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# **CONSUMER BEHAVIOUR IN THE TOURIST SEGMENTATION PROCESS – A MARKETING RESEARCH**

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## **Abstract:**

*The study of consumer behaviour has become in recent decades increasingly important. Therefore, it is particularly important to understand what processes are acting in the black box of consumers of tourism services before taking any marketing decision. This paper presents a marketing research that aims to identify key dimensions of consumers of tourism services. The marketing research is based on online questionnaire sent by a representative sample shows a number of answers about consumers' purchasing intentions, the main influences on consumer attitudes, motives in choosing the holiday package, the main sources of information accessed in the process of choosing the tourism services, etc.*

**Key words:** *consumer behaviour, marketing, segmentation, tourism market, research*

## **1. Introduction**

The increasingly powerful development of new communication and information technologies combined with undeniable consumer access to communication platforms and the increased offer of tour operators leads to a series of challenges that managers and specialists marketers must respond to.

It is imperative to know which the buying behaviour of consumers is in general and in particular for travel services. We also consider that the influencing factors acting on consumers in the selection, training of attitudes and perceptions need to be considered more intensely. All these things are essential in the tourism market segmentation in our country. Market segmentation is a particularly means by which companies and marketers can determine the best conditions for customer oriented marketing strategies.

## **2. Literature review**

Studying consumer behaviour has undergone in the last decade a number of changes and major developments. Currently, consumers have access to a variety of options for choice of services. An extremely powerful dynamism is seen in tourism, because the consumer can choose the ideal holidays planned to the last detail in advance, via the internet.

The focus on consumer needs, market demand, requires, as a starting and reference point, thorough knowledge of these requirements and needs. Consumer purchasing behaviour (Cătoi and Teodorescu, 2004) is a component of economic behaviour of people, which, in its turn, is a manifestation of human behaviour in general.

According to the American Marketing Association (AMA), the consumer is (marketingpower.com, 2012) traditionally, the final user or consumer of goods, services or ideas. However, this term is used to emphasize that the buyer or the decision maker is the ultimate consumer.

At the same time, according to Marketing explanatory dictionary (Florescu et. al, 2003), the consumer is any economic subject whose behaviour is directed toward individual or micro-group membership needs.

The concept of "consumer behaviour" is the behaviour that consumers show in searching, buying up, use, evaluation and disposition of certain products and services to which they await the needs to be met. Consumer behaviour is focused on how individuals make decisions to spend their available resources (time, financial and effort) for consumption of related objects (Schiffman and Lazar Kanuk, 2009).

According to Romanian specialists, they define consumer behaviour from two important perspectives (Cătoi and Teodorescu, 2004):

- **In a narrow sense** – it reflects people's behaviour when buying or consuming goods and services; But, considering the developments in terms of the history of the concept of marketing, this approach was first associated with classical marketing ideas, namely a period when marketing was to the fore: the product and / or service;
- **In a broad sense** - given the new concept of marketing, consumer behaviour encompasses the entire conduct of the end user of tangible and intangible assets (Kroeber-Riel, 1990 in Cătoi and Teodorescu, 2004).

American Marketing Association offered two definitions of consumer behaviour as (marketingpower.com):

- Dynamic interaction between effects, cognitive aspects, behaviour and environment in which people exchanges in their lives;
- Consumer behaviour or of the decision maker in the market for products and services. It is often used to describe the interdisciplinary scientific study that seeks to understand and describe such behaviour.

Consumer behaviour can be defined as all acts of decision made at the individual or group level directly related to the collection and use of goods and services

to meet current and future needs, including decision-making processes that precede and determine these acts (Cătoiu and Teodorescu 2004; Balaure et. al., 2002). Consumer behaviour is a dynamic process, with very few strict rules and that marketing specialist should understand, that may be affected and need to be educated (Purcărea and Rațiu, 2007).

Consumer purchasing behaviour refers to the behaviour of final consumers - individuals and households which buy goods and services for final consumption (Kotler et. al., 1998).

After clarifying the concept of consumer behaviour it is necessary to clarify the generic concept of services and a number of aspects of tourism services on the one hand, and on the other hand we underline items related to tourism market segmentation.

One of the definitions of services (Blois, 1974) points out that this means any activity which provides benefits that not necessarily involve an exchange of tangible goods. A continuation of the above definition is that of Bessom and Jackson (1975) which outlines services as: activities that are completed by obtaining a benefit or utility activities that he can not or does not wish to perform.

According to Kotler and Keller (2008) services represent any act or transaction that one party may offer to another and that is essentially intangible and does not result in entry into possession of a thing. Accomplishing a service may or may not be linked to an existing product in physical form.

Looking back, we can agree with the proposed position of Angelescu et. al. (1989), where services are activities that meet specific social or individual needs, without resulting in standalone products.

Following these definitions we can clearly notice a number of common elements of services that can assist in the understanding of the characteristics of services in general and of tourism services in particular.

**Table 1. General characteristics of services and their adaptation to tourist activity**

<b>Characteristic</b>	<b>Explanation</b>	<b>Implication in tourism</b>
<b><i>Intangibility</i></b>	Intangibility expresses the fact that, unlike products, services can not be seen, tasted, touched as a product can be tested.	Tourism marketers tend to "make tangible" the tourist offer through brochures, videos - visual manifestations of the real thing.
<b><i>Inseparability</i></b>	The services are produced and consumed simultaneously, and they can not be separated from its provider.	Marketers are trying to implement some systems or programs (such as training of employees) to ensure a pleasant interaction between client and employees.
<b><i>Variability</i></b>	The same service is perceived differently by the customer,	Given the difficulty of standardization of tourism

	according to the person providing it; or the same service provided by the same provider, is perceived differently by the customer depending on the time or place where it has been performed.	services, marketers can personalize the tourist offer.
<b>Perishability / Outage</b>	This feature is the inability of services to be stored or inventoried.	A product can be stored until the demand for it increases, but an empty place on a plane is lost. However, airlines offer these seats to much lower prices to collect, however, a certain percentage.
<b>Lack of ownership</b>	<b>The consumer benefits from facilities without gaining ownership.</b>	<b>Marketers focus on creating memories, souvenirs to enhance the image of vacation experience.</b>

(Source: adaptation of Dumitrescu L., Apostu C., *Marketingul și calitatea serviciilor*, 2009)

In terms of tourism services (Swarbrooke and Horner, 2007), the following features were identified:

- *Complexity* – it consists both of tangible and intangible elements; it can be put into one night spent in a hotel and an eight-weeks personalized vacation around the world.
- *The tourist buys mainly an experience and less a well-defined product.* Experience has certain stages: (a) Anticipation stage, before beginning the trip; (b) Consumption stage, during the trip; (c) Memory stage, after completing the trip.
- *The tourist is part of the production process in tourism* – his attitudes, dispositions and expectations affect the evaluation of the trip more than the quality of the product (itself) offered by the industry; Behaviour has also a direct impact on the experience of other tourist he travels with.
- *The touristic experience is greatly influenced by external factors*, which are outside the tourist's or company's control that sold the touristic product.

As previously mentioned, in addition to the concept of consumer behaviour, services and characteristics, we should highlight some concepts related to the segmentation process of the tourist services market. In this sense, market segmentation is defined (Dibb et al., 2001) as a process of dividing a homogeneous market into several groups of people who have needs, desires and similar demands. The purpose of segmentation is to provide the foundation for creating a marketing mix that meets perfectly customer expectations of the targeted segment. This explains the fact that market segmentation is a form of consumer classification used to provide marketing support functions in an organization of tourism.

Segmentation aims to improve the combination of the 4P: product, price, placement and promotion; however, organizations are forced to keep in mind that

marketing success is not only due to the use of a single method of segmentation, it is important that all 4 types of segmentation are used and combined (i.e. 6 in tourism), thus establishing a hybrid segmentation, to achieve profit or expected results of a company.

Therefore, existing or potential customers can be divided after 5 criteria in groups that have similar characteristics as buyers, namely: geographic, demographic, behavioral and psychographic segmentation.

- *Geographic segmentation* is based on the collection and analysis of information according to consumer suitable physical locations (Swarbrooke et al., 2003);
- *Demographic segmentation* (Swarbrooke, 1995) is based on different characteristics is important for tour operators and travel agencies to thoroughly understand customers who plan a trip.
- *Psychographic segmentation* is considered to be a *modern technique* which already began to influence various areas, such as clothing, food, perfumes, cars, jewels, drinks and tourism (Swarbrooke et al., 2003).
- *Behavioural segmentation* - It involves the relationship between consumers and the product. According to the idea promoted by Swarbrooke and Horner (2007), this method incorporates different variables, such as: *user status* (never used, former user, first-time user, regular user); *availability status* (unconscious, conscious and interested, parties willing to buy, purchase intent, immediate purchase plans); *attitude towards the product* (enthusiasm, indifferent, hostile); *benefits sought* (status, savings, new experiences, good service, excitement, desire to make friends); *loyalty to the product* (total, partial, none); *opportunities to purchase* (regular buyer, once in a lifetime buyer).

### **3. Research methodology**

This research is a direct and selective marketing research that aims to identify the main dimensions of consumer behaviour of touristic services. In this regard a number of specific marketing objectives were set:

- O<sub>1</sub> – Determining the purchase intent of consumers for touristic services.
- O<sub>2</sub> – Identification of the main influences on consumer's attitude in the process of choosing a package.
- O<sub>3</sub> – Determining the consumer preferences regarding the season of holiday.
- O<sub>4</sub> – Identifying the main criteria considered by a certain segment of consumers in the process of choosing a touristic destination for spending holidays.
- O<sub>5</sub> – Knowing the main reasons underlying the purchase of touristic services.
- O<sub>6</sub> – Identifying the main sources of information used by respondents.
- O<sub>7</sub> – Identifying the segment of consumers who prefer most often / always all-inclusive trips.

Based on a number of previous studies and the specialized literature, a series of hypotheses of the research were established, as follows:

- $I_1$  – The great majority of the consumers plan to buy touristic products in the following year.
- $I_2$  – Exogenous influences are most strongly exerted in terms of creating an attitude towards choosing a holiday.
- $I_3$  – The majority of the consumers prefer as the holiday season "the summer".
- $I_4$  – The main criteria considered in choosing a touristic destination are: price, accommodation quality and surroundings.
- $I_5$  – 40% of respondents travel for reasons related to city breaks and visiting family and friends.
- $I_6$  – More than 50% of customers use online information sources when they are in the process of choosing a touristic destination.
- $I_7$  – The majority (more than 50%) of respondents prefer all-inclusive trips.

For data collection, *as a method of gathering information, the direct research* was used. In this case the information was collected directly from their holders, via the internet on an online platform. *The research* was selective, being carried out on a sample of 215 people. As a research method, the survey was used.

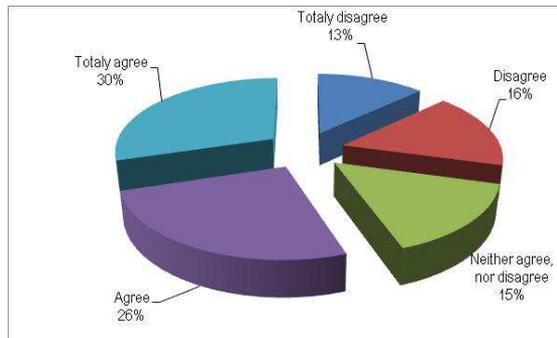
Following the submission of the questionnaire, a total of 297 questionnaires were received, of which only 215 were considered as valid, representing a response rate of 72,39% valid. The initial sample was calculated with a coefficient of probability of 95% and a margin of error of  $\pm 6\%$ . Following the validation results a margin of error of  $\pm 6,6\%$  resulted.

The questionnaire used in this marketing research consists of 23 questions distributed as follows: closed questions, open questions, mixed questions, questions of scale type (Likert's scale in 5 steps), open questions and questions about respondents' profile.

#### **4. Research results**

Given the need stated in the first objective of the research, respondents were asked to express their agreement with the statement *the next year I will purchase a touristic package*. After analyzing the data (figure 1), it was observed that 30% of them said they completely agree with the statement, 26% of them agree, and 15% have a relatively unformed opinion, these ones stating that they neither agree nor agree with this statement.

**Figure 1 Consumers' intention on buying a touristic product in the following year**

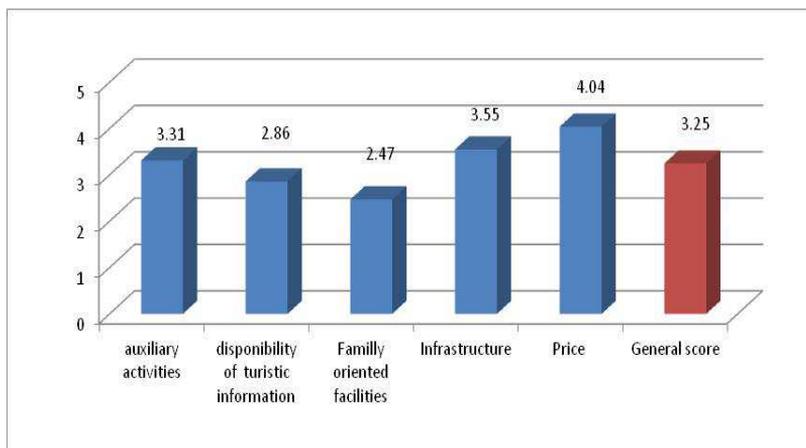


(Source: Authors' computation)

Results were analyzed with the 5-steps Likert's scale, a score of 3,42 being calculated, which represents an average opinion to agreement. Thus, from the data analysis, we see that the hypothesis  $I_1$  - *The great majority of the consumers plan to buy touristic products in the following year*, is partially confirmed by the results of research.

The second objective of our research is to identify what are the main influences acting on consumer attitudes in the selection process of a touristic package. Therefore, the results of our analysis are shown in fig. 2

**Figure 2 Main influence factors that act upon the consumers attitude in choosing a touristic product**



(Source: Authors' computation)

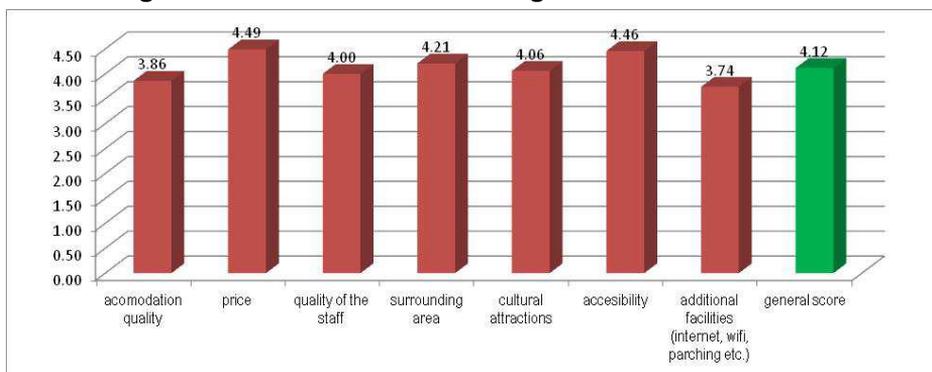
As it can be noticed from the figure above, by analyzing the data using Likert's scale, a number of influence factors of consumer attitudes in choosing a touristic package were identified. Consequently, the influence factors hierarchy, according to

the score calculated, is: (1) Price – 4,04; (2) Accommodation infrastructure – 3,55; (3) Additional activities – 3,31; (4) The availability of travel information the hypothesis launched at the beginning of the research is confirmed.

The third objective of our research leans toward identifying consumers' preferences for a particular tourist season (winter and/or summer). Thus consumers were asked to choose which season they prefer. After analyzing the data, it was found that consumers prefer to go on holiday in summer in a proportion of 64,55%, both summer and winter chose 21,82% and 13,64% of respondents said they prefer winter holidays/vacations. Therefore we emphasize that the hypothesis  $I_3$  - *The majority of the consumers prefer as the holiday season "the summer"* is confirmed by the results of the research.

The sixth objective considered in the analysis in the present research is to identify the main criteria considered by the respondents in choosing touristic destinations. Data analysis results are shown in figure number 3.

**Figure 3 Main criteria of choosing a touristic destination**



(Source: Authors' computation)

From the analysis above (applying the Likert's scale), we can noticed that the main criterion in the choice of touristic destinations is the price (4,49), followed by accessibility (4,46), touristic area (4,21), quality of staff and cultural attractions (4,00, 4,06 respectively), and finally the quality of accommodation (3,86) and facilities (3,74). An overall score of 4,12 was calculated, which shows that the above criteria are considered important and very important by the majority of respondents.

Thus, based on the results, we can say that the hypothesis  $I_4$  - *The main criteria considered in choosing a touristic destination is: price, quality accommodation and surroundings*, is partly confirmed by two of the three criteria set out; price and the surrounding area. We can also observe a link between the results obtained for objective 2, where price is the main criterion both in attitude formation and in selecting the destination.

The fifth objective of the research sought to identify what are the main reasons for travel. Therefore, respondents were asked to indicate the frequency with which the following criteria are reasons for the choice of touristic destinations. This, the

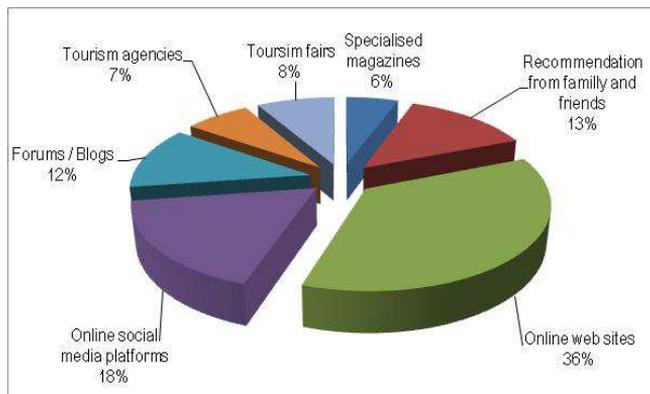
analysis results have identified the following criteria calculated by applying five-steps measuring scale and calculating the score:

- City break – 3,39;
- Shopping – 2,89;
- Entertainment and sports activities– 2,39;
- Educational tourism – 2,43;
- Business tourism – 2,14;
- Visiting family, friends, relatives etc. – 3,54.

As it can be noticed, from the above data, visiting family, friends and loved ones comes first, followed on the second place by weekend visits. Unfortunately, business tourism, entertainment/sports and education tourism is at the bottom of the list. We may conclude that the hypothesis stated at the beginning of the research is confirmed.

In connection with the main sources of information used by consumers in decision making process of purchasing a touristic product/service, respondents were asked to choose from a wider range of answers which are the main sources. The results of data analysis are presented in figure 4.

**Figure 4 Main information sources**



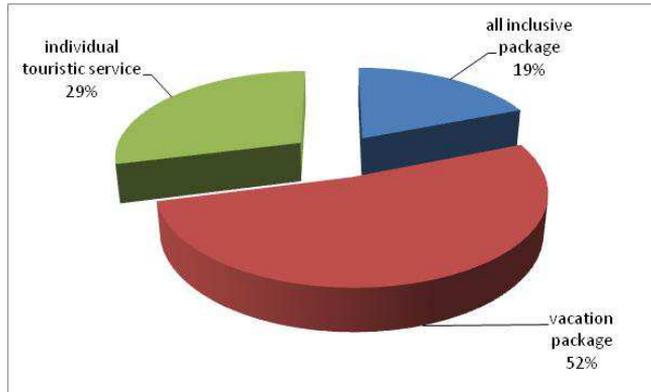
*(Source: Authors' computation)*

Observing the figure above, we can identify that 66% of respondents preferred as information sources in the choice of touristic destinations, online (websites, social networks and online forums/blogs). Thus we can state that hypothesis  $I_6$  - *More than 50% of customers use online information sources when they are in the process of choosing a touristic destination* stated at the start of the research is confirmed by the results of the research.

The eighth and final objective of this work was proposed to identify the type of holiday chosen by consumers. Thus, after the results' analysis (figure 5), we can see that they are choosing holiday packages at a rate of 52%; followed by tourism services

individually chosen in a proportion of 29%, and the remaining 19% choose all-inclusive holidays.

**Figure 5 Type of touristic services chosen by consumers**



*(Source: Authors' computation)*

After analyzing the data it can be stated that the hypothesis  $I_7$  - *The majority (more than 50%) of respondents prefer all-inclusive trips* is invalidated by the results.

## **5. Conclusions**

Identifying consumer purchasing behavior for both products and services has become increasingly important in the market economy of the 21st century. Manufacturers and providers should be aware on the one hand of the challenges they face every day, and on the other hand of the fact that competition is becoming increasingly fierce.

This paper presents a marketing research that aimed to identify several dimensions of consumer behaviour of touristic services. A marketing selective research with a well-established sample was carried out, based on a set of clearly defined objectives and hypotheses. The research herein may highlight some relevant conclusions of which it is worth mentioning:

- Most consumers will buy in the next 12 months touristic services.
- The main factor that leads to attitudes towards tourism services is the price.
- The most important criterion in choosing travel service is the price, followed by accessibility to tourist location.
- Most consumers prefer to purchase travel services for the summer season.
- Consumers prefer to purchase complex holiday packages (different from all-inclusive packages).
- The main reasons for choosing tourist services are: visiting family and weekend visits.

- Sources of information in decision making process of purchasing a product/service in rural tourism are online.

We must admit that this paper is a first step in identifying and clarifying the challenges that managers and consumers are facing. There is a need for further research for the identification and development of marketing models to explain consumer behaviour influences in Romania in the acquisition process of tourist services both at home and abroad.

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