

The importance of tourism market segmentation tourism essay



**ASSIGN
BUSTER**

In this chapter, the author gives a brief overview of the origin of tourism and highlights the importance of tourism market segmentation, reviewing the impact tourism has on a country's economy. The niche market segment and the terminologies used in this dissertation will be explained. The author will look into the economical potential of gay, lesbian, bisexual and transvestite tourism.

Travelling had been an important feature since the time civilisation began. It began with travelling for trade and business purposes. Leisure travelling started only during 500 BC when the Greek civilization would travel for religious festivals and travelling gradually became a pursuit in pleasure. (Chandran 2009). Tourism evolved, especially through the direct influence of the renaissance, and became an important part of the western way of life, reflecting on one's identity, status and culture (Bowen & Clarke, 2009; Hughes, 1997).

Tourism took on a greater height in the twentieth century when the wars opened the window and aroused the curiosity of the less well off people on international travel. The birth of air travel and the growth of the worldwide hotel chains had brought about mass tourism hot spots like the Mediterranean, Caribbean and North America. Diversification of alternative destinations, like India and Nepal, began in the 70s and individual travellers emerged in huge numbers during the period of the 1980s (Chandran, 2009).

It has been reported that tourists visiting many countries worldwide had spent billions of dollars every year, making tourism one of the highest incoming generating industry in many countries (Mowforth and Munt, 2007;

Wall and Mathieson, 2006). This has resulted in countries coming up with new and innovative ideas to improve and re-package the current tourism products available for the various market segments, in hope to attract more visitors to increase economic growth (Holloway, 2004).

Many tourism ministries and destination marketing companies have also come to realise that tapping into the mass tourism market alone is not enough to sustain the economy in the long run. A new generation of tourists have emerged and in order for destinations to maintain their cutting edge, it is crucial that they are able to provide a tailor-made unique travel experience for the various market segments (Hughes, 2005; Stuber, 2002; Rushbrook 2002; Clift and Forrest 1999).

Gay, lesbian, bisexual and transgender (GLBT) tourism

As suggested by Munt (1997), homosexual men are termed as 'gay', while homosexual women are termed as 'lesbians'. These terms are used to describe people who engage in sexual activities or have sexual desire with another of similar biological sex (Hughes, 2006). Guaracino (2007) has also suggested that 'GLBT' is the 'all inclusive' and most accurate term to be used when discussing about gay, lesbians, bisexual and transgender personnel. Based on research, 3-10% of the entire world population identifies themselves as exclusively homosexual (Jenkins, 2010; Levay, 1996; Pillard and Bailey, 1995; Kinsey, Pomeroy and Martin, 1948).

Gay tourism is defined as homosexual men and women travelling with overnight stay for various reasons; such as leisure, business, visiting friends and family, etc (Hughes, 2006). In addition, gay tourism is also viewed as an

organised form of travel with characteristics that are recognizable, shared and predictable instead of just homosexual men and women travelling for a holiday (Waitt and Markwell, 2006). Clift, Luongo and Callister (2002) also state that GLBT tourism is structured around a strong distinction between the tourist's homophobic home and a gay-friendly destination that offers a relative amount of sexual freedom, these destinations also encompass the cultural, social, political, health and economical aspects of life.

It has also been documented that gay tourism dates back to the Victorian period where homosexual men travelled from northern Europe to the Mediterranean through grand tours in search of the climate, culture and physical companionship of other men. Such travelling activities are organised as the homosexual traveller wanted to step out of their own countries to experience a lifestyle of which their sexuality can be freely expressed (Aldrich, 1993). Many gay men had their holidays during the late 1970s to 1980s in destinations that are perceived to be gay tolerant or totally gay exclusive (Clift, Luongo and Callister, 2002). Gay travel has remained classified as a separated form of travelling from mainstream travels discussions up until the 1990s (Casey, 2009). During the mid 1990s, both the United States and UK had liberal governments, aiding in promoting social equality. As GLBT rights progressed, the new generation's needs to confine themselves strictly to an all-gay environment seemed greatly diminished. GLBT rights demonstrations became a high profile and eventually a highly lucrative tourism event. This has also resulted in GLBT tourism having its main anchorage point in major cities in Euro-American countries (Clift, Luongo and Callister, 2002).

The World Tourism Organisation classifies gay tourism as a form of niche tourism targeting at gay and lesbians 'open' about their sexual preference who seeks to travel to destinations that are GLBT-friendly in order to participate in activities that embraces the homosexual lifestyle (Guaracino, 2007). Since 2001, many countries had taken the step to embrace the GLBT market segment as the GLBT travellers are among the first market segment to be revived since the aftermath of the 9/11 incident (Guaracino, 2007). With GLBT being a specific niche market segment, many countries focuses on understanding and addressing their needs as compared to a wider, more diverse group, thus, using marketing dollars in a more effective way (Baxter, 2010; Nisberg and Nierenberg, 2004).

More and more suppliers and destinations have replaced the term gay-friendly with being 'gay welcoming, thereby acknowledging the GLBT consumers and 'welcomes' their business. As discussed by Guaracino (2007), although Atlantic City lacks the hallmarks of gay destinations such as gay discotheque and drag-shows, the city offers entertainments, casinos and shopping opportunities, which are of interest to both the straight and gay consumers, offering itself as a gay-friendly destination through its marketing campaigns. But although the collective imaginary of gays and lesbians are prominent in many of such destinations, these places are often still marginal in terms of being exclusive from the mainstream society. An example cited by Clift, Luongo and Callister (2002) is the settings of GLBT tourism in Warmoesstraat, Kerksstraat and Rembrandtplein of Amsterdam, where it seems like there is the segregation from the heterosexual space of the 'Wallen'.

Acceptance of GLBT market

Although many countries have open their doors to welcome the GLBT market, there are still countries that are reluctant acknowledge the presence of this niche market. Indararusmi and Vieregge (2009), cited from Ottosson (2007), reveals that according to a world survey conducted by the International Lesbian and Gay Association in 2007, homosexuality is considered to be illegal in 85 countries. Acceptance has be restricted to GLBTs who conformed to the generally accepted standards of behaviour and leads a ' normal' life (Pritchard, Morgan, Sedley, Khan and Jenkins, 2000). Hughes (2006) also reveals that many societies still have strong prejudices against the GLBT community, with various forms of harassments and discriminations still occurring. GLBT individuals may have strong desires for places free from discrimination and oppression from the society, resulting in them having a travel culture of high mobility (Indararusmi and Vieregge, 2009; Waitt and Markwell, 2006). Pritchard et al (2000) mentions that GLBT have needs to escape, in search of a sense of safety and belonging, seeking an escape from the pressures imposed from the largely heterosexual world for being gay.

Economical impacts of tourism

The economic power of GLBT tourism

The GLBT market's existence has been demonstrated by the growing commercial interest in this market segment. It has been visible in the current advertisements and television shows that targeted the GLBT community for the past 20 years, and the increase in radio and television programs geared towards this market segment (Baxter, 2010). The GLBT community,

<https://assignbuster.com/the-importance-of-tourism-market-segmentation-tourism-essay/>

especially the gay men, have a higher disposable income to indulge in luxuries like travelling in comparison to their heterosexual counter-parts (Community Marketing, 2008; Stuber, 2002; Binnie and Valentine, 1999; Clift and Wilkins, 1995). Lindstum (2005) and Keith (1996) state that the GLBT community consists majority of DINKs (double income, no kids) and thus have money and time at their disposal. With no restriction on only travelling during peak season, more destinations are targeting GLBT tourists during the off-peak seasons.

Gay couples in the United States have an average household income combined to be about USD 65, 000, which is almost 60% higher compared to the average household income of an American home in year 2001 (Belkin, 2004). The Travel Industry of America also estimated that 85% of the GLBT community travels for holiday at least once each year, 21% higher than the national average (Guaracino, 2007).

Research reveals that the GLBT market is having a steady growth; with statistics from community marketing inc (CMI) reveals that the GLBT market has an annual economic contribution of approximately \$70. 3 billion in the United States alone (Dooley, 2009). Gay and lesbian couples are also deemed to have a more habitual travel practice, less cautious in their spending habits while travelling and show a greater sense of brand loyalty than straight couples (Guaracino, 2007; Roth and Luongo, 2002).

GLBT are more optimistic about their financial futures and the worldwide economical situations than heterosexuals (Olorunnipa, 2009). The worldwide economic contribution from gay honeymoon vacations could potentially

exceeds \$72 billion per annum (Belkin, 2004). Guaracino (2007) also states that increase in gay marriage is equivalent to an increase in gay dollars, with gay couples spending less money in the wedding ceremonies but significant more on their wedding travels.

Chapter 3 (3000 words)

Use the same concept found in chapter 2 & back it up with primary sources and literature.

Search in-depth on chapter 3 and chapter with the articles on chapter 2.

Structure all for Singapore and do a comparison also to see if it was similar to the general trend.

Blogs

Articles

Tourism Statistics from Singapore since yr 2000 - 2010

Articles on nation party held by fridae. com in Singapore or any other relevant event's articles

Articles on tourism's economical impact in Singapore

Chapter 4

Discussion / Conclusion (if the research statement is valid)

Limitation (Discuss briefly what are your limitations.)

Recommendation

For future studies -> Should it be a primary research in the future?

For the industry -> what could be done?

Reflection

what are the things you learn? I. E systematically reading of literature?

Reflection is NOT limitation.

In conclusion, does Singapore agrees with the rest of the destination? Does it disagree?

Submission on 8 Nov, ONE loose copy in the envelope. ONE more on Tuesday.

Front of envelope:

Student Number

Name

Title of Dissertation

Name of Tutor / Supervisor