and customer care) to be directly proportional with the price paid. Thus, 54.5% of respondents have annual gross income exceeding \$ 60,000, so they have the financial means and are aiming for meeting and fulfilling their needs. Because of the negative and significant mean calculated at exogenous influences variable, it can be noted that the respondents from this cluster reject the information from the media and the Internet. Their distrust of media communication is substituted by endogenous influences, which contribute to the formation of attitudes regarding tourism behavior. Another feature of this segment is that this group does not include people with families (probably because 52.3% of this segment's respondents are aged between 20 and 34 years old), and are not interested in casual leisure.

Regarding segment 2 (73 respondents, 48.7%), the respondents' behavior is highly influenced by the Internet and the media in choosing a holiday. However, the endogenous influence is also exerted at a level at which it can be stated it affects the attitude regarding a travel package. The 73 respondents in this group

seem to be adventurous, opened to new experiences, but the price represents an important issue that they take into account seriously (63% have an annual household income lower than \$ 60,000). Also, in this segment are included tourists with families, who are likewise opened to exploration, but to a smaller extent, due to their phase in the life cycle.

The 33 representatives (22%) of segment 3 seem to form their attitudes based on information from marketing communications (specifically, the Internet and mass media), denoting a strong aversion in relation to the information provided by friends and family, and they do not take into account their previous experiences, either because they seek change, or because they had unsatisfying and unpleasant experiences, in the past. The members of this group are young people (age range mostly between 20 and 34 years old) with a specific focus on having fun and having adventurous experiences, without caring about the price, although most of the group has an annual income of less than \$ 60,000 per year. Regarding other features, the tourists in this cluster are neither demanding, nor do they have a family.

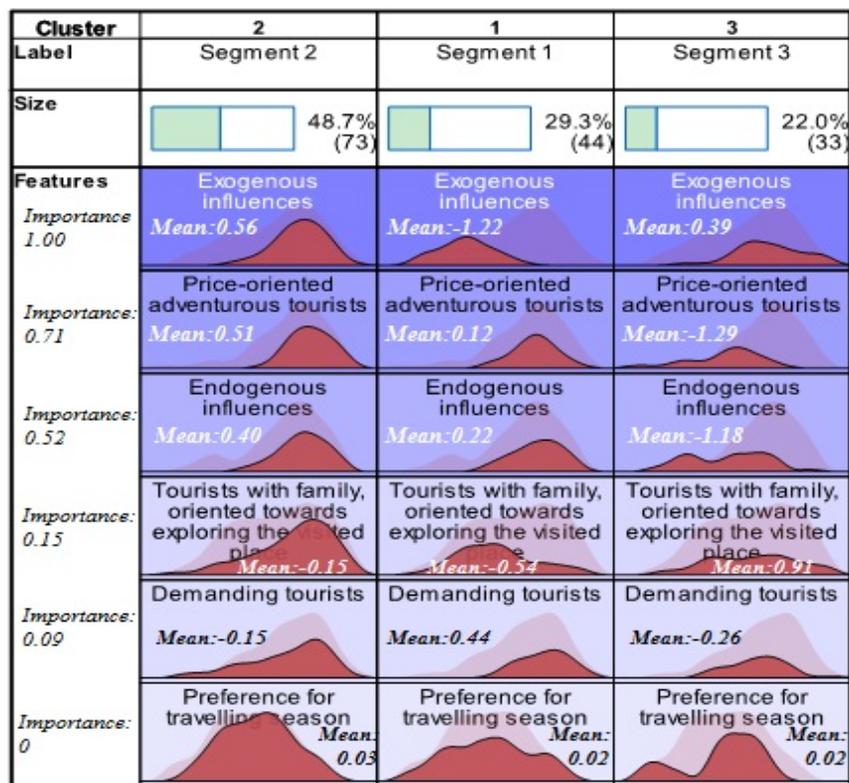


Figure 1 The mean and the distribution of the observed values for each segment

As general issues to be mentioned in connection with this segmentation, the TwoStep Cluster analysis directed preference for a travelling season a negligible importance, and as a result, this variable was not mentioned in the description of the segments. On the same matter, the distribution of responses of women and men, across all of the clusters, was almost equal.

The information obtained through the data analysis confirms all the hypotheses developed for general tourism behavior, leading to the achievement of all of the proposed objectives.

Conclusions

Due to globalization, we are discussing about a diverse marketplace composed of many different people with different backgrounds, countries the origin, needs and wants, and perceptions, and in this respect, segmentation is a necessary process for any enterprise. This statement is even more relevant in tourism, where the acquisition has an emotional significance, so marketing must have a central role in creating added value for potential customers. To achieve this, tourism enterprises need to know very well who are the consumers they are addressing to.

In this context, the research, which is the subject of this paper, sought to explore a few dimensions of tourism behavior, of 150 people from North America and Europe. Thus, among the survey's respondents, we identified three types of tourists (demanding tourists; tourists with family, oriented towards exploring the visited place; price-oriented adventurous tourists) associated with different categories of income and different inclinations regarding the formation of their attitudes, in relation to a travel package.

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