

Target markets

Positioning usually implies a segmentation commitment. Positioning usually means that an overt decision is being made to concentrate only on certain segments. Such an approach requires commitment and discipline because it's not easy to turn your back on potential buyers.

Aaker & Shansby (1982, p. 61)

Aims

The aims of this chapter are to enhance understanding of:

- the need to prioritise target markets
- segmentation approaches
- the challenge of market positioning in multiple target markets



Perspective

Positioning has its roots in segmentation theory. The first task in developing profitable customer relationships is the identification of target markets. The DMO marketing approach differs to the generally accepted definition of the marketing orientation as presented in general marketing theory in at least one significant way. A marketing orientation was defined in Chapter 1 as a philosophy that recognises the achievement of organisational goals that requires an understanding of the needs and wants of the target market, and then delivering satisfaction more effectively than rivals. With such an orientation, all marketing decisions are made with the customer in mind. Most DMOs have no control over the tourism services they represent, and devote relatively few resources to new product development tailored to meet identified consumer needs. Therefore, the marketing process is not one of designing products to meet market needs, but of attempting to find markets that are likely to be interested in the destination's current products and then communicating an attractive proposition. Identifying market segments that may have an interest in the destination's product range is a critical task for DMOs.

Identifying target markets

On the demand side of destination marketing, the global market of consumer-travellers is not homogenous in terms of needs (Wahab et al., 1976). Travellers from different geographic areas, socio-demographic groups, and lifestyle clusters will respond to different offers at different times, for a complex array of reasons, including the purpose of travel, individual motivation(s), time available, the time of year, and availability of other discretionary spending opportunities. Consumers will engage in different types of travel at different times of the year and their lifetime. Thousands of DMOs now compete for the attention of busy consumers through communication channels cluttered with noise from rival and substitute offerings. The greatest challenge facing DMOs is to effectively differentiate their offering at decision time.

A market orientation dictates outward-inward market-organisation thinking (Duncan, 2002). In tourism this means first anticipating travellers' needs and then developing products and services to meet these. Historically, DMOs have generally used inward-outward thinking by attempting to find markets that will be interested in a destination's existing products. While targeting products to the perceived needs of specific segments is a marketing axiom, DMOs have a broad mandate and therefore operate in mass markets with millions of consumers. Tourism demand does not represent a homogenous group of people with identical motivations (Wahab et al., 1976), and as already discussed the market interests of a destination's tourism businesses can be divergent. However, the need to focus

resources then leads on to the central operational decision of tourism marketers to prioritise target markets. Positioning has its roots in segmentation theory (Haahti, 1986), and the two concepts have become inseparable in the marketing process.

Market aggregation represents an undifferentiated approach, where all consumers are treated as one, and is criticised as being a shotgun approach. At the opposite end of the continuum is total market disaggregating, where every consumer is treated individually as a separate segment. There are obvious limits as to how far this can be taken by DMOs. However, important trade customers such as inbound tour operators are an example of marketing to the needs of an identifiable individual client.

A destination's image may differ between regional markets (Hunt, 1975), between different segments (Fakeye & Crompton, 1991; Phelps, 1986), and in different travel contexts. However, DMOs seldom research the differences in the images held by different markets (Ahmed, 1996) and different travel contexts. Pechlaner and Abfalter (2002) criticised many NTOs in Europe for paying insufficient attention to the differences between markets, suggesting they were limited to using undifferentiated but cost-effective marketing, which targeted common interests and needs of all travellers. However, undertaking needs analyses on a segment-by-segment basis provides marketers with opportunities to understand the needs of target segments better than competitors (Lovelock, 1991). Research Snapshot 13.1 provides an example of this.

Research snapshot 13.1 Do you want to feel the spirit?

It has been suggested that of all the features New Zealand has to offer international visitors there is only one that is truly unique and that is the indigenous Maori people and their culture. This represents a key source of differentiation for the district of Rotorua, which has long been regarded as the country's centre of Maori culture. One-third of the local population is Maori and the district has a proud history of providing cultural experiences to travellers. Not surprisingly, the brand positioning theme launched in 1996 reflects this... *Feel the spirit Manaakitanga*. That the theme was designed for use in all markets assumes that all markets will have an interest in Maori culture. Research into how Rotorua was positioned in the important domestic short-break market suggested strongly that Maori culture was not regarded as either a salient or determinant attribute. Rotorua has a strong position in the domestic market, but one that is based on other attributes such as 'lots do do', 'good accommodation', 'good cafes' etc. The research indicated that Rotorua should therefore consider using a different positioning theme in the domestic short-break market, to reinforce positively held perceptions.

Source: Pike, S. & Ryan, C. (2004). Dimensions of short-break destination attractiveness – a comparison of cognitive, affective and conative perceptions. *Journal of Travel Research*, 42(4), 333–342.

Positioning is based on communicating one or a few key benefits desired by the target segment. Since destinations operate in mass markets containing individuals with differing needs, can one positioning theme be adapted for use in all markets, or do the different characteristics of each market

dictate a mix of distinct tailored themes as in the *think global, act local* mantra? In theory, the latter would enable separate advertising briefs to be developed that cater to the needs of different segments. However, from a practical perspective, when considering the range of segments that will be of interest to a DMO's stakeholders, both a multi-market assessment and a differentiated promotion approach appear daunting. As observed by Hooley and Saunders (1993, p. 154), an organisation taking the multiple segment approach 'may face a diseconomy in managing, supplying and promoting in a different way to each of these segments it has chosen'. Woodside (1982) also presented a warning in this regard, suggesting that it is more effective to offer one set of benefits to one significant segment.

Segmentation

Segmentation can be undertaken either by *a priori* means, where the criterion variable for dividing the market is already known, or by *posteriori* means, where no such prior knowledge exists (Calantone & Mazanec, 1991). For practical reasons many smaller DMOs will use an *a priori* approach to segmenting the global market. This is undertaken using criteria relating to easily obtainable information on geographic and demographic characteristics. For example, destinations in Central America and the Caribbean place a heavy reliance on visitors from cities in North America, while 15% of all USA arrivals are from Latin American countries (TIA, 2004, in www.restaurantnewsresource.com, 29/304). In Queensland, Australia, the largest source of visitors for each of the state's RTOs is the state capital, Brisbane.

Case Study 13.1 provides a practical example of one small destination's development of a new strategy to appeal to the growing 'silver' market.

Case study 13.1 Pimp my Nordic walking stick

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Destination marketers in the province of Limburg, which is located in the south of The Netherlands, have set two key tourism development goals. The first is to become the number two province for tourists in the Netherlands, and the second is to attract 25% more silver tourists (age 50+). In doing so, the strategy recognises the need to stimulate small and medium enterprises to be better equipped to satisfy the needs and wants of this growing target group. These experienced holidaymakers expect high quality and seek new surprising products and services from the tourism industry. Key questions asked by Limburg tourism stakeholders in the development of the strategy included: How can local hotel entrepreneurs better satisfy this demanding target segment? What innovative concepts can be developed to attract more silvers to the region?

One organisation that has responded to the DMO strategy is The Heuvelland Hotel Group (www.heuvellandhotels.nl). The group comprises 13 family hotels in South-Limburg (near

Maastricht), which started to cooperate six years ago. It was felt that the timing of the new strategy presented an ideal opportunity to further develop the alliance by introducing innovative concepts that would attract more tourists to the region and to the hotels. As part of the preparation to this project, and to obtain insight into the market in general, an analysis of the major problems that the entrepreneurs encounter in the external environment was conducted. Following this external analysis, each hotel was submitted to a hospitality audit consisting of surveys among guests in the target segment, and anonymous visits by mystery silver guests. The most important outcome of this research was that guest satisfaction was very high.

In the next stage students of the Maastricht Hotel Management School carried out a benchmark study in order to review innovative concepts within and outside the hospitality business, and to select the most appropriate concepts for the hotels. The outcomes of this project were the fuel for the final and most important part of the strategy, which was the implementation of innovative concepts by the entrepreneurs. Four promising innovative concepts were selected for implementation. The philosophy guiding selection of each was that they: (1) are new for the Heuvelland Hotels, (2) will further enhance the cooperation between the Heuvelland Hotels and other hospitality and leisure entrepreneurs, and (3) have the potential to attract more tourists to the region. At the time of writing, the concepts under development included:

- **Pimp my Nordic Walking Stick.** Artists who live in South-Limburg will be asked to pimp Nordic walking sticks in all 13 hotels. The first design, shown below, quickly attracted media publicity.



- **Heuvelland passport.** A passport distributed in conjunction with leisure enterprises in the region. The passport enables guests to obtain discounts and special activities.
- **Holiday planner.** On the portal site of the Heuvelland Hotel Group a holiday planner will be integrated.

Discussion question

What other innovative concepts would stimulate the cooperation between entrepreneurs in the hospitality and leisure sectors, and attract more silver tourists to the region?

Market portfolio models

A number of methods for measuring international markets in relative terms have been reported in the literature, such as the market potential index developed by the United States Travel Service (see Lundberg, 1990), Western Australia's market potential assessment formula (see Crockett & Wood, 1999), and the country potential generation index (CPGI) (Hudman, 1979, in Formica & Littlefield, 2000, p. 110). For example, the CPGI is expressed as:

$$\text{CPGI} = \frac{N_c}{N_w} \frac{P_c}{P_w}$$

Where: N_c = the number of trips generated by the country

N_w = the number of trips generated in the world

P_c = the population of the country

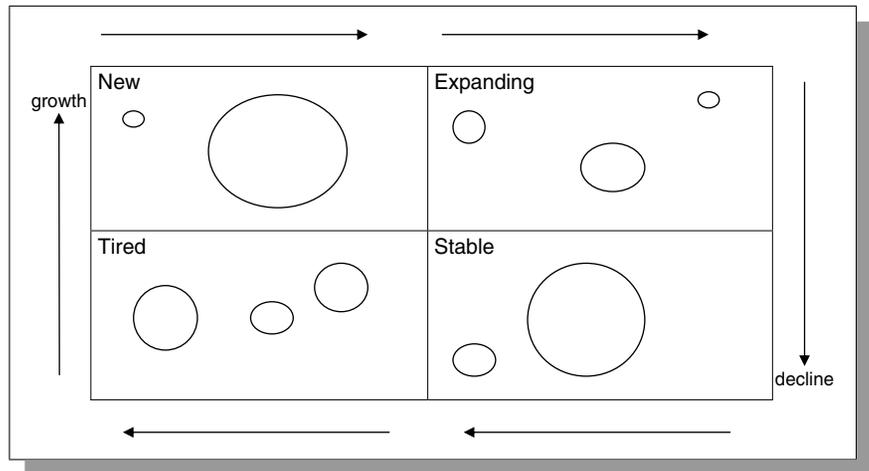
P_w = population of the world

A weakness of the CPGI approach is that the model does not consider other important factors such as accessibility and per capita wealth. A more comprehensive method is multifactor portfolio modelling, which has been based on a two-dimensional matrix combining measures of market attractiveness and competitive position (see Mazanec, 1997). The matrix presents a visual tool similar to the growth-share matrix used by businesses to plot their product portfolio by market share and market growth (see, for example, Johnson & Scholes, 2002, p. 284). For destinations, market attractiveness variables considered for inclusion include market size, growth rate, seasonality effects, and price levels, while competitive position might include variables related to market share, image, and advertising budgets. Destinations and markets are rated on each variable, which are subjectively assigned a weighting since not all will be of equal importance. For processing such data Mazanec promoted the use of the IAAWIN software, which was freely available from the Vienna University of Economics and Business Administration (see www.wu-wien.ac.at). A variation of this method, using a 3×3 matrix, was reported by Henshall and Roberts (1985) in a comparative assessment of New Zealand's major markets.

Another portfolio approach, the destination-market matrix (DMM), which provides more balance between quantitative and qualitative analysis, was promoted by McKercher (1995). The DMM incorporates the destination lifecycle as well as the growth-share matrix, and displays six relationships between the destination and its markets:

- the relative importance of each market
- each market's lifecycle stage
- the age of each market in each lifecycle stage, which forms the basis of the horizontal axis
- a prediction of future performance, which forms the basis of the vertical axis
- the total number of markets attracted to the destination
- the interrelationship existing among all these markets.

Figure 13.1
Destination-market
matrix



The four cells of the DMM, shown in Figure 13.1, represent the lifecycle stages each market would be expected to follow: 'new', 'expanding', 'stable', and 'tired'. Each circle represents a market of interest, in terms of relative size and future performance. A critical assumption of the model is that markets progress through the matrix in a clockwise direction, starting as a 'new' market in the top left-hand corner. The horizontal axis represents the age of the market in the cell. McKercher suggested that the benefits of the DMM were its flexibility, in that markets could be segmented by whatever means was most suitable to the DMO, and the ability to track the performance over time. Three Australian case studies were provided in the paper to demonstrate its effectiveness as a visual planning tool. The DMM was used by McKercher to graphically highlight unbalanced growth at the Gold Coast, the state of Victoria in decline, and balanced growth for Australia as a whole.

General utilities of market portfolio modelling techniques include aiding DMO decisions relating to promotional budget allocation for each market and enhancing understanding of the destination's relative reliance on key markets. These can then be graphically presented to stakeholders to promote or justify strategies. Often it is only with hindsight that the full implications of an over-reliance on particular markets is realised. This was particularly evident in Australia and New Zealand during the 1990s Asian economic crisis when an over-reliance on markets in the region proved a weakness of many tourism businesses. Similarly, one of the major problems in the downturn in visitors to Majorca during the 1980s was an over-reliance on the UK and German markets, which accounted for 70% of the island's visitors (Morgan, 1991). The portfolio approach can also be used by a DMO on a market-by-market basis to plot current and future attractiveness of the destination's individual products. This is useful for destinations with a diverse range of products that have differing levels of appeal for different markets. A competitive analysis of the attractiveness of other destinations' product portfolios may also be undertaken.

The *posteriori* segmentation approach usually utilises more sophisticated multivariate techniques, such as cluster analysis, to identify groups within a population that exhibit or state similar psychographic characteristics. These will involve more subjectively defined criteria such as attitudes, desired benefits, and behavioural intent. Another means is by travel purpose, including special interest groups. An almost limitless list of these include such diverse examples as: medical tourists, business meetings, incentive groups, school reunions, education field trips, bird-watchers, calligraphers, collectors, country music fans, bikers, and surfers. As examples, this section discusses three significant markets that have emerged in recent years which provide opportunities for DMOs to generate repeat visitation and destination loyalty, but which have not yet attracted significant academic research attention in many parts of the world: short breaks, gay and lesbian tourism, and family-related tourism.

Short breaks

The term *short break* is firmly entrenched in the travel industry vernacular and has regularly been the topic of articles in trade publications and in the popular press. Also, in Australia, for example, *The Sunday Mail* features a weekly travel column entitled 'Short Breaks'. However, in the tourism literature it was as recent as 1990 that Fache (1990, p. 5) referred to short breaks as a 'new form of recreation'.

Short breaks have emerged relatively recently as a significant holiday trend in Europe (Euromonitor, 1987; Fache, 1990), Australasia (Pike, 2002c, 2007) and North America (Kotler, et al., 1998; Plog, 2000). The majority of research into this travel segment has been in the UK, where the focus has been on commercial hotel packages (see, for example, Davies, 1990; Edgar, Littelljohn, Allardyce & Wanhill, 1994; Middleton & O'Brien, 1987; Teare et al., 1989; Edgar, 1997). Domestic weekend-break packages, by UK hotels, was one of a range of initiatives to counter static domestic and international visitor growth during the late-1970s. By the 1990s commercial short breaks in the UK had evolved from an off-season contribution towards fixed costs, to an all-year growth market (Edgar et al., 1994). In Europe it has been claimed that short breaks were growing at a faster rate than other holiday types Lohmann (1990, 1991) and generated the highest per day spend (Gratton, 1990). Gratton suggested that increases in the number of short breaks taken each year had reversed the decline in domestic tourism experienced in many European countries during the 1970s.

Increases in leisure time and disposable income have led to one or more shorter holidays being taken each year, which supplemented the annual holiday (Euromonitor, 1987). However, there has been little empirical investigation of the extent to which short breaks either replace or supplement the main holiday. Euromonitor also estimated that almost one-third of people took more than one such break per year, and that 40% of all holidays taken were short breaks. More recently, my own research in Australia (Pike 2004, 2007) and in New Zealand (Pike, 2002) found that participants averaged three to four short-break holidays each year. Qualitative comments from participants indicate the short break is now a

psychological necessity to temporarily escape daily pressures. Fache (1994) summarised the following characteristics of short breaks:

- they do not replace annual holidays
- destinations are usually within the home country
- private cars are the main form of transport
- short breaks are taken throughout the year
- short-break takers are relatively high-spenders
- short breaks are usually a spontaneous decision

Short-break holidays lack an internationally recognised definition (Edgar, 2001). In the UK and Europe they have commonly been referred to as short holidays of up three nights (see Euromonitor, 1987; Fache, 1994; van Middelkoop, Borgers & Timmermans, 1999). However, Edgar pointed to emerging thinking that short breaks are more likely to be up to four or five nights. Intuitively, this appears reasonable given that four or five nights may or may not be considered a main holiday in many parts of the world. Although more exploratory research is needed to clarify this, I suggest that a short-break holiday is a non-business trip of between one and four nights away from the home environment.

Despite the clear significance of the short-break market, relatively few published market perceptions studies have focused on this travel context. Indeed, only two of 142 destination image papers published in the literature between 1973 and 2000 indicated an interest in short-break holidays (see Pike, 2002a). Chon et al. (1991) investigated the image of Norfolk, Virginia as a 'mini-break' destination, while McClellan (1998) analysed perceptions of Cherbourg as a potential short-break destination for French and English travellers.

In practice

Northern Tasmania Tourism offers local tourism businesses the opportunity to buy into a short-break campaign (for a copy of the prospectus see www.northerntasmania.org.au/webdata/resources/files/Short_Break_Campaign.pdf). In 2007 the \$218,000 campaign ran from May to September, and promoted food, wine, heritage, culture, and Australian Football to two domestic markets: Melbourne's inner-east suburbs and Hobart's southern suburbs. Short breaks account for 18% of visitors to the region and 10% of visitor spend. Opportunities for tourism businesses to participate included:

- A display at the Tamar Valley Fine Wine and Food Festival, supported by media advertising and a letter box brochure drop.
- A display at the Melbourne and Sydney Good Food and Wine Shows, where a competition would be used to develop an e-marketing database of enquirers.

- Cooperative advertising in the *Australian Gourmet Traveller* magazine.
- Cooperative print, radio, and TV advertising.
- Inclusion in web-based suggested itineraries.
- Short-break brochure.
- Visiting journalist programme.

Gay and lesbian tourism

In the emerging field of research about gay and lesbian travellers in the tourism literature it is evident that there are mixed views about the justification for targeting this segment. On one hand, there is a stereotypical image of an affluent group with a high propensity for travel. In 2006, for example, the 11th Annual Gay & Lesbian Travel Survey in the USA (see www.communitymarketinginc.com) found that 71% of lesbians and gay men held a valid passport, and that 68% of the gay men and 57% of the lesbians surveyed travelled internationally in the previous year. On the other hand, there has been criticism from host communities and gay travellers alike, about some negative impacts on society. Hughes' (2002) literature review found a number of reasons for warranting or not warranting the targeting of gay markets by urban destinations. These are summarised in Table 13.1.

Hughes summarised the travel needs of gay men as seeking destinations that meet the usual needs of a holiday, but which also offer 'gay space', such as in pubs and clubs, as well as a lack of homophobia among residents.

Table 13.1 Targeting gay markets by urban destinations

For	Against
<ul style="list-style-type: none"> • the group represents a new market for existing products • they are perceived to be interested in urban tourism • general characteristics of gay men include a propensity for and frequency of travel, high travel spend, high income and education levels, an interest in culture, few family connections, and more free time 	<ul style="list-style-type: none"> • the characteristics are not universally applicable to all gays and lesbians • segmentation by sexual orientation conceals other characteristics such as age, race, attitudes, and interests, which may have a stronger bearing on travel purchase patterns

In practice

The BTA produced a brochure entitled *Britain: You don't know the half of it* (later renamed *Britain: Inside and Out*) as part of a promotion targeting gay travellers in New York, Chicago, and Los Angeles (*Time International*, 1999, p. 28). The brochure, which touted London as the gay capital of Europe, and the seaside resorts of Brighton, Bournemouth, and Torquay as the 'queens of the south', provided details of gay pubs, clubs, hotels, shops, and bath houses. At the time the UK was attracting half a million international gay visitors annually. Spokesperson Louise Wood commented on the campaign rationale: 'We're actively targeting the pink dollar. American gays are frequent travellers, long stayers, and big spenders.' One RTB to capitalise on the BTA/Visit Britain campaign has been Marketing Manchester. Manchester features a unique gay space, hosts an annual Gayfest, and was home to the television series *Queer as Folk*. Tactics have included advertising in gay media, direct mail, representation at gay pride events, and distribution of a dedicated gay Manchester brochure. The campaign focused on emphasising the city's gay space, and provided reassurance about the community's tolerance of alternative lifestyles. In Australia, Tourism Victoria launched an international gay and lesbian tourism campaign in 2003 (www.tourismvictoria.com.au/newsletter/july_2003/story7.htm, 7/7/03). Key elements of the campaign included the Melbourne Gay and Lesbian Visitors' Guide and a newly branded gay specific website (see www.visitmelbourne.com/gaytravel).

DMOs targeting the gay market should also be prepared for criticism from the host population. Marketing Manchester's campaign has been criticised by prominent civic leaders as promoting 'sex tourism' and therefore alienating other visitors (Hughes, 2002). It was as recent as 1994 in New Zealand that the CEO of the RTO for the leading resort area Queenstown described the local council's decision to criticise a New Zealand Tourism Board (NZTB) campaign targeting the Australian gay market as 'discrimination' (*Inside Tourism*, IT487, 27/2/04, p. 8). The council passed a motion to not support any tourism promotion based on 'ethnic, race, religious, or sexual grounds'. Earlier, the country's Minister of Tourism, John Banks, stated that he was also against the NZTB's gay campaign, although he did not want to ban homosexual visitors. *Time International* (1999) reported that the new sexual openness by the British NTO was only possible following the election of the Labour government in 1997. However, Visit Britain's campaign has been slammed by some in the local gay community for a range of reasons such as welcoming gay money but not extending basic human rights like adequate policing of London's gay quarter, and stimulating 'gawping' heterosexual tourists who were creating a fishbowl effect. 'You feel like you are in a zoo' suggested one gay travel writer.

Visiting friends and relatives

Travel to visit friends and relatives (VFR) generates repeat visitors to a destination (see Gitelson & Crompton, 1984), and represents a significant component of travel patterns. With strong bonds to a destination's residents, the VFR market is generally more resilient than other segments (Godfrey & Clarke, 2000). Chon and Singh (1995) cited research by the US Travel Data Centre, which estimated almost half of leisure travel in the USA involved VFR. Clearly this presents opportunities for DMOs. For example, Stephenville in Newfoundland effectively developed a visitor market out of VFR links from marriages between USA military personnel and local women (Butler & Baum, 1999). Over 25,000 servicemen served in Newfoundland from the 1940s to 1960s. VFR tourism also offers opportunities for regions that have been characterised by high migration levels. These range from small rural areas that have experienced urban drift to countries such as Ireland, New Zealand, and Samoa, which have disproportionately large percentages of expatriates living abroad. The latter in particular enjoys seasonal influxes of visiting expatriates from the USA, Australia, and New Zealand, whose regular trips provide valuable cash injections to the fragile economy.

The VFR market also presents a number of challenges for DMOs, not the least of which is that it is not viewed positively by all in the tourism industry, and DMOs must take due care to investigate its feasibility. Critics argue that the market often ties up valuable aircraft capacity, particularly at peak holiday periods, but at the same time makes relatively little use of accommodation and tourist attractions, such as illustrated in Research Snapshot 13.3. McKercher (1996, in Bleasdale & Kwarko, 2000) described VFR tourism as an invisible activity, given the difficulty in isolating the segment within aggregated statistics.

Research snapshot 13.3 Ghana's high proportion of VFR

Bleasdale and Kwarko investigated the opportunity for Ghana to capitalise on the potential of VFR tourism. Ghana has a poorly developed image as a tourism destination relative to competing destinations in the region such as The Gambia and South Africa. The country also suffers from the existence of health hazards such as malaria and a lack of investment capital and tourism infrastructure. In 1988 it was estimated that half of all international visitors were Ghanaian, and that many others travelling on USA or UK passports were of Ghanaian origin. Despite the high proportion of VFR travellers, their survey of Ghanaians residing in London found that very few used commercial accommodation or visited tourism attractions. They recommended therefore that the Ghana Tourist Board needed to develop proactive initiatives if the VFR segment was to contribute more to the development of the tourism industry.

Source: Bleasdale, S. & Kwarko, P. (2000) Is there a role for visiting friends and relatives in Ghana's tourism development strategy? In M. Robinson, N. Evans, P. Long, R. Sharpley, & J. Swarbrooke, (eds), *Management, Marketing and the Political Economy of Tourism* (pp. 13–22. Sunderland: Centre for Travel & Tourism.

Related to VFR is genealogy tourism or kinship tourism. Although there has been little published research to date, many destinations have the opportunity to target markets where settlers either emigrated from or emigrated to. For example, regarding the former, the *Evening News* (4/2/03, p. 14) reported on an initiative by Edinburgh tourism businesses that involved a sales mission to Canada and the USA to 'strengthen bonds of kinship' with Scotland. North America is Scotland's largest overseas market. Visit Scotland operates a dedicated website (see www.ancestralscotland.com) under the promotional theme 'Follow in the footsteps of your ancestors ... all the way home.' A report in the *National Post* (6/1/03) cited a government commissioned study in Canada that found that one-third of Canadians are interested in genealogy tourism.

In practice

Invite the World was implemented by Tourism Vancouver in 2002 to urge residents to invite friends and relatives from around the world to visit the destination. The CVB encouraged residents to send an e-postcard from tourismvancouver.com to contacts outside of Vancouver and British Columbia. In doing so, the resident was automatically entered into a weekly prize draw. The campaign ran from March to November at a cost of over C\$400,000, three-quarters of which was generated from sponsors. Key results included:

- 14,098 e-postcards sent from tourismvancouver.com compared to 4122 sent over the same time period 2001; an increase of 242%
- 1,539,573 unique visits to tourismvancouver.com compared to 976,390 over the same time period 2001; an increase of 58%.
- 7966 qualified names collected by permission data capture for future e-marketing efforts.

Key points

1. The need to prioritise target markets

On the demand side of destination marketing, the global market of consumer-travellers is not homogenous in terms of needs. Travellers from different geographic areas, socio-demographic groups, and lifestyle clusters will respond to different offers at different times, for a complex array of reasons, including the purpose of travel, individual motivation(s), time available, the time of year, and availability of other discretionary spending opportunities. Consumers will engage in different types of travel at different times of the year and their lifetime. The greatest challenge facing DMOs is to effectively differentiate their offering at decision time.

2. Segmentation approaches

Market aggregation represents an undifferentiated approach, where all consumers are treated as one, and is criticised as being a shotgun approach. At the opposite end of the continuum is total market disaggregating where every consumer is treated individually as a separate segment. Segmentation can be undertaken either by *a priori* means, where the criterion variable for dividing the market is already known, or by *posteriori* means, where no such prior knowledge exists. For practical reasons many smaller DMOs will use an *a priori* approach to segmenting the global market. This is undertaken using criteria relating to easily obtainable information on geographic and demographic characteristics.

3. The challenge of market positioning in multiple target markets

While targeting products to the perceived needs of specific segments is a marketing axiom, DMOs have a broad mandate and therefore operate in mass markets with millions of consumers. The market interests of a destination's tourism businesses can be divergent. Positioning has its roots in segmentation theory, and the two concepts have become inseparable in the marketing process. A critical question for DMOs to address is whether one brand positioning theme will be meaningful in all markets of interest to stakeholders.

Review questions

- What key market segments are targeted by your DMO?
- Are separate positioning themes used for different target segments? If not, to what extent is the positioning theme relevant in each market?
- To what extent is your DMO explicitly targeting the following segments: short breaks, gay and lesbians, families?