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Tourist segment compatibility

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## **Tourist Segment Compatibility**

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### **Abstract**

Although market segmentation is used extensively by tourism researchers and industry, the problem of possible incompatibility of multiple segments has been widely ignored. Segment incompatibility limits the freedom of selecting a subset of attractive market segments to target thus representing a crucial consideration for the successful implementation of a market segmentation strategy. This study (1) discusses the problem of segment compatibility, (2) defines segment (in)compatibility, and (3) reports on factors which cause tourist (in)compatibility. Results indicated main factors are disrespect to environment, noisy people, attitude, meeting people, social atmosphere, information and advice. Practical implications for destination management are described.

### **Introduction**

Market segmentation is arguably the most popular strategic marketing tool used in the tourism industry. Yet, its use appears to be limited in many ways: (1) most tourism destinations or businesses use a priori (Mazanec, 2000) or commonsense (Dolnicar, 2004) segmentation criteria (such as age, gender etc.) to define market segments and do not harvest the potential competitive advantage that could be derived from segmentation studies based on behavioural or psychographic segmentations, (2) most tourism destinations (as well as researchers publishing segmentation studies in academic outlets) do not have a clearly defined set of segment attractiveness criteria which could be applied to guide management in the choice of one or more of the most attractive segments to target, and (3) the problem of potential segment incompatibility has been widely ignored by both tourism industry and academia, even general studies about the way in which tourists perceive other tourists are rare (Yagi, 2001). The research that does exist examines the issues with a particular focus on conflict (Reisinger and Turner, 2003), encounters (Crouch, Aronsson and Wahlstrom, 2001), and culture shock (Ward, Bochner and Furnham, 2001). Yagi (2003), for instance, is specifically interested in the tourist encounters between tourists of different nationalities – in this case Japanese and American tourists.

The aims of the present study are to:

- discuss the problem of segment compatibility and, in so doing, place segment compatibility on the tourism research agenda (study aim #1);
- define segment compatibility and segment incompatibility (study aim #2);
- report on results from an exploratory empirical study into segment compatibility in which main factors as perceived by tourists are identified (study aim #3).

### **STUDY AIM #1: Why does segment compatibility matter?**

Currently, once a set of tourist segments are identified, the destination manager must select one or a few of those segments to target. The selection of the most appropriate, or attractive,

target segment is usually based on criteria of segment attractiveness as defined by destination management. However, if more than one segment is selected the quality of the tourist experience of these segments may decrease because of the presence of the other segment. For example, in the simplest case, a destination is known to be the dream destination for retired couples, offering rest and peace and an unspoiled natural environment. This destination then decides to host a youth event. It is very likely that the liveliness and higher level of noise and activity at the destination may significantly reduce the ability of the core market segment to enjoy their stay. Consequently, the retired couples may reconsider returning in the following year. Such incompatibilities may be easy to identify and anticipate when market segments based on socio-demographics are used. Once destinations move to behavioural or psychographic segmentation approaches it is not that simple anymore.

### **STUDY AIM #2: Proposed definitions**

We propose to refer to two market segments (segment 1 and segment 2) in tourism as *compatible* when the presence of segment 2 does not lead to a reduction of the quality of the vacation experience of segment 1, possibly even leads to an increase of the quality of the vacation experience, *ceteris paribus*. We call them *incompatible* if the presence of segment 2 reduces the quality of the vacation experience, *ceteris paribus*.

Note that the term “vacation experience” refers to the context in which compatibility is being examined. This could be a destination, a hotel, a resort, a tourist attraction or even supporting infrastructure such as the airport or bus station.

### **STUDY AIM #3: Factors of segment (in)compatibility**

#### **Methodology**

Intercept interviews were conducted with 25 patrons of local tourism attractions (public parks and gardens close to popular hotels and hotels from the selected area of study) in May and June of 2007. Interviews explored why tourists enjoy other tourists and also what they find annoying when they come into contact with other tourists. This exercise required participants to reflect on their past travel experiences and encounters. Open ended questions were used to ensure that a broad range of answers from a variety of scenarios, not specific to one destination or time frame, could be identified.

The interviews were conducted following a semi-structured format, with the interview guide initially outlining two main questions of interest: ‘When on vacation, is there anything about other tourists that would annoy you? Is there anything about other tourists that you would enjoy?’ An introductory question was also used in some cases where the respondents were approached in a setting which was not immediately associated to be a traditional tourist-type attraction, such as a picnic in a park or a stroll along a beach. The introduction question aimed to establish a context for the remaining questions by prompting the respondent to think more generally about their travel preferences as a whole experience: “When on vacation, would you prefer to be at places alone with your family or partner, or do you enjoy being surrounded by other tourists?” If they responded with “alone” or “with family or friends” they were asked what annoys them about other tourists. If they answered “other tourists” they were asked what it is about other tourists that they enjoy.

Once the fieldwork phase was completed, the interviewer transcribed the answers and categorised them into distinct themes of tourist characteristics of the encounter. The methodological approach adopted to guide the study design was based on the foundations of grounded theory where the coding of each comment and statement into categories was led by the constant comparative method (Glaser and Strauss, 1999).

## Results

In total, 10 factors of compatibility (e.g. give helpful information, offer advice and tips and excitement of company, energy and seeing other having a good time) and 8 factors of incompatibility (e.g. interruptive, inconsiderate of others, and too opinionated) were listed by respondents. The majority of them could be categorised into three broad factor categories for compatibility and three broad factor categories for incompatibility:

*Noisy people:* The first negative concept is “noisy people”. A total of 96% of participants mentioned ‘noisy people’ as an annoyance. In many instances this description of “noisy” differs from the type of noise that gives the destination a social or party atmosphere. The type of noise described by participants can be considered a disturbance, and goes beyond an average or acceptable level of noise to interrupt tourists’ during their holiday. References to loud music, yelling and loud talking, were also accompanied with other behaviours that were inconsiderate to others.

*Disrespect to environment:* The second negative behaviour or annoyance mentioned by participants was when tourists are ‘disrespectful of the host’s local environment’. This was a real concern for 48% of the participants. Disrespect of the local environment included littering, vandalism such as picking up parts of protected or fragile landmarks of the destination like coral reef, ignorance and intolerance, and disrespect for the local people by means of being rude or derogatory, making fun of them or getting frustrated at their customs and practices.

*Attitude:* The third negative behaviour was complaining, being too opinionated and having a negative attitude. These types of comments were made by 36% of participants. One participant stated: “It annoys me when other people go places just to complain without trying to take in the culture and surrounds and appreciate the differences.” The participants who stated this reason of annoyance did so because in most cases complaints were made without any form of constructive reason, such as warning someone or giving good advice, in most cases these types of complaints appeared to be just for the sake of whingeing. Some participants responded to the types of negative perspectives offered by tourists that were very opinionated, “they talk other people out of doing things and seeing places because they have had a bad experience...or that it wasn't what they were expecting. I think people should experience everything for themselves and form their own opinions as everyone is different and they may actually find these things amazing”.

Responses for the positive attributes associated with other tourists included themes around the social aspects of interaction and the excitement and atmosphere or energy created by others.

*Meeting, interacting and socialising:* The characteristic of meeting and interacting with other tourists in a social setting was the most frequently mentioned positive attribute associated with travel and contact with other tourists, mentioned by 100% of the participants. The enjoyment of hearing about other people’s lives, learning about them, sharing stories and experiences was a major benefit from tourist-tourist contact. “Sharing your experiences with other tourists, telling them about your home, lifestyle, family and friends” was the most

exciting aspect for one participant. A participant indicated that her desire to meet and interact with others is due to the “insight they can give me about their culture or country. The best thing about travel is the people you meet...we learnt many things like how they feel about their government and the war etc. Fascinating stuff”. For some participants travelling alone, the relief of meeting other tourists in the same situation seemed to help them overcome a feeling of isolation or loneliness, “If you are in a country by yourself, hooking up with other tourists and cruising around with them gives you company”.

*Social atmosphere:* The first positive characteristic revolved around the idea of enjoying a social atmosphere; an item which 44% of participants mentioned. This item captures less of a party-specific theme and more of a social aspect of having company around and not necessarily interacting with them. One respondent stated that she enjoys the tourist “activity around her”, especially the cosmopolitan, city outings where a buzz is created from many people around. She gets pleasure from the outdoor “alfresco-style eateries, people walking about” and even enjoys being surrounded by many people on the beach. Another respondent stated this in a different light, “I like seeing others having a good time”.

*Information and advice:* The third positive characteristic that was frequently mentioned was that of obtaining helpful information, advice and tips, stated by almost half the participants (48%). “Exchanging information on places that have been great, where to get good deals on great food, nice, clean places to stay” is really helpful in that regard for one participant. Another believes that it is “nice to meet other travellers who can share their stories and travelling tips with you”.

The key factors of compatibility and incompatibility are summarised in Table 1.

**Table 1: (In)Compatibility characteristics**

<i>Negative Attributes</i>	<i>Count</i>	<i>Percent of respondents</i>	<i>Positive Attributes</i>	<i>Count</i>	<i>Percent of respondents</i>
Noisy people	24	96	Meeting, interacting and socialising	25	100
Disrespect to the environment	12	48	Social atmosphere	11	44
Attitude	9	36	Information and advice	12	48

## Conclusions

This study highlighted the importance of an aspect that is fundamental to market segmentation in tourism in cases where tourism destinations or businesses choose to pursue a differentiated market segmentation strategy (meaning that they target more than one market segment): segment (in)compatibility.

After illustrating the potential negative effects of diagnosing market segment (in)compatibility in tourism segmentation and proposing definitions for the concept of compatibility (and incompatibility) the results of an exploratory empirical study were presented. The aim of this exploratory study was to determine what the main factors of segment (in)compatibility are. Results indicate that noisy people, disrespect to the environment and negative attitudes of other tourists formed the three primary categories of

segment incompatibility. Social atmosphere, meeting, interacting and socialising, and information and advice were identified as the main factors of segment compatibility.

While these results are preliminary, they highlight the relevance of studying segment (in)compatibility in the context of strategic market segmentation decisions. If tourism managers are better informed about the types of behaviours that annoy other tourist segments, segment selection can be improved by not selecting subsets of incompatible segments.

Future research needs to focus on operationalising (in)compatibility in order to make it a useful and measurable construct for tourism market segmentation studies.

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