

Segmentation: A tourism stakeholder view

Aaron Tkaczynski, Dr Sharyn R. Rundle-Thiele, Dr Narelle Beaumont

University of Southern Queensland

Abstract

Tourism segmentation research has focused on (1) developing tourist segment profiles using primary and secondary tourist data and (2) understanding which segmentation bases can accurately predict future tourist behaviour. Researchers have not considered how tourism stakeholders are segmenting their tourist markets. This paper presents evidence to suggest that the use of combined segmentation variables to develop tourism profiles is warranted and that a 'one size fits all' approach is not suitable because different tourism stakeholders within a single destination attract different tourists. Furthermore, this research identified that the segments used by the destination marketing organisation failed to holistically describe the tourist groups using the different services provided by tourism stakeholders within a single destination. Destination marketing is complex involving many stakeholders each likely to be attracting different tourist segments and future research endeavours must acknowledge this complexity.

Keywords: Segmentation, tourism stakeholders, destination marketing, case study

1. Introduction

Tourism marketers are faced with a complex environment resulting from unprecedented growth in the tourism industry over the last fifty years. As the phenomenon of tourism has grown, so have the interests of destinations in attracting their share of visitors (Sheehan, Ritchie & Hudson, 2007). Destination choices available to consumers have proliferated (Pike, 2005). Today's tourism marketers must influence consumer decision making in an increasingly complex and competitive global marketplace. Tourism is a complicated setting involving a diverse group of active stakeholders (Sheehan et al., 2007) who each have different interests in the tourism market (Pike, 2005). For destination stakeholders such as Destination Marketing Organisations (DMOs), accommodation providers, and activity operators to survive in an increasingly competitive environment, it is essential that a consistent approach is used by all tourism stakeholders operating within a single destination (Sheehan et al., 2007).

The importance of segmentation in tourism is widely acknowledged (e.g. Bieger & Laesser, 2002; Kastenholz, Davis & Paul, 1999; Cha, McCleary & Uysal, 1995). To date research has assisted us to understand which bases can be used by tourism destinations to effectively segment tourism markets (e.g. Dolnicar & Leisch, 2003; Johns & Gyimothy, 2002; Laesser & Crouch, 2006). Further, these efforts have largely centred upon building tourist profiles for a destination using visitor data (e.g. Frochot, 2005; Hudson & Ritchie, 2002; Laws, Scott & Parfitt, 2002). Little research attention has been directed towards understanding how the tourism stakeholders segment their markets. As a result we do not know how tourism stakeholders segment a market for managerial and marketing purposes and whether tourism stakeholder segments mirror

the segments defined by DMOs. This case study will contribute to the literature by presenting tourism stakeholder views for one tourism destination. It will identify similarities or discrepancies between the segments defined by the DMO and the segments used by tourism stakeholders for managerial and marketing purposes.

2. Literature Review

It is not always possible for destination marketers to tailor messages for each and every tourist. Tourism marketers require tools to assist their decision making and marketing and refine their thinking. Segmentation is a management strategy (Smith, 1956), which assists in framing management thinking (Aguas, Costa & Rita, 2000). Segmentation has been used by managers to market a destination effectively (Pike, 2005) assisting organisations to maximise financial resources (Perdue, 1996). Segmentation involves portioning heterogeneous markets into smaller, more homogeneous market segments that can be distinguished by different consumers needs, characteristics, or behaviour (Kotler, 1980). For segmentation to be purposeful, each segment needs to be measurable, accessible and substantial (Kotler, 1980).

A review of the literature indicates there is no one correct way to segment a market (Kotler, 1980; Beane & Ennis, 1987). Many different techniques have been employed by tourism researchers to segment customers with some bases (e.g. demographic and behavioural) criticised for their failure to predict actual consumer behaviour (e.g. Andereck & Caldwell, 1994; Cha et al., 1995; Johns & Gyimothy, 2002; Letho, O'Leary & Morrison, 2002; Morrison, Braunlich, Cai & O'Leary, 1996; Prentice, Witt,

& Hamer, 1998). A review of 115 tourism segmentation studies indicates that while there has been mixed use of demographic, behavioural, psychographic and geographic segmentation bases, the majority of studies have used two or more segmentation bases to segment markets. A snapshot of tourism segmentation studies is summarised in table 1.

Table 1
A Snapshot of Tourism Segmentation Studies

Author/s	Destination/s	Tourist Sample	Segmentation Bases			
			Demographic	Geographic	Psychographic	Behavioural
Kim & Lee (2002)	6 national parks (South Korea)	838			√	
Scott & Parfitt (2004)	Region of Tropical North Queensland (Australia)	877			√	
Kim, Wei & Ruys (2003)	State of Western Australia (Australia)	720	√		√	
Weaver, Kaufman & Yoon (2001)	Two conventions in Virginia (America)	197	√			√
Bonn, Joseph & Dann (2005)	Region of Tampa Bay (America)	53864*	√	√	√	
Chang (2006)	Village Wu-Tai (Taiwan)	315	√	√	√	
Carmichael & Smith (2004)	Country (Canada)	333428*	√		√	√
Hu & Yu (2007)	Mid-west state (America)	199	√		√	√
Sarigollu & Huang (2005)	Region of Latin America (North and South America)	265	√		√	√
Seiler, et al. (2002)	Country (America)	1097*	√		√	√
Andreu, Kozak, Avci & Clifter (2005)	South West region (Turkey)	260	√		√	√
Horneman, et al. (2002)	Country (Australia)	724	√		√	√
Sirakaya, Uysal & Yoshioka (2003)	Country (Turkey)	313	√		√	√
Alipour et al. (2007)	6 beaches (North Cyprus)	600	√	√	√	√
Bansal & Eiselt (2004)	Province of New Brunswick (Canada)	588	√	√	√	√
Bloom (2005)	City of Cape Town (South Africa)	694	√	√	√	√
Becken, Simmons & Frampton (2003)	West Coast of South Island (New Zealand)	453	√	√	√	√
Beh & Bruyere (2007)	3 reserves (Kenya)	465	√	√	√	√
Frochot (2005)	2 towns of Dumfries & Galloway (Scotland)	734	√	√	√	√
Molera & Albaladeo (2007)	Region of Murcia (Spain)	335	√	√	√	√
Moscardo (2004)	Region of Cairns (Australia)	1630	√	√	√	√
Shin (2007)	Region of DMZ (Korea)	302	√	√	√	√
Walker & Hinch (2006)	3 casinos in Alberta (America)	563	√	√	√	√

Key: * Secondary data

Tourism researchers have used one or a combination of the four segmentation bases (e.g. geographic, demographic, psychographic and behavioural) described by Kotler (1980) to segment markets. Only a small proportion of tourism researchers (2.5%) have used one base to segment a market (e.g. Kim & Lee, 2002; Petrick & Sirakaya, 2004;

Scott & Parfitt, 2004). The majority have used more than one segmentation base to segment a market (e.g. Beh & Bruyere 2007; Chang, 2006; Frochot, 2005; Walker & Hinch, 2006). We term this a combined approach to segmentation. For example, Horneman et al. (2002) used psychographic, demographic and behavioural factors to identify six senior traveller segments that holiday in Australia. The use of three or four segmentation bases was most typical with 47% of papers using four segmentation bases and 42% using three bases to segment a market.

From an academic viewpoint, the widespread use of demographic factors by tourism researchers is questionable, given that this base has been criticised for its failure to predict actual consumer behaviour. However, demographic factors are accessible and measurable and are likely to remain useful as a framework to guide management thinking and this may explain the combined use of demographic and other segmentation bases.

Tourist data has been the focus for researchers seeking to segment tourist markets (Frochot, 2005; Hudson & Ritchie, 2002; Laws, Scott & Parfitt, 2002). While a few studies have utilised secondary data to identify segments (e.g. Bonn et al., 2005; Carmichael & Smith, 2004; Cha et al., 1995; Seiler et al., 2002) the most common approach adopted in tourism segmentation studies is to develop tourist profiles for one destination using tourist surveys (e.g. Bloom, 2005; Horneman et al., 2002; Johns & Gyimothy, 2002; Sirakaya et al., 2003). A tourist focus means the selection of variables for segmentation relies solely on researcher judgment. Techniques such as cluster analysis are sensitive to the variables included in a study (Hair et al., 2006). The

omission of a key segmentation variable by a researcher will result in an alternate cluster solution, which may not offer the best description of the market segments for the destination.

To date, research attention has not been directed towards understanding how the tourism stakeholders segment their markets. Additional viewpoints from tourism stakeholders would allow researchers to become more familiar with, and hence knowledgeable about, the destination under study. By gathering stakeholder views of tourist segments, researchers will improve their ability to judge the results derived from cluster analysis techniques. Reasons behind the failure of some segmentation bases to predict actual consumer behaviour may stem from the research approach that has occurred to date.

Prideaux and Cooper (2002) argue that while marketing is imperative for a destination's survival, the organisation of marketing in destinations is not well understood. Whilst numerous studies have evaluated visitor data, no studies have considered which variables tourism stakeholders use to segment their markets nor have they considered whether the segments derived from research mirror the segments that are currently targeted by destination marketers. Authors such as Prideaux and Cooper (2002) and Sheehan et al. (2007) have asked tourism stakeholders how they market their destination, yet an analysis of the tourism segments from a provider perspective has not been studied. Accordingly, the objective of this research is twofold. Firstly, this paper seeks to identify how tourism stakeholders at a destination segment their market. Secondly, this paper seeks to understand whether the segments identified by the tourism stakeholders mirror the segments identified by DMOs.

3. Research Approach

A case study with semi-structured interviews was used to identify how tourism stakeholders segment their market. The case study approach has been widely used by researchers seeking to understand marketing phenomena (e.g. Awaitefe, 2004; Prideaux & Cooper, 2002; Sheehan et al., 2007). This technique permits researchers to investigate complex issues in some depth (Yin, 2003). A single case study was deemed most appropriate to ensure that an in-depth understanding of market segmentation from a tourism stakeholder perspective was obtained (Lee, 1999).

Thirteen semi-structured interviews were held with tour operators, accommodation providers (including backpacker hostels, caravan parks, self contained accommodation and hotels), regional tourism marketers (DMOs), and other tourism stakeholders. This provided a thorough overview of tourism at the regional destination under study (Fraser Coast) by considering tourism destination stakeholders in the broadest sense (Sheehan et al., 2007). Each organisation selected was an active member of the Fraser Coast South Burnett Regional Tourism Board. As a condition to being selected, each of the organisation's representatives to be interviewed was employed in a managerial role and was knowledgeable about how both the destination and their organisation are marketed to tourists.

Initial contact was made with the respondents via telephone to determine if they qualified for the study. Once qualified, a letter was sent by mail confirming the

respondent's involvement in this study. Respondents were asked to sign an informed consent form and an interview was arranged. If there was more than one tourism organisation in a specific group (e.g. backpacker accommodation), the first Tourism Board's listing was chosen. If the organisation refused to take part in the interview, the second listing was contacted.

One interview was conducted at eleven of the twelve organisations chosen. Stakeholder C, which was a larger organisation and not as constrained with regard to human resources, allowed interviews to take place with two employees from their organisation. The interviews were conducted during March and April 2007. Respondents gave permission for their interview to be recorded after confidentiality of responses was assured. Interviews averaged 40 minutes and were recorded and transcribed for analysis. Questions that were asked focused on understanding how each organisation currently segmented their market for managerial and marketing purposes.

In total 362 pages were analysed. Statements were coded using, first, an open and, secondly, an axial coding scheme as recommended by Strauss and Corbin (1988). The name and exact operation type for each organisation has been withheld to ensure anonymity for the tourism stakeholders interviewed for this study. Each stakeholder was allocated an alphabetical label and tourism stakeholder category to aid interpretation of the results.

3.1 The Destination

A regional tourism destination in Queensland, Australia, was chosen for this study. As Queensland's third largest export earner, tourism contributes significantly to the economic well being of the state (Tourism Queensland, 2007a). Tourism Queensland figures reveal that international visitors spent more than \$3.7 billion across all of Queensland in 2006 with a substantial 11.1 percent increase in the average spent per international visit from the previous year (Tourism Queensland, 2007b). The Fraser Coast was selected for this study because it was the best performing region¹ in Queensland in terms of percentage growth with international visitor spending increasing by 30 per cent to \$68 million in 2006 (Fraser Coast South Burnett Weekly Update, 2007). The Fraser Coast currently receives approximately 195,000 international visitors annually, which represents 16 per cent of all visitors to this region (Tourism Queensland, 2007a). The Fraser Coast is located approximately 300 kilometres or a 45 minute flight, north of Brisbane and roughly 1200 kilometres or a one and a half hour flight north of Sydney.

3.2 DMO Segmentation

While segments were clearly evident for the domestic (Australian) market, less detail was published on the international market. According to the DMO, international visitors are likely to come from the United Kingdom (UK), Germany, the United States of America (USA), New Zealand (NZ) and Europe. International tourists were either self

¹ Brisbane outperformed the Fraser Coast region in 2006.

drive tourists or backpackers seeking to fulfil an inner drive to challenge themselves (Tourism Queensland, 2007a).

Table 2 lists the target markets that were identified by the DMO for the domestic (Australian) market (Tourism Queensland, 2007a). Queensland preferrers are those leisure travellers (holiday and Visiting Friends and Relatives (VFR)) who state they would like to visit Queensland for at least one night for a holiday in the next two years. Fraser Coast preferrers are those leisure travellers (holiday and VFR) who state they would like to visit Fraser Coast for at least one night for a holiday in the next two years (Tourism Queensland, 2007a).

According to the DMO's marketing plan, the primary domestic target for the destination is couples (families to a lesser extent) aged 45 and over from Brisbane with a household income of \$60,000 or more per annum. These segments travel to the Fraser Coast for a short break, often touring by car which allows them to discover things at their own pace. VFR, rest and relaxation, social activities, escaping the grind, and sightseeing are of interest to these segments. The secondary domestic target market identified by the DMO is young couples and mid-life households, 25-64 years, residing in Sydney with a household income exceeding \$60,000 per annum. These segments take short breaks consisting of outdoor pursuits. Rest and relaxation, VFR, social activities, swimming or surfing are of interest to this segment (Tourism Queensland, 2007a).

Table 2
Destination Marketing Organisation Segments

Segment		Characteristics					Size of segment	
Lifestage	Source Market	Age	Household Income	Travel Party	Transport	Type Of Trip	QLD preferrers	Fraser Coast preferrers
45 years plus	Brisbane	45+	Over \$60K	Couples, some family and friends groups	Car, fly	Short break or 1-2 weeks	409,000 (19% of intrastate QLD preferrers)	113,000 (20% of intrastate Fraser Coast preferrers)
Young Parents	Brisbane	25-45	Over \$60K	Family	Car, fly	Short break or 1-2 weeks	272,000 (13% of intrastate QLD preferrers)	83,000 (15% of intrastate preferrers)
45 years plus	Regional QLD (excl. Brisbane)	45+	Up to \$60K	Couples, some family and friends groups	Car, fly	Short break or 1-2 weeks	490,000 (23% of intrastate QLD preferrers)	107,000 (19% of intrastate Fraser Coast preferrers)
Young Parents	Regional QLD (excl. Brisbane)	20-45	Up to \$70K	Family	Car	Short break or 1 week	366,000 (17% of intrastate QLD preferrers)	115,000 (20% of intrastate Fraser Coast preferrers)
Young Parents and Midlife Households	Sydney	25-64	Over \$60K	Couples and family, some friends and groups	Car, fly/drive	Short break or 1-3 weeks	847,000 (15% of interstate QLD preferrers)	111,000 (17% of interstate Fraser Coast preferrers)

Source: Adapted from Tourism Queensland (2007a, p.26)

The DMO and state tourism organisation, in partnership with other local tourism stakeholders, undertake marketing activities for the Fraser Coast (Tourism Queensland 2007a). Limited funds are available and funds have to be allocated carefully. One-off campaigns have been used to target both intrastate and interstate tourists. For example, a \$400,000 five week integrated ‘nothing compares to nature’ campaign was run in Sydney following the introduction of direct flights from Sydney to Hervey Bay in July 2005. This campaign employed television, print, and online media to target domestic tourists.

4. Results

To identify how various tourism stakeholders segment their tourist market, the thirteen tourism stakeholders were asked to describe how they segmented the market for managerial and marketing purposes. In instances where formal marketing plans were not used probes were used to understand whether the market was approached as a whole or in parts (segments).

Tourism stakeholders vary in their organisational size and resources and as such their ability to discuss how they segment a market varied. Detailed marketing plans, detailing segments targeted and attracted to the business, were available for some stakeholders. Some smaller operators did not operate with marketing plans. However, their strategic decision making indicated they did not approach the market as a whole. For example, certain 'types' of tourists were targeted by one tourism stakeholder when a radio advertisement was scheduled for a specified geographic target market. The segmentation bases identified following analysis of the data are summarised in Table 3.

Table 3
Segmentation bases used by tourism stakeholders

Stakeholder	Demographic			Geographic		Psychographic			Behavioural			No. of variables	
	Age	Gender	Travel Party Comp. (TPC)	Income	Education	Location	Trip Purpose	Motivations	Lifestyle	Activities Sought	Expenditure		Purchasing Behaviour
DMO (A)	√(*)			√		√(*)	√	√		√	√		7
Accommodation Provider (B)						√(*)							1
Other (C1)	√			√		√(*)	√	√	√	√	√	√	9
Other (C2)	√					√			√	√(*)			4
Tour Operator (D)	√(*)					√	√						3
Accommodation Provider (E)	√					√	√(*)			√			4
Accommodation Provider (F)	√	√		√(*)			√	√		√			6
Other (G)	√(*)		√(*)							√(*)	√(*)		4
Tour Operator (H)				√				√	√			√(*)	4
Tour Operator (I)										√(*)			1
Accommodation Provider (J)				√			√(*)			√(*)			2
Tour Operator (K)								√(*)					1
DMO (L)	√(*)		√(*)			√(*)							3
Total	8	1	2	5	0	7	6	5	3	8	3	2	

* Denotes the variable considered to be most important by the tourism stakeholder

4.1 Fraser Coast tourism stakeholder segmentation

All four of the segmentation bases (demographic, geographic, psychographic and behavioural) were used by tourism stakeholders. Over half used at least four variables. These tourism stakeholders used different segmentation variables and bases to segment the tourists that use their services. No additional forms of segmentation were identified. Stakeholders B, I and K used a single variable to segment their market. Four of the stakeholders (A, C1, C2 and E) utilised demographic, geographic, psychographic and behavioural segmentation bases to segment the tourists using their services. This combined approach compares well with the DMO segments in Table 2 where all four segmentation bases are employed – *Lifestage*, *Age*, *Household Income* (demographic), *Source Market* (geographic), *Transport* (behavioural) and *Type of Trip* (psychographic).

In examining the relationship between the different stakeholders, it was noted that the DMOs (Stakeholders A and L) listed both *Age* and *Location* as the most important variables. This matches the segmentation employed by the DMO in Table 2. Stakeholder L also listed *Travel Party Composition* as an important variable, whereas Stakeholder A listed five other additional variables. It was identified that all but one of the accommodation providers use *Trip Purpose* and *Activities Sought* as segmentation variables. Stakeholders E and F also listed *Age* as a segmentation variable. Stakeholder B only listed *Location* as a variable, but also suggested *we don't try to target them* [tourists]. There were no similarities in how activity providers segment their tourists with different variables being utilised in all four stakeholders. Additionally, the most important variable differed (Stakeholder D – *Age*, Stakeholder

I – *Activities Sought*, Stakeholder H – *Purchasing Behaviour*; Stakeholder K – *Motivations*). There were similarities in the three ‘other’ stakeholders. All three segmented using *Activities Sought* with Stakeholders C2 and G listing it as most important. Stakeholders C1 and C2 also utilised *Location* (Stakeholder C1 listed this as most important) and *Lifestyle*. Stakeholders C1 and G also segmented by *Expenditure*.

4.2 Comparison of DMO and Fraser Coast tourism stakeholder segments

Location (termed ‘Source Market’ by the DMO) was considered as a relevant segmentation base by the tourism stakeholders. Similar to the DMO segmentation, *South East Queensland* and *Sydney* were identified as important domestic markets. However, additional domestic markets were identified by tourism stakeholders with mention of the *Darling Downs*, *Victoria* and *New South Wales (other than Sydney)*. It was noted that similarly to the DMO, the domestic market was considered most important for several tourism stakeholders. For example, Stakeholder F argued that *95 per cent of their customers are domestic*. However, no preference for domestic or international tourists was identified. Whilst the international market is not considered a primary or secondary target market by the DMO, the tourism stakeholders were able to identify that tourists come from Europe with Germany and the UK identified. These countries were identified by the DMO in their segmentation analysis as where international tourists primarily come from.

A major discrepancy between tourism stakeholders and the DMO’s segments centred upon the psychographic and behavioural segmentation bases. Whilst the DMO argued

tourist motivations to travel to the Fraser Coast as the need to escape the grind, VFR, rest and relaxation, for social activities, and sightseeing, the tourism stakeholders could further elaborate on tourist motivations. As an example, the tourism motivations identified by tourism stakeholders as reasons why tourists come to the Fraser Coast included *to have a holiday, VFR, see something new/different, Fraser Island, whale watching, relaxed lifestyle and beach*. The behavioural segmentation variable of *Activities Sought* was identified frequently by the tourism stakeholders, yet this variable was not referred to in the DMO segments. Whilst many activities were identified in this study (e.g. *the beach, outdoors*), all but one of the respondents argued that tourists come to the Fraser Coast to see *Fraser Island* and ten of the respondents indicated visitors come to Fraser Coast to go *whale watching*.

Whilst the DMO has listed five segments with differing demographic characteristics (Age, Income, Lifestyle, Travel Party and Lifestage), these were not used by tourism stakeholders. For example, age is not used by tourism stakeholders for managerial and marketing purposes. Stakeholder G argued that *there's quite a mix*, and Stakeholder H argued *it's broad, across all ages*. In addition, respondents found it difficult to segment tourists based on their Travel Party Composition. Stakeholder K claimed *it's incredibly diverse* and Stakeholder D stated there are *lots of families, lots of backpackers, coach tours, and older groups travelling together*. However, *families and couples* were identified.

5. Discussion

Two contributions to the literature arise from this study. Firstly, this paper presents tourism stakeholders' views of segmentation at a regional destination. Until now, studies have focused on segmentation using primary and secondary tourist data sources. Secondly, by considering how tourism stakeholder's view their markets this study has identified similarities and discrepancies between the tourism segments described by tourism stakeholders and the DMO for the destination studied. Each key contribution will now be discussed in turn.

Most tourism stakeholders profile their tourists using between two and four segmentation bases. The most common variables used to profile tourists were activities sought (behavioural), location (geographic), income (demographic), trip purpose and motivations (psychographic). This supports researchers who have adopted a combined segmentation approach involving two (e.g. Bansal & Eiselt, 2004; Bonn et al., 2005; Kim et al., 2003; Sarigollu & Huang, 2005) to four (e.g. Becken et al., 2003; Beh & Bruyere, 2007; Chang, 2006; Frochot, 2005) segmentation bases. Only three stakeholders used one segmentation variable to segment the tourists using their service – an accommodation provider (geographic) and two activity providers (one psychographic, one behavioural). These results suggest that the use of a single variable to segment tourists (e.g. Brayley, 1993; Johns & Gyimothy, 2002; Moscardo et al., 2000) may be less managerially useful than the use of a combined segmentation approach. However, it does depend on the aims of management.

Researchers (e.g. Cha et al., 1995; Johns & Gyimothy, 2002; Letho et al., 2002; Morrison et al., 1996) have criticised demographic and geographic segmentation bases for their failure to predict who will travel to a destination in future. A key

explanation for this failure lies in the insights gained in this study. The tourism stakeholders recognised that tourists of all ages used their services. Despite this, demographic variables (e.g. age and income) were still used by tourism stakeholders to segment the tourists using their services. Demographics, unlike psychographic and geographic variables, are directly observable (Scott & Parfitt, 2004) and hence more able to guide managerial decision making. Demographic factors are useful for classifying tourists into key groups. These groups are used to guide key marketing decisions, for example, where best to allocate limited budgets. While demographic variables are not able to predict which types of tourists will use a service they are likely to continue to play an important role in managerial decision making.

Consideration of how tourism stakeholders (e.g. accommodation providers, activity operators and other tourism stakeholders) segment their markets for marketing and managerial purposes yielded an interesting insight. Different tourism stakeholders within a single tourism destination use different segmentation bases. To date, studies have profiled tourists for a single destination (e.g. Andreu et al., 2005; Bloom, 2005; Bonn et al., 2005; Johns & Gyimothy, 2002) with less emphasis on comparing tourists for different stakeholder groups (e.g. Laws et al., 2002). This research provides further evidence to suggest that different tourism stakeholders within a single destination attract different tourists. These insights suggest that DMOs may benefit from developing segments to cater for the different types of tourism stakeholders within their community. However, it needs to be considered that this depends on whether the purpose of the DMO is to describe visitor segments or target visitor segments.

This study sought to compare and contrast the segmentation approaches used by the DMO and the tourism stakeholders. The results from this study suggested that the segments targeted by the DMO failed to adequately capture all the tourists visiting the destination. For example, backpackers represented a substantial proportion of tourists visiting the destination yet these tourists were not targeted in the DMO's marketing activity for the Fraser Coast. Given that a key aim is to generate tourist visitation to an area (Gretzel, Fesenmaier, Formica & O'Leary, 2006), failure to target a substantial group of tourists suggests that little, if any, future marketing efforts are likely to be targeted towards attracting this type of tourist.

A key explanation for the DMO's failure to target backpackers may lie in the limited budget that is available to the DMO. While the backpacker segment is accessible, the DMO may assume this segment will be coming anyway. Therefore, backpackers may not be targeted by the DMO due to scarce financial resources being directed towards increasing the number of visitors. This is the concept of identifying leveragable markets.

6. Conclusions

This case study noted differences between the segments defined by the DMO and the other stakeholders. Whilst there were some similarities, some discrepancies between the domestic segments identified by the DMO and the tourists who use the services provided by the destination's tourism stakeholders were clearly evident. Implications for management and future research are now detailed.

6.1. Management Implications

Differences were apparent between the segments defined by the DMO and the segments used by tourism stakeholders for managerial and marketing purposes. Backpackers were a segment that featured strongly with some tourism stakeholders yet this segment was not used by the DMO to attract visitors to the destination. Allocation of resources by the DMO to attract this segment may represent a better investment of resources as this segment is both accessible and substantial. A dyadic approach is recommended for segmentation research. Specifically, interviews with key stakeholders can be used to ascertain which segments are used by tourism stakeholders for management and marketing purposes. An overall picture of tourist segments in the destination will enhance the DMO's ability to determine which segments to target. Visitor data can then be collected for relevant segmentation variables. This data can then be analysed, using multivariate techniques such as cluster analysis, to identify the segments that are most appropriate for the destination.

DMOs may have the objective of attracting visitors to a destination while some tourism operators target tourists once they are in a destination. Collaborative efforts between tourism stakeholders and the DMO are required to maximise DMO and tourism stakeholders' resources. Tourists travel to destinations for different reasons (Frochot, 2005) and failure to develop a collective approach to marketing is likely to disadvantage destinations promoting themselves in a competitive market place (Blain, Levy & Ritchie, 2005; Prideaux & Cooper, 2002; Sheehan et al., 2007). For the best return on investment the DMO needs to attract the same tourist segments that various tourism stakeholders seek to attract once they have reached the destination.

6.2 Challenges and Directions for Future Research

This paper considers one (regional) Australian destination. Future research is recommended in a range of alternate destinations to further our understanding of the relationship between segmentation approaches used by tourism stakeholders and how this relates to the segmentation approaches used by DMOs. Future research is required in urban destinations, other regional locations and other countries. The case study method employed in this study yielded insight into how tourism stakeholders view their market and how they segment differently from the DMO.

This study highlighted that different tourism stakeholders use different bases to segment their market. To date the research focus has been on identifying segments for the destination as a whole with one noted exception (Laws et al., 2002). Whilst such endeavours provide an overview of tourists frequenting a destination they are not likely to assist tourism stakeholders to distinguish between the customer types using their services. Future research needs to consider segmentation at the tourism stakeholder level rather than the destination level. Such endeavours may assist to improve the predictive capabilities of segmentation on future tourist behaviour.

The case study method employed in this paper identified discrepancies between the DMO and the tourism stakeholders. The DMO failed to describe a substantial tourist segment (e.g. the backpackers) and this is likely to impede the number of backpacker tourists attracted to the destination. Future research employing a multiple case study approach is recommended with research considering a range of tourist destinations. Efforts should be directed towards identifying similarities or discrepancies between

the segments that tourism stakeholders attract and the segments described by DMOs. Following analysis, stakeholders could then be compared to destination data to understand whether destinations exhibiting similarities between the DMO and the tourism stakeholders perform better than destinations exhibiting differences.

6.3 Limitations of this research

This study has two key limitations. The first limitation is that it is only conducted at one regional destination. Thus, findings cannot be generalised to other tourism destinations. A further limitation of this study is that our focus was to ask tourist stakeholders how they segment their tourists based on variables identified in the literature as we were seeking to compare and contrast tourism stakeholder views with the DMO. Further insights could be gained through qualitative research methods to 1) understand the extent to which various tourism stakeholders segment, and, 2) to gain insights into why certain segmentation bases are used (and why they are not) and the circumstances driving tourism stakeholder segmentation decisions.

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