

EXPENDITURE-BASED SEGMENTATION: A CASE ANALYSIS OF ATTENDEES TO A YOUTH FESTIVAL IN SOUTH AFRICA

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This case analysis applies expenditure-based segmentation to the Samsung Rage Festival in South Africa, a major youth festival. Results reveal that expenditure levels are associated with a number of socioeconomic as well as numerous travel characteristics. Overall, it is shown that knowledge of the spending behavior of youth travelers can assist festival administrators in developing programs that reflect the characteristics of the three expenditure segments studied. Directions for further examination in this research stream are provided.

Key words: Expenditure-based segmentation; Youth festival; Youth travel; South Africa

Introduction

Laesser and Crouch (2006) maintain that the underlying rationale for segmenting markets using expenditures can help facilitate increased effectiveness and efficiency of marketing programs and serve to better allocate available resources. In this regard, tourist spending is one of the most important variables in the analysis of tourist destinations because it directly determines the tourism sector's profitability (Frechtling, 2006). Travel expenditures can be considered a particularly important segmentation variable because they tend to vary significantly from one traveling group to the next (Legohérel, 1998; Spotts & Mahoney, 1991).

Various studies in the tourism literature have applied expenditure-based segmentation to better understand traveler behavior. Collectively, the

results from these studies show reasonable consistency. In particular, high expenditure segments were distinguished from the medium and low segments in that they tend to: (1) be older (Kastenholz, 2005; Kruger 2009, 2010; Mak, Moncur, & Yonamine, 1977; Perez & Sampol, 2000; A. Saayman & Saayman, 2006; M. Saayman, Van Der Merwe, & Pienaar, 2009; Thrane, 2002), (2) be better educated (Pizam & Reichel, 1979; Snowball & Willis, 2006; Woodside, Cook, & Mindak, 1987), (3) have higher incomes (Kruger, 2010; A. Saayman & Saayman, 2006; Snowball & Willis, 2006; Thrane, 2002; Woodside et al., 1987), (4) stay longer (Downward & Lumsdon, 2004; Mehmetoglu, 2007; Mok & Iverson, 2000; A. Saayman & Saayman, 2006; Spotts & Mahoney, 1991; Thrane, 2002), and (5) travel longer distances to the destination (Cannon & Ford, 2002; Lee, 2001; Pouta, Neuvonen,

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& Sievänen, 2006; M. Saayman, Saayman, Slabbert, & Viviers, 2007).

Nonetheless, there are some areas where the results have been less consistent. For example, although some research has shown that higher expenditure segments tend to travel in smaller-sized groups (Kruger, 2010; Mok & Iverson, 2000; A. Saayman & Saayman, 2006; Svensson, Moreno, and Martín, 2011), others research has shown that high expenditure segments tend to travel in larger groups (M. Saayman et al., 2007; Spotts & Mahoney, 1991).

Additionally, comparisons of expenditure for first-time and repeat visitations are not as consistent as one might expect (Li, Cheng, Kim, & Petrick, 2008). On the one hand, Kruger, Botha, and Saayman (2012), Shani, Wang, Hutchinson, and Lai (2010), and Wang (2004) found that repeat visitors spend more than first-time visitors. On the other hand, Alegre and Juaneda (2006), Kruger, Saayman, and Ellis (2010), Li et al. (2008), Oppermann (1997), Petrick (2004), and Tang and Turco (2001) found that first-time visitors spend significantly more than repeaters. Finally, Svensson et al. (2011) found no significant difference in expenditure between first-time and repeat visitors. Svensson et al. (2011) also found, perhaps not surprisingly, that visiting friends or relatives reduced overall expenditures.

The purpose of this case analysis is to contribute to this stream of research by examining the relationship between sociodemographic and travel characteristics and expenditure-based segments for a major youth festival in South Africa; namely, the Samsung Rage Festival. The results are intended to provide additional clarification for the common body of research in the area of tourism, in general, and in the area of festivals and events, in particular. Because the case analysis focuses on the youth travel market, we begin with a brief description of this segment and the Samsung Rage festival. This is followed by a description of the method of analysis and presentation of the results. We conclude with a discussion of the results and their implications as well as directions for further research in this area.

The Youth Travel Market and the Samsung Rage Festival

The global youth travel market is estimated to represent almost 190 million international trips a

year and the youth travel industry has grown faster than global travel overall (United Nations World Tourism Organization [UNWTO], 2011; World Youth Student and Educational [WYSE] Travel Confederation, 2014). By 2020, it is estimated that this segment of the travel market will grow to nearly 300 million international youth trips per year (WYSE Travel Confederation, 2014). Finally, research by the UNWTO and WYSE Travel Confederation indicates that the international youth travel market generated US\$165 billion in 2010. The youth market, therefore, appears to represent an important and growing opportunity in the travel industry.

Defining what constitutes the youth market, however, has been somewhat nebulous. Early on, the UNWTO (1991) provided a definition that classifies the youth market as those aged between 15–29 years. More recently, Horak and Weber (2000) argued that the youth should be defined as those not more than 26 years old. In 2002, the UNWTO redefined the youth market as those less than 25 years of age.

With regard to knowledge about the characteristics of youth travelers, research has examined numerous issues and the evidence to date suggests that they tend to: (1) have a greater propensity to travel than other segments (Wheatcroft & Seekings, 1995), (2) spend longer periods traveling than other tourists (a minimum of 8.9 nights) (D Anjou, 2004; Moisa, 2010; Richards & King, 2003), (3) have proportionally high levels of discretionary income (in the case of students, despite their relatively low incomes) and a greater propensity to save money for travel (Reisinger & Mavondo, 2002; Richards & Wilson, 2003), and (4) spend a high proportion of their available finances on tourism, despite relatively lower-income levels than older segments (Khoshpakayants & Vidishcheva, 2010; Moisa, 2010).

Overall, this evidence indicates that youth travelers have become an increasingly important segment in tourism. It is not surprising, therefore, that destinations have developed specific programs designed specifically for this group. The Samsung Rage Festival in South Africa is a notable example. It targets mainly “matrics” (i.e., Grade 12 students) and since 2004 has created an opportunity for students to celebrate the end of their high school career. It is considered, for many students, a rite of passage into adulthood (<http://www.ragefestival.co.za/>).

The central idea behind the festival is to get national as well as international artists to perform at different clubs over a period of 10 days. The Rage Festival is one of the largest youth festivals in South Africa with regard to geographic dispersion and visitor numbers. Specifically, the festival generated over R140 million in 2014 (US\$9,154,576), making it one of the country's highest earning festivals (Tourism Research in Economic Environs and Society [TREES], 2015). As such, an examination of differences among different levels of expenditure-based segments is appropriate.

Method

A structured questionnaire was used to collect the data. This section describes the sample selection, the questionnaire, and the statistical method of analysis.

Sample

Five-hundred and fifty questionnaires were distributed over a period of 6 days (December 4–9, 2015) utilizing a convenience sample. Questionnaires were distributed to respondents via a written instrument at two areas considered by festival organizers to be the most prominent areas of interest to visitors; namely, the Ballito Main Beach and the Umhlanga Rocks. Five fieldworkers had to distribute 18 questionnaires per day, which resulted in at least 90 questionnaires to be completed every day over the duration of the 6 days. This ensured a detailed account of visitors' spending behavior over the course of the festival. Based on the recommendation from the festival organizers, 30% of the total envisaged questionnaires (550) had to be distributed in Ballito and the remaining 70% in Umhlanga as it attracts more visitors. Incentives in the form of official Samsung merchandise including cell phones and ear phones were used to encourage participation. A total of 159 questionnaires were obtained from the Ballito location and 342 from Umhlanga location, resulting in a total sample size of 501. Because visitors were segmented on the basis of their expenditures, only respondents who had completed their spending information were included in final analyses. This resulted in 343 usable questionnaires. The sample size appears suitable for the purposes of the case analysis.

Questionnaire

In order to examine characteristic differences among the expenditure segments, the questionnaire included items related to sociodemographic details (e.g., gender, age, province residence, whether they were local residents or nonresidents, level of education) and travel particulars (e.g., group size, number of persons paid for, length of stay, expenditures, number of previous visits). Information pertaining to the festival was also included in the section (e.g., type of passport [ticket] purchased, when the decision to attend the festival was made, and if they were planning to visit any tourist attractions in the area during the festival).

The questionnaire also asked questions to measure the impact on tourism for the host destinations (Ballito and Umhlanga). This section measured the respondents' tourism behavior in the area, for example the number of times they visited Durban as a holiday destination, their length of stay, travel companions, and tourist activity preferences. The questions and statements included in this section was based on the works of Kruger and Saayman (2013) and Giampiccoli, Lee, and Nauright (2015).

Statistical Analysis and Results

Characteristic Profile

More female (54%) than male (46%) respondents participated in the survey. Respondents were predominantly English speaking (89%), on average 18 years old and originated from Gauteng (83%) (16% were from the host province of KwaZulu-Natal). Because the festival is aimed at Grade 12 learners, 87% of the respondents indicated matric as their highest level of education. On average, respondents spent 8 days at the festival and an average of 7 nights in the area, traveled in a group of seven persons, spent an average of R7 710 per person (approximately US\$500), and attended the festival for the first time in 2015 (88%). Umhlanga was the most popular festival area (55%), while 26% of the respondents preferred Ballito and 19% visited both festival areas. The majority of respondents had visited Durban as holiday destination before (90%) with relatives (74%) or friends (57%) staying on average 11 nights and preferring event-related activities (63%) or wildlife (46%).

Expenditure-based segments were created using procedures in established research (e.g., Craggs & Schofield, 2006; Mok & Iverson, 2000; M. Saayman, Van Der Merwe, & Pienaar, 2008; Spotts & Mahoney, 1991; Woodside et al., 1987). Following a similar approach as used in the named studies, three expenditure segments were developed: high, medium, and low. To create the high, medium, and low expenditure groups, the usable responses were divided into three groups. Total expenditure per person was used, because only respondents who indicated that they paid for themselves were included in the analysis, and this variable derived from the data was used to create the three expenditure groups. The first group (low spenders) thus reflects the bottom 33.3% of the sample, the middle group reflects the middle third 33.4% to 67.7% of the total spending per person, and the high expenditure group reflects the top 33%. From Table 1 it is clear that the majority of respondents are in the high-spending category (163 respondents), followed by 154 respondents in the medium-spending category. Only 25 respondents fell into the low-spending category.

The analysis of significant differences used ANOVAs to investigate any significant differences between the identified spending segments based on the continuous items included in the questionnaire. Effect sizes (d) were used to identify further any significant differences between the segments. Cohen and Cohen (1988), Ellis and Steyn (2003), and Steyn (2009) offer the following guidelines for interpreting the effect sizes: small effect: $d = 0.2$; medium effect: $d = 0.5$; and large effect: $d = 0.8$. These guidelines were followed to indicate the significant differences between the segments. Table 2 shows statistically significant differences between

the three segments based on the number of previous visits ($p = 0.044$) and the spending categories, tickets (passports), accommodation, food, transport, festival shuttle, club entrance, entertainment, and total expenditures per person ($p < 0.05$). *Low spenders* had attended the festival at least once before (an average of 0.57 times) compared to the *high* and *medium spenders*, who indicated that 2015 was their first attendance (respectively an average of 0.17 and 0.18 times). Regarding the spending categories, *high spenders* unsurprisingly spent the most on all the spending categories, whereas the *medium spenders* spent more on club entrance (this could possibly be explained by the type of passport they purchased). There were no statistically significant differences based on other sociodemographic and behavioral characteristics. Members of all three clusters were an average of 18–19 years old, spent 7–8 days at the festival, spent an average of 7 nights in the area, and traveled in groups of six to seven persons. Respondents previously spent an average of 10–13 nights in the area of Durban as tourists.

For the remaining categorical questions measured, cross tabulations and chi-square tests with phi-values (ϕ) were used to identify further any significant differences between the three expenditure segments (Table 3). Cohen and Cohen (1988) give the following criteria to interpret phi-values: 0.1 for a small effect, 0.3 for a medium effect, and 0.5 for a large effect. Statistically significant differences between the three segments were based on home language ($p = 0.018$; $\phi = 0.196$); level of education ($p = 0.004$; $\phi = 0.269$); whether the respondents were residents of Ballito ($p = 0.044$; $\phi = 0.143$); Reunion as the type of passport (ticket) purchased ($p = 0.010$; $\phi = 0.174$); and cultural ($p = 0.023$;

Table 1
Expenditure Segments of Rage Festival Visitors

	Expenditure-Based Segments		
	1 High Spenders	2 Medium Spenders	3 Low Spenders
Mean ZAR ^a	7710.33 (\$514)	3855.17 (\$257)	2570.11 (\$171)
No. of cases	163	154	25

^aUS\$1 = 15 ZAR (South African Rand) (exchange rate varies, taken on June 28, 2016).

Table 2

Results of ANOVA and Tukey's Post Hoc Multiple Comparisons for Differences in the Spending Segments

Characteristics	Rage Festival Spending Segments			F-ratio	Sig. Level	Effect Sizes (<i>d</i>)		
	High Spenders (1)	Medium Spenders (2)	Low Spenders (3)			1&2	1&3	2&3
Avg. age	18.53	18.23	18.52	0.396	0.673	0.07	0.00	0.27
Avg. No. of days at the festival	7.82	7.91	7.41	0.674	0.510	0.06	0.20	0.25
Avg. No. of nights in the area	7.13	7.29	6.72	0.924	0.398	0.09	0.22	0.31
Avg. group size	7.14	6.69	5.70	1.497	0.225	0.11	0.34	0.28
No. of previous visits to the festival	0.17 ^a	0.18 ^a	0.57 ^b	3.158	0.044*	0.02	0.28	0.27
Avg. No. of nights in Durban as a tourist	12.50	9.77	10.79	2.069	0.129	0.25	0.16	0.14
Spending categories (ZAR)								
Tickets (passports)	1866.63 ^a (\$124)	1306.23 ^b (\$87)	800.72 ^c (\$53)	27.555	0.001*	0.64	1.22	0.61
Accommodation	5322.45 ^a (\$355)	2294.27 ^b (\$153)	100.00 ^c (\$7)	105.698	0.001*	1.08	1.86	1.34
Food	2109.82 ^a (\$141)	832.92 ^b (\$56)	284.44 ^b (\$14)	43.081	0.001*	0.72	1.03	0.61
Transport	658.85 ^a (\$44)	541.11 ^a (\$36)	207.64 ^b (\$14)	7.368	0.001*	0.20	0.80	0.56
Shuttle	362.19 ^a (\$24)	210.26 ^{ab} (\$14)	74.00 ^b (\$5)	11.574	0.001*	0.36	0.68	0.48
Club entrance	87.72 ^{ab} (\$6)	140.19 ^a (\$9)	48.00 ^b (\$3)	3.824	0.023*	0.23	0.21	0.41
Souvenirs	54.11 (\$4)	21.10 (\$1)	9.60 (\$0.64)	2.648	0.072	0.17	0.23	0.16
Retail	164.81 (\$11)	113.24 (\$8)	81.25 (\$5)	0.946	0.389	0.12	0.19	0.09
Entertainment	118.40 ^a (\$8)	43.05 ^{ab} (\$3)	12.00 ^b (\$0.80)	5.385	0.005*	0.25	0.36	0.21
Parking	13.68 (\$1)	5.64 (\$0.40)	10.00 (\$0.67)	1.146	0.319	0.13	0.06	0.15
Tourist attractions	14.85 (\$1)	4.22 (\$0.28)	0.00 (\$0)	2.080	0.127	0.15	0.22	0.14
Other	0.62 (\$0.04)	0.53 (\$0.04)	0.00 (\$0)	0.082	0.921	0.01	0.08	0.08
Total spending per person	10724.01 ^a (\$715)	5508.51 ^b (\$367)	1624.40 ^c (\$108)	273.041	0.001*	1.63	2.85	2.82

Note. Amounts in the table are shown in South African Rand (ZAR). The US dollar equivalent is shown in parentheses; US\$1 = 15 ZAR.

^aGroup differs significantly from type (in a row) where ^b or ^c is indicated.

*Statistically significant difference: $p < 0.05$.

= 0.174) and event-related ($p = 0.035$; $\eta^2 = 0.164$) activities as preferred activities while on holiday.

Regarding sociodemographic differences, all three segments were mainly English speaking (83%, 92%, and 88%, respectively); however more *high spenders* were also Afrikaans speaking (17%) whereas more *low spenders* spoke other languages (5%), including French, German, isiZulu, Sepedi, and isiXhosa. Seeing as South Africa is a multiethnic society encompassing a wide variety of cultures with 11 official languages, this result suggests that

Rage has the potential to attract a variety of cultural groups as well as international visitors if marketed as a multicultural event. Unsurprisingly, because Rage is aimed at Grade 12 learners, *high* and *medium spenders* indicated that matric was their highest level of education (92% and 93%, respectively), whereas more *low spenders* indicated that they were currently at university (16%), with 74% indicating matric as their highest level of education. More *high spenders* were local residents of Ballito (16%) and originated from KwaZulu-Natal (17%)

Table 3
Chi-Square Test Results of Spending Segments

Variables	Rage Festival Spending Segments			Chi-Square Value	df	Sig. Level	Phi-Value
	High Spenders (1)	Medium Spenders (2)	Low Spenders (3)				
Sociodemographics							
Gender				5.383	2	0.068	0.132**
Male	57%	41%	48%				
Female	43%	59%	52%				
Language				11.884	4	0.018*	0.196**
English	83%	92%	88%				
Afrikaans	17%	7%	7%				
Other	0%	1%	5%				
Level of education				22.443	8	0.004*	0.269**
Matric	92%	93%	78%				
Currently at university	5%	5%	16%				
Diploma/degree	0%	1%	4%				
Other, specify	3%	1%	2%				
Province or origin				13.485	16	0.637	0.209**
KwaZulu-Natal	17%	14%	13%				
Gauteng	73%	79%	78%				
Eastern Cape	0%	0%	0%				
North West	0%	1%	0%				
Mpumalanga	4%	1%	6%				
Northern Cape	0%	0%	1%				
Western Cape	1%	1%	0%				
Limpopo	1%	1%	0%				
Free state	3%	1%	1%				
Outside RSA borders, please specify your country of origin	1%	2%	1%				
Local resident							
Umhlanga Durban area	15%;85%	9%;91%	10%;90%	1.528	2	0.466	0.071**
Ballito	16%;84%	7%;93%	6%;97%	6.241	2	0.044*	0.143**
Festival behavior							
Type of passport purchased (yes; no)							
Black passport	15%;85%	11%;89%	11%;89%	0.698	2	0.705	0.048**
Platinum passport	46%;54%	49%;51%	37%;63%	2.905	2	0.234	0.098**
Regular passport	29%;71%	34%;66%	33%;67%	0.574	2	0.750	0.043**
Reunion passport	7%;93%	5%;95%	16%;84%	9.266	2	0.010*	0.174**
Area of Rage visited during the festival (yes; no)							
Umhlanga	75%;25%	82%;18%	79%;21%	1.696	2	0.428	0.074**
Ballito	49%;51%	40%;60%	37%;63%	1.954	2	0.376	0.087**
When decision was made to attend the festival							
Spontaneous decision	8%	9%	10%				
A month ago	9%	9%	14%				
More than a month ago	16%	19%	26%				
When it was announced	63%	61%	49%				
Other	4%	3%	1%				
2015 first time visit to Rage							
Yes	90%	89%	83%	2.382	2	0.304	0.088**
No	10%	11%	17%				

(continued)

Table 3 (continued)

Variables	Rage Festival Spending Segments			Chi-Square Value	df	Sig. level	Phi-Value
	High Spenders (1)	Medium Spenders (2)	Low Spenders (3)				
Tourism behavior							
Planning to visit tourist attractions during festival				1.004	2	0.605	0.055**
Yes	20%	17%	13%				
No	80%	83%	78%				
Visited Durban before as tourist destination?				2.237	2	0.327	0.090**
Yes	90%	91%	84%				
No	10%	9%	16%				
Holiday companions (yes; no)							
Friends	63%;37%	45%;55%	56%;44%	5.677	2	0.059	0.150**
Relatives	66%;34%	77%;23%	78%;22%	2.994	2	0.224	0.109**
Fellow students	16%;84%	19%;81%	18%;82%	0.303	2	0.859	0.035**
Preferred type of attractions while on holiday (yes; no)							
Wildlife	40%;60%	46%;54%	49%;51%	1.086	2	0.581	0.066**
Cultural	18%;82%	37%;63%	26%;74%	7.511	2	0.023*	0.174**
Historical	15%;85%	21%;79%	15%;85%	1.995	2	0.369	0.090**
Event related	60%;40%	74%;26%	57%;43%	6.689	2	0.035*	0.164**

*Indicates significance at the 5% level; phi-value: **small effect = 0.1; ***medium effect = 0.3; ****large effect = 0.5.

compared to the other two segments. However it is clear that the majority of respondents in all three segments were not local residents and mainly originated from Gauteng Province (the economic hub of the country). One would assume that because more *high spenders* were local residents compared to the other two segments, that this may influence their spending behavior as they can save on expenses such as accommodation and transport. This aspect however did not deter them from spending more money on these two aspects compared to the other two segments. A possible explanation for this result could be that while a percentage of *high spenders* are local residents from Ballito, they could also have originated from other parts in KwaZulu-Natal. Limited events are furthermore held in KwaZulu-Natal as well as in Durban and surroundings. Because Rage is one of the few festivals aimed at the youth, it is the ideal opportunity for locals from surrounding areas to travel for the event. Hence, the larger travel groups, longer length of stay, and higher spending on travel-related expenses (Table 2).

Regarding festival behavior differences, more *high* and *medium spenders* did not purchase the Reunion passport (a discount ticket for repeat visitors), whereas more *low spenders* (16%) purchased

the ticket. This result corresponds with the low spenders' higher level of education as well as the fact that they are repeat visitors. Interestingly, more *medium* and *low spenders* prefer cultural activities while on holiday (37% and 26%, respectively) compared to *high spenders* (18%), although *medium spenders* also prefer event-related activities (74%) compared to the other two segments (60% and 56%, respectively).

Conclusion

The purpose of this article was to apply expenditure-based segmentation to a youth festival in South Africa. The results generally support the findings of previous research; however, some of the findings differ from those currently reported in the literature review. For example, the results confirm the findings by Khoshpakyants and Vidishcheva (2010), as well as Moisa (2010), that although youth travelers appear to have relatively low income levels, they tend to spend a high proportion of their available finances on tourism and, in this case, on attending an event. The low-level spending of the youth market outlined by Carr (1998), Richards and Wilson (2004), and Seekings

(1998) as reason for the lack of research interest into this market is therefore no longer substantiated. Based on their level of expenditure, the majority of Rage attendees fell in either the *high* or *medium spending* segment with only 7% of the respondents in the *low spending* segment. The results thus showed that Rage attendees have great spending power. The results from this research furthermore support Craggs and Schofield (2006), who indicated that a broad range of sociodemographic and behavioral determinants influence visitor expenditure. These determinants were used to distinguish the three different expenditure groups at Rage, namely *high*, *medium*, and *low spenders*.

The results confirm the notion by Richards and Wilson (2003) that the youth and student market should not be viewed as a homogenous group regarding their style of travel. In terms of their travel behavior, confirming the findings by D Anjou (2004), Moisa (2010), Richards and King (2003), Richards and Wilson (2003), Slabbert, Saayman, and Van Der Merwe (2012), as well as UNWTO (2011) and WYSE Travel Confederation (2014), Rage attendees have a longer length of stay, namely 7–8 days. Attendees to Rage furthermore cannot be regarded as price sensitive. *High spenders* had a total spending of R10,700 (approximately US\$669) and spent the most in all the spending categories. Although the total spending of Rage attendees are lower than the US\$2,600 indicated by the WYSE Travel Confederation New Horizons survey and lower than the US\$1,200 per trip revealed by Richards and Wilson (2003), the average daily spending of R1,338 (approximately US\$85) is much higher than the under US\$20 per day as indicated by Richards and Wilson (2003). The total spending is also much higher than the R2,500 (US\$162) identified by Slabbert et al. (2012). The results furthermore confirm the findings by Slabbert et al. (2012), who found that university students spend the most on accommodation while on holiday. All three spending segments spent the most on tickets and accommodation, although *medium spenders* spent more on club entrance. Based on the spending figures and categories, spending by Rage attendees further confirm the notion by Seekings (1998) that youth travelers tend to concentrate their spending on the local communities where the festival is held, resulting in lower leakage factors.

Results revealed that visitors who differ significantly in expenditure at Rage could be identified by certain determinants. The *high spenders* have significantly higher expenditure levels in most categories compared to the other two expenditure segments and they were distinguishable by some unique characteristics. *High spenders* were distinguished from *medium* and *low spenders* based on the following characteristics:

- Corresponding with findings by Alegre and Juaneda (2006), Kruger et al. (2010), Li et al. (2008), Oppermann (1997), Petrick (2004), and Tang and Turco (2001), first-time visitors spend more than repeat visitors. *High* and *medium spenders* were first-time visitors compared to *low spenders* who had attended the festival at least once before. However, this result should be interpreted with caution, as the festival mainly aims to attract matric students and the event therefore appeals to them only in their final year of school. It nevertheless appears as if experience in the form of repeat attendance influences spending to a lesser extent.
- *High spenders* were mainly English speaking; however, the relationship between language and expenditure is inconclusive in the current literature. This result, however, shows that for countries such as South Africa with various ethnic groups and official languages, festivals such as Rage has the potential to be organized and marketed as a multicultural event to attract more visitors and increase spending. This is an important finding not only for South Africa but also for other countries with various ethnic groups.
- Confirming the findings of Cannon and Ford (2002), Lee (2001), Pouta et al. (2006), and M. Saayman et al. (2007), *high spenders* were willing to travel longer distances. All three spending clusters included spenders who indicated that they were residents of Ballito. However, more *high spenders* were nonresidents.
- Due to the nature of the event, the results contradict the findings by Pizam and Reichel (1979), Snowball and Willis (2006), and Woodside et al. (1987) that *higher spenders* are better educated. *High* and *medium spenders* indicated that matric was their highest level of education, whereas more *low spenders* indicated that they were currently at university. It appears that qualifications

do not influence spending; it is rather the nature of the festival that drives visitor spending. This finding confirms that organizing youth festivals can be a lucrative business and more festivals of this nature should be hosted in South Africa.

- *High and medium spenders* did not purchase the Reunion passport; however, the influence of the type of ticket purchased at a festival is also inconclusive in the current literature. It appears that repeat visitors' needs have changed or that they have found cheaper ways to attend the festival. This finding emphasizes the need for continuous research to identify the reasons for the lower spending accurately. It also shows that festival organizers should revise the current strategy aimed at repeat visitors, as the festival does not benefit financially from it.

Based on the findings above, Rage attendees appear homogeneous regarding their demographic profile due to the nature of the festival; however, by applying expenditure-based segmentation, the heterogeneous nature of the market becomes clear in terms of their spending behavior and the possible demographic and behavioral determinants that explain the differences in spending. Based on their spending, the youth travel market in South Africa is a lucrative market for event organizers and marketers to consider. More festivals aimed not only at schoolies (matrics and younger) but also at the youth in general should therefore be held in South Africa. More exposure to festivals from a young age can encourage a "lifestyle" of attending festivals and lead to greater loyalty in the future and hence a sustainable festival market. This supports the notion by Khoshpakyants and Vidishcheva (2010) that is most encouraging for the tourism industry, namely that the younger people start to travel, the more they want to travel. These festivals should, however, be based on the needs of the market and the results of this research can effectively be used for this purpose.

Marketers of Rage should adopt a two-pronged marketing strategy. Marketing efforts should firstly be aimed at attracting more visitors from other provinces, especially Gauteng (the economic hub of the country). A strong awareness strategy is needed and special festival packages with group, ticket, and accommodation discounts should be considered

and target marketed to encourage these visitors to attend the festival. Packages should also include discounts to tourist attractions that might not only increase visitors' spending and length of stay in the festival area but also create exposure to Durban as a tourist destination. This might also lead to a greater economic impact of the festival on the host communities. The second marketing strategy should focus on attracting local attendees from not only Ballito and Umhlanga where the festival is held, but also from surrounding areas in the province, as they remain an important market to retain and are higher spenders. Rage should use its status as one of the few youth festivals in KwaZulu-Natal and in the country to its advantage in marketing campaigns. Affordability and accessibility, as well as the distinct program and music line up, should be highlighted features. The high spending by local residents also shows that festival organizers can slightly inflate or adjust ticket prices and travel packages annually, as it will not deter visitors from attending.

Other events and festivals aimed at the youth travel market can also use these market preferences when designing their program. Targeting the *high and medium spenders* at the festival is thus not only viable from a marketing point of view but also from an economic point of view, because this will assist in ensuring the future profitability and sustainability of the festival. Due to their longer length of stay, festivals aimed at the youth can be held over an extended period, making school holidays and long weekends the ideal time to host these events.

Directions for Further Research

This study was intended to provide additional context to the study of expenditure-based segmentation in tourism through an application to the case of the Samsung Rage Festival in South Africa. When interpreting the results, it is important to place them in proper context. The results showed that not only do the distinct nature of the festival and its target market play a significant role in visitor spending, but the multicultural nature of South Africa influences the determinants that distinguish higher spenders. From a methodological point of view, this research thus confirms that segmenting youth festival attendees based on their levels of expenditure is a useful segmentation base, especially for event organizers

wanting to understand the lucrateness of this to date undervalued niche market.

This approach proves that the youth travel market cannot be regarded as price sensitive or as a low-spending market. It furthermore distinguishes *low spenders* from *medium* and *high spenders* and based on the results and findings, strategies can be devised to sustain spending from *high spenders* and to encourage more spending from *medium* and *low spenders*. Knowledge of the spending behavior of Rage visitors can assist the festival marketers/organizers in developing a customized festival program that is aimed at encouraging higher expenditure in all three spending segments. Results furthermore provided insights into how the festival's appeal to high spenders could be maximized, which is especially useful because the festival aims to attract matriculates who are a sustainable market to pursue. The findings from this research are useful, not only to increase the economic impact of the Rage festival but also to expand youth festivals in South Africa.

With regard to further research in this stream of investigation, it is recommended that similar research is conducted at other youth festivals and events in the country such as the Plet Rage (a youth festival in South Africa that follows the same approach as Rage, but is held in Plettenberg Bay, Western Cape Province) to compare results and validate the findings. Applying expenditure-based segmentation in a festival context of this nature also depends on the accuracy and comprehensiveness of the spending categories asked. Quantitative research with the help of self-administered questionnaires is therefore the preferred approach. It is furthermore recommended that future researchers methodically train fieldworkers on the importance of complete spending information so that they can encourage respondents to accurately complete the section in the questionnaire.

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