



Crowds to consumers: An event-filled perspective on market segmentation in tourism research

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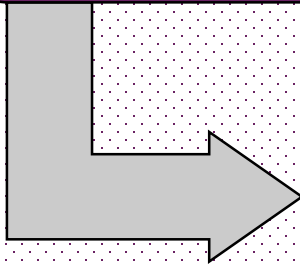
Too much of a good thing...

- South Africa hosts an array of festivals and events every year
- The **escalating introduction of new festivals and events to the event calendar leads to an overabundance in the event market and increased competition**
- Direct impact on the sustainability of festivals and events in the country
- **Understanding the needs of the market** vital for event organisers
- Without knowledge of the market = **shotgun marketing approach** aimed at everyone
- **Expensive and inefficient**
- Rather a **diversified marketing strategy** based on the needs of different market segments
- **Market segmentation!!!!!!**

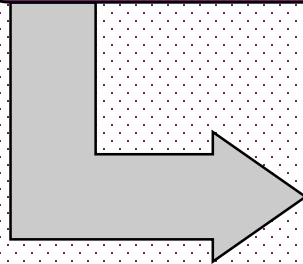


Market segmentation process

(a) grouping existing and potential visitors with similar preferences into groups called market segments



(b) selecting the most promising segments as target markets, and

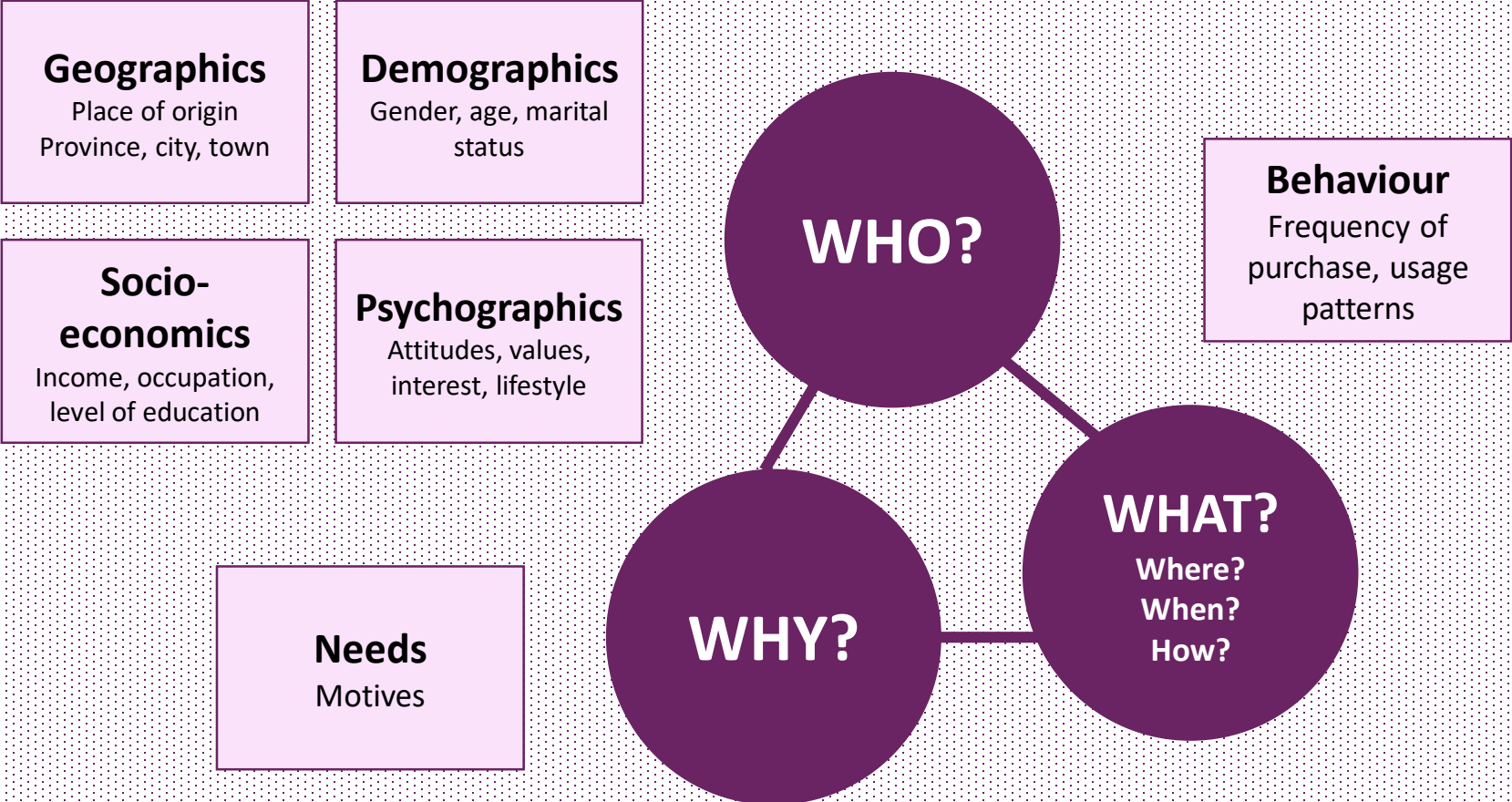


(c) designing marketing mixes that satisfy the particular needs, desires and behaviours of the target markets

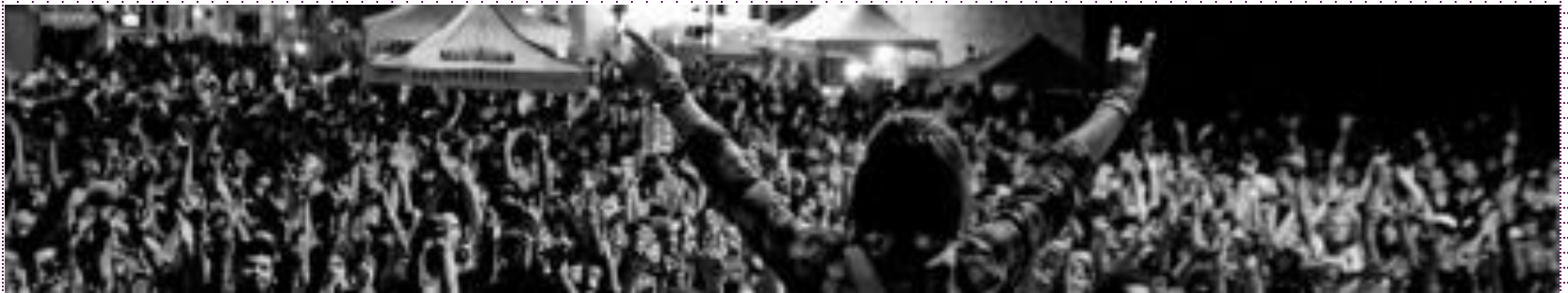
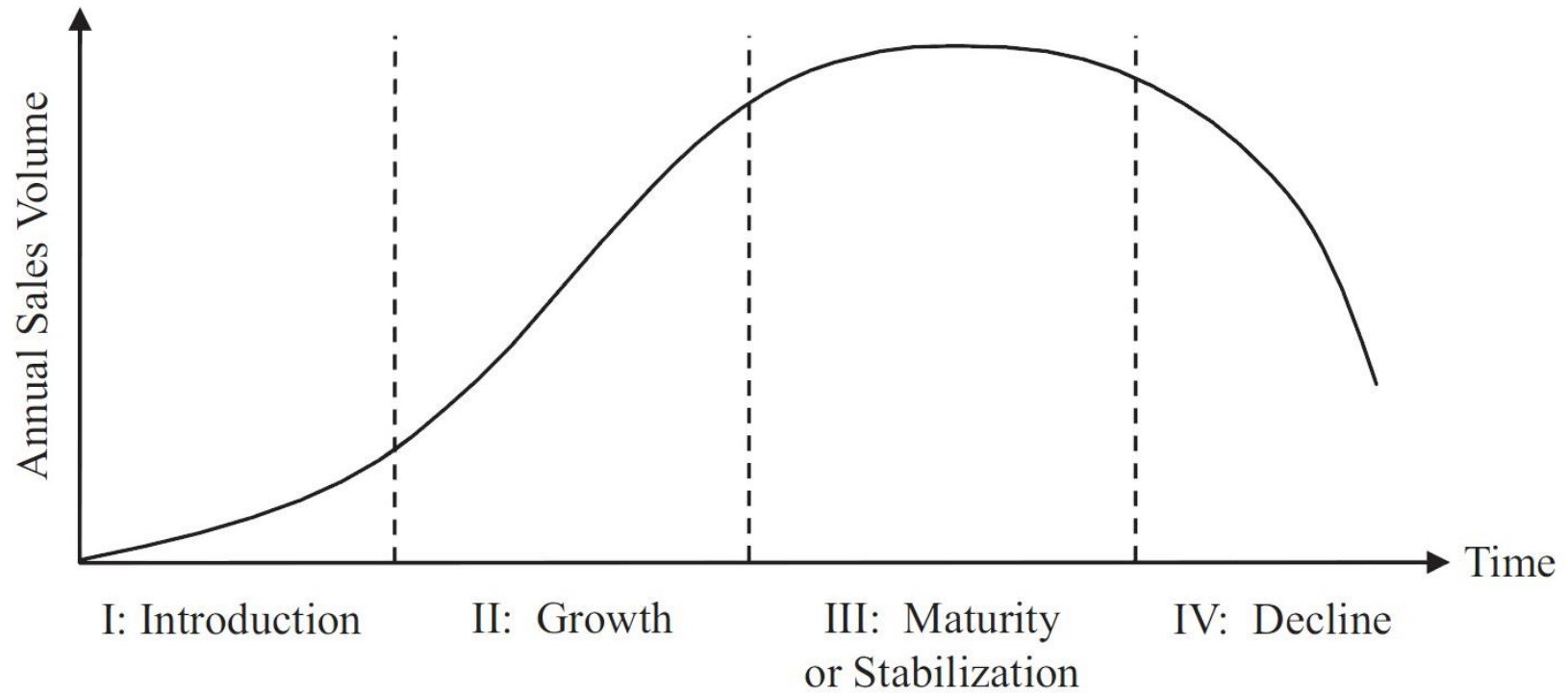
Effective marketing and development strategies cannot be done without market segmentation!!

Market segmentation is a natural result of the vast differences among people – Donald Norman

Market segmentation bases



Why market segmentation?



However...not set in stone

- **No single ideal segmentation base or variable** that fits every situation, and there is **no single way to segment a market**
- Marketers and researchers, therefore, have to try **different segmentation variables, alone and in combination**, hoping to find the best way to view the market structure
- Since festivals and events may attract the same market(s), the distinct nature of the festival/event plays a significant role
- **Applied various segmentation techniques to a variety of festivals and events**



Arts festivals – let the festivities begin!



The greatness of a culture can be found in its festivals – Siddharth Katragadda

State of the arts

- In 2010, **PhD critically evaluated market segmentation at national arts festivals**
- After 1994 there was a **considerable escalation in festivals** in South Africa
- Currently, there are **more than 600 festivals** held annually = competition
- Festivals are also held in every province, so it becomes easier for visitors to save expenses and attend festivals closer to home
- Festivals are **fiercely competing for artists, sponsors** and, most importantly, for **festival visitors**
- PhD focused on two of the biggest national arts festivals in the country: the **Klein Karoo National Arts Festival** and **Aardklop National Arts Festival**, later also included **Innibos National Arts Festival**



Arts festivals or bazaars?

- **Mutual aims:**

- Promote the arts in Afrikaans
- Financial injection to host communities (Oudtshoorn, Potchefstroom and Mbombela)
- Nature, festival programmes and festival visitors
- Wants to attract the maximum number of visitors and the associated expenditure
- However, **increasing visitor numbers does not mean a successful festival** - thousands only attend for socialisation and not the arts
- **Arts festivals or bazaars?**
- The **success** of a festival should not be measured based on visitor numbers, rather **based on the number of tickets sold for shows and productions**
- **Ticket sales are a festival's main source of income** and is therefore used as an **indicator of visitor interest in the festival and how successfully the programme addresses and fulfils visitors' needs**



Concerns for the future



- The **KKNK** showed a decline in ticket sales since 2005 while **Aardklop** a decline since 2008
- **Innibos** has shown a gradual decline in production tickets, as well as, fluctuations on a year to year basis since 2005 which is directly related to the number of shows on the programme in a particular year
- Festivals appear to have entered the **decline phase of the product lifecycle**
- **Necessary either to modify the festivals' programmes/products or to identify the reasons for the current target market's lack of interest in buying tickets for the festivals' shows/productions**
- An issue that many arts festivals face

Contributions from the research

- **Motivation – Poetry in motion:** Distinguished the **serious art lover** from the **socialisers** and made recommendations for each segment, showed **how to find a balance between each segment** and how to potentially **convert more socialisers into festival junkies** (art lovers)
- **Spending – Work of art:** Distinguished **higher spenders** from **medium and low spenders**. Showed how festival organisers could **influence visitors' spending** regarding the length of stay, the number of tickets purchased and repeat visitation
- **Preferred genre/shows – Down to a fine art:** Identified the **most dedicated genre supporters** as well as previously neglected markets, showed that with a **customised festival programme, visitors could be encouraged to purchase more tickets**



Contributions from the research

- **Frequency of attendance – Art is long and life is short:** Distinguished **first-time visitors from repeat visitors**. Allowed clear direction on how to develop a **two-pronged marketing strategy**, recognising both groups of visitors as necessary for the future of the festival. Also showed how to attract and retain **young festivalgoers – lifestyle!!!**
- **Decision-making time – Stage whisper:** When to start promoting? Segmenting festivalgoers' based on their decision-making time (**spontaneous, limited, extended, and routine decision-makers**) before an arts festival showed how marketers and festival organisers should **plan their marketing campaign at the right time**



Music festivals – Setting the scene and finding the rhythm



Where words leave off, music begins - Heinrich Heine

Marching to the same tune?

- Limited research focused on the needs of the music festival market in South Africa



Contributions from the research

Motives: Music to my ears!

- Based on main motives (**the music, to have fun, to socialise, to escape from one's every day environment and the festival attributes**) proposed **typologies for music festival visitors**. Confirmed that the **type of and nature of the music genre and event** influence the identified segments

Spending: Hitting the right notes

- Expenditure-based segmentation to the Samsung Rage visitors, proved that the **youth festival market in South Africa is a lucrative market**. Showed how spending can be maximised and youth festivals be expanded



Contributions from the research

Post-festival behavioural intentions: Striking a chord

- Segmented visitors to the Cape Town International Jazz Festival based on their post-festival behavioural intentions (searching for and travelling to similar events, searching for music by the performing artists and a greater appreciation for jazz music). Revealed **distinct market segments with different levels of post-festival behavioural intentions (high, medium and low)**. Results showed that music festivals have the potential to **create benefits** beyond the festival itself or the host destination in the form of **music tourism and the appreciation of a music genre**



Live music performances- implementing crowd control



Music can change the world because it can change people – Bono

A little BIG company...

U2

Neil Diamond

Coldplay

The Script

James Blunt

Kings of Leon

Roxette

Michael Bublé

Rihanna

Justin Bieber

Sting

One Direction

Mariah Carey

John Legend

Usher

Rodriguez

Il Divo

Joss Stone

Celtic Women

Lady Gaga

Adam Lambert

Linkin Park

Moody Blues

Bon Jovi

The Eagles

Bruce Springsteen

Josh Groban

Dave Matthews
Band

Metallica

Nickelback

Bryan Adams

One Republic

Santana

The Frey

Kenny Rogers

Lionel Richie

BIG
CONCERTS

Facing the music

- The **experience at a live music performance is completely different** compared for example music festivals
- Live music performances only **lasts for a couple of hours**
- **Experience that cannot be duplicated by listening to a CD**
- Live performances **appeal to a variety of market segments** due to the **variety of genres** – create **diverse visitor experiences**
- **Difficult to attract artists** to travel to developing countries such as South Africa to perform
- The **costs of organising live music performances are high, visitor needs are constantly changing, and competition** plays a major role in the success
- **No SA research on the needs of live music performance audiences**



Contributions from the research

- Visitors to live music performances **cannot be regarded as homogenous- the performing band and type of music genre influence the characteristics of visitors**
- Identified the **motives** of visitors to various music genres (**artist affiliation, the unique experience, entertainment and socialisation**)
- Motivation-based typologies revealed presence of three types of segments: **avid fan, recreational attendees** and **sentimentalists**



Contributions from the research

- Segmenting based on **Generation theory** and focusing on **Generation Y** (born between 1982 and 2002) proved the sheer size of the consumer segment and its significant spending power
- Identified various **management aspects that visitors regard as important for a memorable experience** both from a **supply and demand side** – identified and narrowed gaps
- Identified the needs and preferences of the **Black Diamond market** at live music performances





Endurance sport events Blood, sweat and tears

Endurance is one of the most difficult disciplines, but it is to the one who endures that the final victory comes - Buddha

Setting the pace

- Due to the infrastructure and the terrain of the events, the number of **entries is restricted** to a maximum of 30 000-35 000 per year
- **Endurance sport events can not necessarily grow regarding participant numbers**
- The challenge for organisers is to **attract and retain the most lucrative markets and to achieve a balance between national and international, novice and professional athletes**
- Apart from economic impact studies, **limited research on the endurance sport participant in South Africa**



Contributions from the research

- **Type of sport- Paddling one's own canoe**
 - Confirmed that endurance sports participants not homogeneous regarding their socio-demographic profile as the **type of sport significantly influences these consumers**



Contributions from the research

- **Motives to compete – Going the distance**
 - Identified motives related to the particular sport or event- **commitmen, event affiliation, lifestyle, health and fitness, achievement and challenge, escape and socialisation, international standing of event, skill mastery and group affiliation**
 - Motives are mainly **intrinsic**
 - Developed **motivation-based typologies (Regulars, Devotees and Beginners)** of endurance sport participants
 - Confirmed that the **type of sport and in particular the format of the sport event greatly influence participants' motives to compete**
 - **Sport events can play a role in expanding sport tourism** and help advance South Africa as an endurance sport tourism destination



Contributions from the research

- **Age-based segmentation – Young at heart**
 - **Multi-disciplinary sports** such as triathlons could be regarded as a **life-span sport**
 - Endurance athletes could easily **extend their competitive age**
 - Emphasised the importance of **exposure to sport from a young age** and what should be done to get the youth involved and active



Contributions from the research

- **The frequency of participation – Again and again**
 - Showed how events can find a **balance**
 - **Proposed marketing strategies** aimed at both market segments at sport events
 - Successfully introduced **loyalty programmes and cards as a marketing tool** – showed how loyalty programmes can be used as a retention tool for first-time endurance sport participants



Team-based sport events: Levelling the playing field



You don't play for the crowd, you play for the country - MS Dhoni

On a sticky wicket

- Sports events not only compete amongst each other for the time and money of spectators, also **compete with other activities that might interest potential spectators during their leisure time**
- **Stadiums are experiencing a decline in spectator numbers**
- **Limited research previously conducted among spectators to team sport events**
- **5-day cricket test match** and **Twenty20** match between **South Africa and Australia** and a **Cricket Sixes Tournament**, which introduced this format of cricket for the first time in the country



Contributions from the research

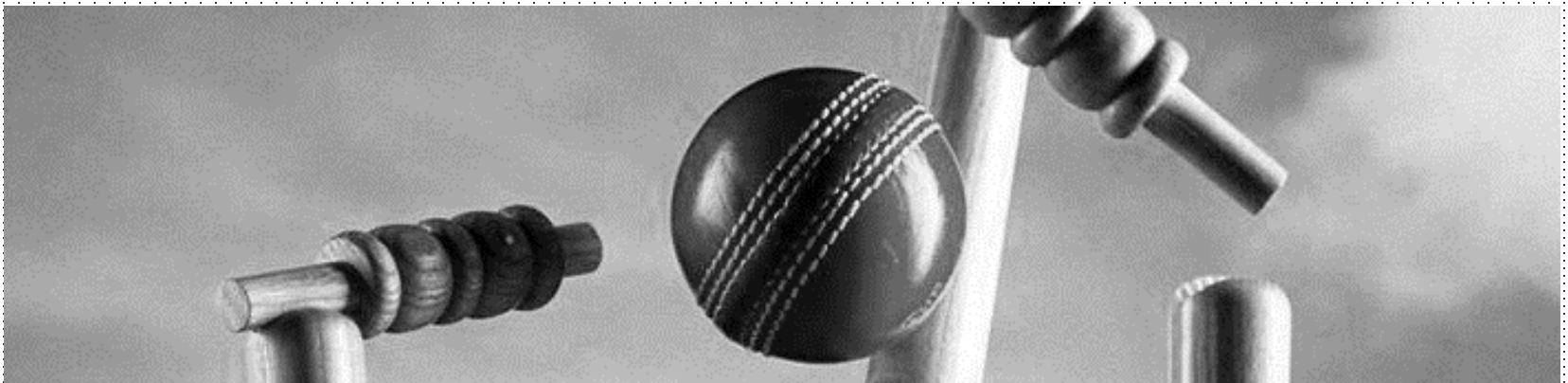
- **Differences based on format – Off one's own bat**
 - Found differences between the spectators
 - Cricket spectators cannot be regarded as homogenous and that the **type and format of the game greatly influence the market**
 - Showed that as markets change and a sport such as cricket reinvents itself by adopting different versions of the game, different spectators exist and that their needs differ



Contributions from the research

- **Motives – I don't like cricket, I love it!**

- Main motive is the **love for the sport**
- **Knowledge also important** – spectators want to be educated on the rules in an entertaining manner
- Revealed the **existence of specific cricket spectator segments** (enthusiasts, socialisers and regulars)
- Results indicated a **progression between cricket spectators regarding their affinity for the game**
- Participation in and support should be encouraged from a young age to **foster a love** and appreciation for cricket (cricket academies)



Contributions from the research

- **Memorable experience – Bowled over!**
 - Revealed memorable experience factors management can control for example **affordability, crowd atmosphere, visibility, comfort and accessibility**
 - Proposed an **experience-based typology of cricket spectators** (occasional, selective and comprehensive experience seekers)
 - How to create fun and entertaining experiences



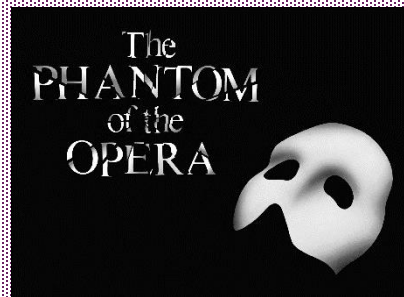
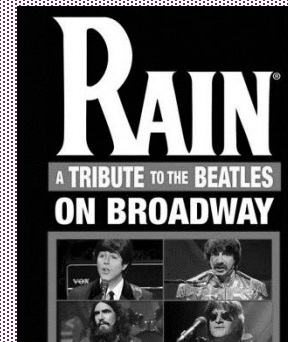
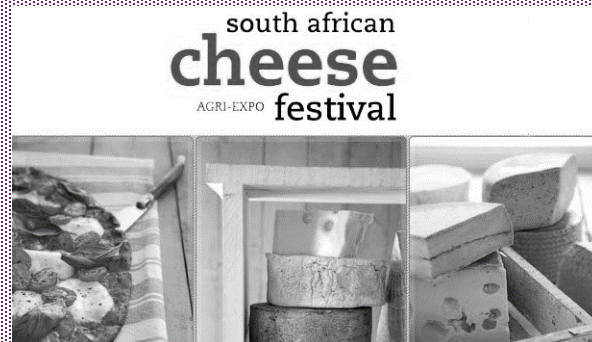
Specialised events Exploring endless specialities



Always remember that you are absolutely unique. Just like everyone else -
Margaret Mead

carving out niches

- Niche events attract niche markets



Contributions from the research

- **Segmented for the first time visitors to specialised/niche events**
- **Created typologies** of specialised event visitors based on their motives (**social, serious and selective**) as well as the factors they regard as important for a memorable experience
- Visitors not homogenous and that the **distinct nature of an event plays a significant role in their needs and behaviour**
- **Showed how specialised events should be packaged and marketed** and what should be done to **increase the number** of specialised events in different provinces in South Africa





Natural events Admiring the majesty

The poetry of earth is never dead – John Keats

Course of nature

- **Events not organised by man that occur in a specific place and at a specific time, lasting from a few seconds to a few weeks**
- **Limited research** exists on the characteristics of natural event viewers
- **Do visitors that are attracted to witness natural phenomena differ** from other types of event visitors regarding their profile, motives and needs?



In full bloom

- **Wildflower tourism at the West Coast and Namaqua National Parks** in 2013
- **Rainfall is low** and variable during the spring season - the **wildflower displays in are brief and unpredictable attractions** and annual visiting varies in response to the quantity of flowers
- **Difficult to manage the wildflower experience** because of fluctuations caused by seasonality and rainfall
- **Many aspects are out of managements' control**



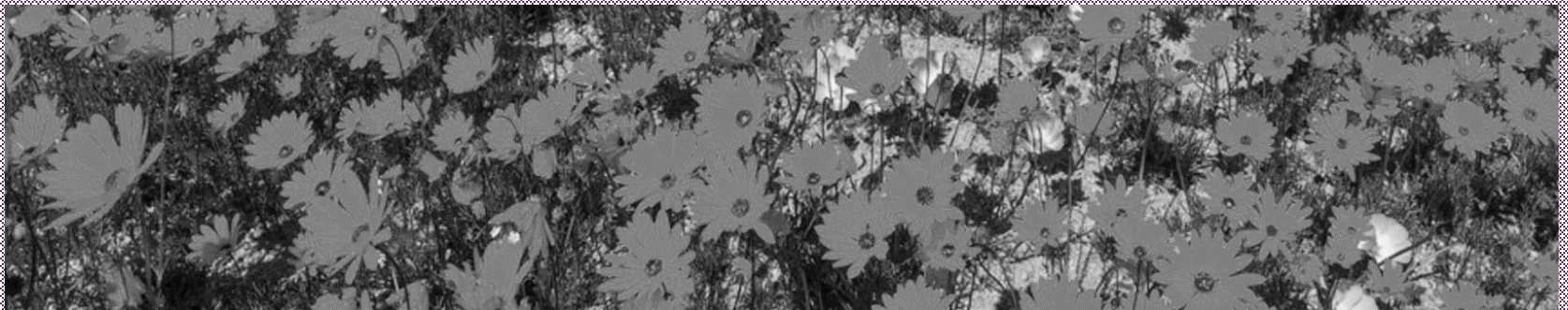
From cradle to grave

- In 2014, one of the **world's largest salmon runs** in British Columbia, Canada
- Salmon run occurs every year, **every fourth year is a 'dominant' run**, with even larger numbers of fish to be seen
- In mid-October every year millions of fish swim 400 kilometres upstream, returning from a journey that took them out into the ocean back to the exact spot where they were born, to spawn and die
- **'Salute to the Sockeye'** in the Roderick Haig-Brown Provincial Park to celebrate the run
- But the salmon 'have bigger fish to fry'



Contributions from the research

- Confirmed that natural events attract an older, niche market (>55 years)
- Revealed distinct **international, domestic** and, particularly **local segments**
- The results **challenged existing theories** of tourist experiences, which are all based on the premise that tourists have the need to escape from their everyday environment
- Visitors are **motivated by the experience** and the chance it offers to appreciate nature and marvel at the event – **essential part of their lifestyle**
- Proposed motivation-based typology: **Novelists, Naturalists, Enthusiasts and Escapists**
- Found that **appreciation of natural events increases with age** - results emphasised the importance exposure to natural events from a young age to foster a love for these types of events



Contributions from the research

- Showed that while it is difficult to manage the natural event experience, there are still **aspects management can focus on to improve the overall visitor experience**
- For example, **clearly marked routes and trails, information boards along the routes, photography competitions as well as interpretation centres**
- Proposed **experience-based typology: Selective, Tranquil, Comprehensive and Casual experience seekers**
- Findings showed how to **manage and promote natural event experiences** based on the needs of the distinct market segments



Summary of main research contributions

- **Segmented various festival and event visitors**
- **Largest festival, event and endurance sport consumer databases in the country**
- **Moved away from the traditional** socio-demographic, geographic, behavioural and psychographic **segmentation bases** previously applied in festival research
- **Proposed alternative and innovative segmentation bases** and made use of a variety of statistical methods
- **Created typologies for a variety of event visitors**
- In many instances, the research was the **first to be applied in a South African events context**
- The research proves that **using different segmentation bases will provide different results** and that **the type and nature of the event and visitors will always play a role**

In much of society, research means to investigate something you do not know or understand - Neil Armstrong

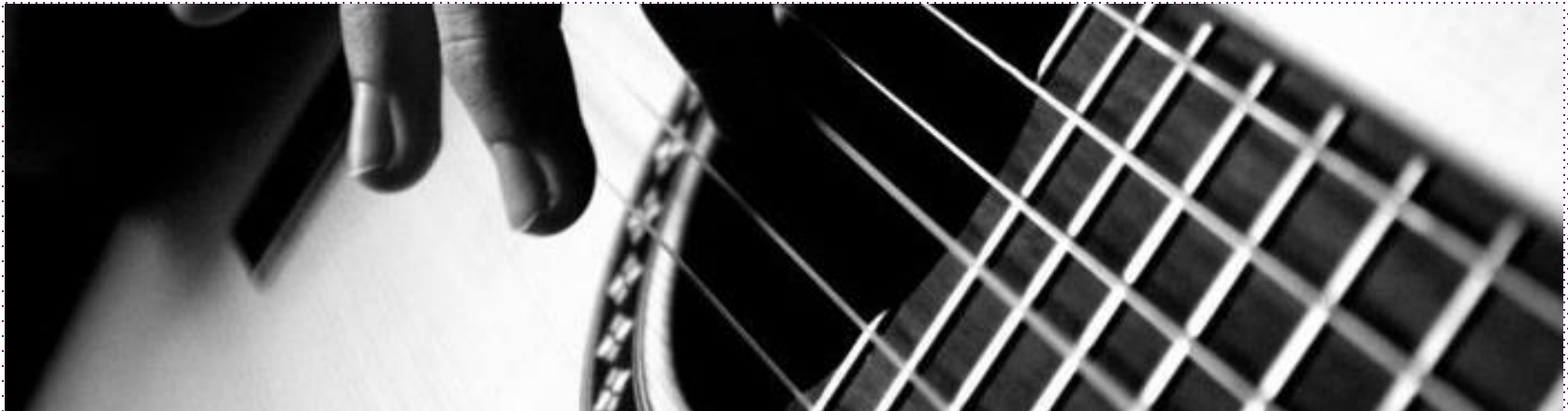
Summary of main research contributions

- The **selection of the segmentation base used also depends on the purpose of the study**
- Valuable guidelines to **fellow researchers** on the best approaches to segment event markets
- Provides **practical implications to festival and event organisers and marketers** on how to expand and retain their target markets
- Findings can be employed to **educate and inform current and future event marketers and organisers** on how to manage visitor experiences based on the needs of the market - an aspect **currently neglected in event management textbooks**
- Bridging the gaps between academic perspectives and the events industry
- **Government support** is essential!
- The findings finally showed how festivals and events could be sustained in South Africa and how it can contribute towards tourism
- **Crowds to consumers!!**

Research is creating new knowledge - Neil Armstrong

way forward

- **Arts festivals:** Aardklop from the ashes? **Influence of rebranding.** Can art festivals exist without **stalls**?
- **Music events and live music performances:** Visitors' behavioural intentions after attending music events – want to confirm that music events can lead to additional intangible benefits, i.e. appreciation of the particular music genre and music tourism
- Analyse further the **spending behaviour of the Black Diamond** music event attendee



way forward

- **Endurance sport events:** New segmentation bases not previously applied in an endurance sport context related to **commitment and lifestyle**, needs of **female participants**, more **team-based events**
- **Specialised events:** Do **creative tourists** exist? **Scuba diving expos**, visitors' **food preferences** at food festivals
- **Video-gaming events** – Call of duty or Counter-Strike?
- **Natural events:** **Validate the typology** for natural event viewers by including more natural events (Hermanus Whale Festivals, the Sardine Run, The Great Migration and the Northern Lights)



THANK
YOU!!



AMBITION

The world makes way for those who know where they are going.