

REC 3033 Commercial Recreation and Tourism

Class Week 8

Example of Market Segmentation

Identifying Ecotourists in Belize Through Benefit Segmentation: A Preliminary Analysis

JOURNAL OF SUSTAINABLE TOURISM Vol. 5, No. 3, 1997

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Understanding the perceived benefits of nature-based or ecotourism is an important step in providing products usable to the visitor and in developing a sustainable tourism policy. There are few published studies segmenting the nature-based tourism market using a benefit segmentation approach. This study, based on a sample of visitors to Belize, a widely known ecotourism country, identifies tourist segments, based on a multivariate analysis. 'Ecotourists' comprised less than 20% of the random sample of visitors taken during the tourist season. Ecotourists differed from other segments in terms of social-demographic and trip characteristics, but had similar levels of activity participation. The results suggest several implications for nature-based product promotion and development, and implementation of a sustainable tourism policy.

Why knowledge about expected tourism benefits is important...

- Help design effective promotional campaigns through selection of appropriate message themes. For example, promotional campaigns could emphasize escaping the pressure of everyday lives.
- Help protected area managers in providing facilities appropriate to the area but also attractive to the tourists. For example, tourists motivated by desire to learn about nature would have their visit enhanced by interpretive facilities
- Help assess what clientele is appropriate for a particular country or destination given its physical and cultural limitations.
- Help managers and local hosts understand different market segments, their sizes, preferences and expenditure patterns. "This information leads to a better comprehension of the economic and policy consequences of various tourism development strategies."

Segmenting Based on Perceived Tourism Benefits

Market segmentation -- process by which a large, potentially heterogeneous market is divided into smaller more homogeneous components or segments.

Traditional methods based on social-demographic characteristics (age, gender, income, etc.), geography, behaviour, and 'psychographics' or motivations.

Benefits-based segmentation uses perceived benefits of the tourism product to segment the market.

Previous research--Loker & Perdue (1992) identified six types of summer tourists in NC:

Naturalists
Family/Friend-oriented
Excitement/Escape
Pure Excitement Seekers
Escapists
Non-differentiators

Naturalists represented 15.5% of the sample, but 18.8% of the total expenditures because they had a slightly higher than average daily expenditure.

Benefits of Recreation

- Fundamental concept of benefits can include attainment of a desired condition, an improved condition, or prevention of an unwanted condition.
- Benefits can accrue to individuals, society at large, the economy, and the environment.
- Personal benefits
 - Advances in physical and mental health
 - Personal growth and development
- Social benefits
 - Strengthening family relationships
 - Enhanced community pride
 - Reduction of social deviance and dysfunction
- Economic benefits
 - Increased productivity
 - Reduced health costs
 - Local economic growth
- Environmental benefits
 - Reduced pollution levels
 - Protection of endangered species and critical wildlife habitat

Study Methods

- Random sample of 206 visitors leaving Belize at the airport in 1993. They are requested to complete survey questionnaire with 18 questions (scale items) representing expected benefits of tourism. Also included trip characteristic questions and social-demographic questions.

Factor Loadings of 18 Items

Item	Factor			
	1	2	3	4
For the solitude	0.82			
My mind could move at a slower pace	0.80			
Get away from other people	0.71			
Experience the tranquility	0.66			
Be in a natural setting		0.81		
Observe the scenic beauty		0.79		
Enjoy the noise and smell of nature		0.73		
Understand the natural world better		0.72		
Learn more about nature		0.64		
The adventure		0.51		
Help keep me in shape			0.71	
Improve my physical health			0.69	
Develop my skills and ability			0.69	
I could do something creative such as photography			0.52	
I thought it would be a challenge			0.48	
I could do things with my companion				0.83
I could be with friends				0.68
To be with others who enjoy the same				0.63
Chronbach's alpha	0.88	0.85	0.77	0.73

From Cluster Analysis

From Factor Analysis

Table 2 Mean scores for segments on extracted factors

Segment	Factor			
	Escape	Learn about Nature	Healthy Activity	Cohesive
Nature-Escapists	4.02	4.05	2.32	2.05
Ecotourists	4.52	4.64	3.99	4.27
Comfortable Naturalists	3.26	3.46	2.65	3.62
Passive Players	2.03	3.13	1.69	2.08
Significance	0.00	0.00	0.00	0.00

Statistical significance based on Analysis of Variance

The Attributes of the Market Segments

Table 3 Selected respondent social-demographic and visit characteristics

Variable	Tourist Type				Sig.*
	Nature Escapist	Ecotourist	Comfortable Naturalist	Passive Players	
Number of respondents	40	34	62	50	
Sex					
Male (%)	54	41	50	68	0.09
Female (%)	46	59	50	32	
Number of times visited Belize (mean)	1.2	1.1	3.0	2.7	0.38
Number of people in group (mean)	2.4	3.0	4.9	5.7	0.04
Duration of stay in Belize (mean days)	7.7	6.5	10.1	8.5	0.31
Age of respondents (mean years)	39.3	40.0	43.1	48.8	0.0004

*Significance level based on Analysis of Variance or Chi-square as appropriate.

Rates of Participation Among Segments

Table 4 Reported participation in selected recreation activities by tourist type, in percentage

Activity	Tourist type				Sig.*
	Nature Escapists	Ecotourists	Comfortable Naturalists	Passive Players	
Swimming	75	77	71	60	0.31
Hiking	63	50	40	34	0.04
Sailing	23	35	13	16	0.06
Canoeing	18	21	11	12	0.56
Photography	73	79	63	66	0.36
Snorkeling	73	77	77	56	0.07
Camping	5	9	3	6	0.70
Sunbathing	70	71	57	44	0.03
Viewing wildlife	70	68	58	64	0.62
Diving	28	35	42	26	0.27
Birding	43	32	24	38	0.23
Visiting ruins	60	59	45	50	0.41
Fishing	35	38	36	30	0.88
Activity Index	6.1	6.1	5.0	4.8	0.01

*Significance level based on Chi-square for individual activity participation and Analysis of Variance for the Activity Index, which is computed by assigning a score of one to each activity in which a respondent participates.

Example of Market Segmentation

Attitudes toward tourism development options

FIGURE 5. Future development options for the Orange region.

Q14. There are many development options for the Orange region. Please tell us whether you favor or oppose the following new types of development for the Orange region. (Please circle 1-5 response for each item.)

	STRONGLY FAVOR	FAVOUR	NEUTRAL / NEITHER FAVOR OR OPPOSE	OPPOSE	STRONGLY OPPOSE		
Accommodation	Alpine hotel in an Orange township	1	2	3	4	5	
	Small motel in an Orange township	1	2	3	4	5	
	Nature-based lodge in a natural setting	1	2	3	4	5	
	Service apartments	1	2	3	4	5	
	Designated campgrounds (not caravan parks)	1	2	3	4	5	
	Caravan parks	1	2	3	4	5	
	Bed and breakfast accommodation	1	2	3	4	5	
	Dispersed camping (with or w/o basic facilities)	1	2	3	4	5	
	Service development	Cafe	1	2	3	4	5
		Restaurants	1	2	3	4	5
Fast food outlets		1	2	3	4	5	
Harbour developments		1	2	3	4	5	
Nature/visitor centre		1	2	3	4	5	
Other	Commercial/retail centre	1	2	3	4	5	
	Industrial/manufacturing facilities	1	2	3	4	5	
	Resort/retreat	1	2	3	4	5	
	Wine farms	1	2	3	4	5	
	Other	1	2	3	4	5	
Any comments?							

PART 7 Information about yourself

- Q-18. What is your age? _____ YEARS
- Q-19. What is your gender? (Please circle ggg response).
- 1 Male
 - 2 Female
- Q-20. What is the highest level of formal education you have completed? (Please circle ggg response).
- 1 None
 - 2 Primary/Basic Secondary School
 - 3 Secondary School
 - 4 Vocational/Technical training
 - 5 Tertiary
 - 6 Postgraduate
 - 7 Further not to answer
- Q-21. What is your occupation? OCCUPATION _____
- Q-22. Which employment category best describes you? (Please circle ggg response).
- 1 Agriculture
 - 2 Tourism
 - 3 Government
 - 4 Education
 - 5 Professional services
 - 6 Manufacturing/retail
 - 7 Tradesman
 - 8 Consultant
 - 9 Retired
 - 10 Other (please specify) _____
- Q-23. Which category best describes you? (Please circle ggg responses that apply)
- 1 I work in a tourism business
 - 2 Someone in my immediate family works in the tourism business
 - 3 My immediate family owns a tourism business
 - 4 My other friends or associates work in the tourism business
 - 5 I have no association with tourism at all
 - 6 Other _____
- Q-24. Which category best describes your home life? (Please circle ggg response).
- 1 Live alone
 - 2 Couple with children
 - 3 Couple (no children)
 - 4 Other _____
- Q-25. Do you consider yourself an advocate for the environment? (Please circle ggg response).
- 1 YES
 - 2 NO
 - 3 SOMEWHAT

Demographic Variables