



Institute for Systemic Management
and Public Governance
Research Center for Tourism and Transport

University of St.Gallen

The Hybrid Tourist

**Confronti Primavera
Bellinzona, 21 June 2018**

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University of St.Gallen**

Agenda

- What do we observe?
- What are we talking about?
- Why do we observe what we observe?
- How do we deal with that phenomenon?

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We have been trying to deal with different tourist behaviours by segmenting them. Rules have helped us to do this “properly”.

- Create **groups** of customers you can work with
 - groups which are **delineable**
 - groups which **exist in reality**
 - groups which **behave homogenously**
- **Criteria** for segmentation:
 - **Measurability** (size, purchasing power, characteristics)
 - **Relevance** (largest possible homogenous group, profitable)
 - **Accessibility** (effectively reachable)
 - **Distinguishability** (conceptually distinguishable, respond differently)
 - **Feasibility** (effective programs can be formulated)
- Look at segmentation not only in terms of **entities** but also **processes, i.e. decision making**
- Try to segment
 - empirically rather than normatively,
 - a-posteriori rather than a-priori (cf. to delimitation of groups)

Example: Switzerland Tourism and their partners work with a sophisticated system of different segments. Nature is implicitly and explicitly part in many of those segments...

Summer	 <p>Nature Lover</p> <ul style="list-style-type: none"> ▪ Ecotourist ▪ Typically Swiss Romantic 	 <p>Outdoor Enthusiast</p> <ul style="list-style-type: none"> ▪ Hiker ▪ Biker & Cyclist 	 <p>Attractions Tourer</p> <ul style="list-style-type: none"> ▪ Attractions, History & Heritage Explorer 	 <p>Lifestyle Traveller</p> <ul style="list-style-type: none"> ▪ Luxury Traveller ▪ Gourmet 	 <p>Spa & Vitality Guest</p> <ul style="list-style-type: none"> ▪ Spa & Vitality Guest ▪ Well Ager 	 <p>Family</p> <ul style="list-style-type: none"> ▪ Family with Toddlers ▪ Family with Kids
Winter	 <p>Snow Lover</p> <ul style="list-style-type: none"> ▪ Winter Magic Romantic 	 <p>Snow Sports Enthusiast</p> <ul style="list-style-type: none"> ▪ Skier ▪ Free Rider ▪ Cross-country Skier 	 <p>Attractions Tourer</p> <ul style="list-style-type: none"> ▪ Attractions, History & Heritage Explorer 	 <p>Lifestyle Traveller</p> <ul style="list-style-type: none"> ▪ Luxury Traveller ▪ Gourmet 	 <p>Spa & Vitality Guest</p> <ul style="list-style-type: none"> ▪ Spa & Vitality Guest ▪ Well Ager 	 <p>Family</p> <ul style="list-style-type: none"> ▪ Family with Toddlers ▪ Family with Kids
Cities	 <p>City Breaker</p> <ul style="list-style-type: none"> ▪ Urban Lifestyle Seeker ▪ Sightseer 	 <p>Culture Traveller</p> <ul style="list-style-type: none"> ▪ Culture Traveller 	 <p>Attractions Tourer</p> <ul style="list-style-type: none"> ▪ Attractions, History & Heritage Explorer ▪ Day Tripper 	 <p>Lifestyle Traveller</p> <ul style="list-style-type: none"> ▪ Luxury Traveller ▪ Gourmet 		

#VERLIEBTINDIESCHWEIZ

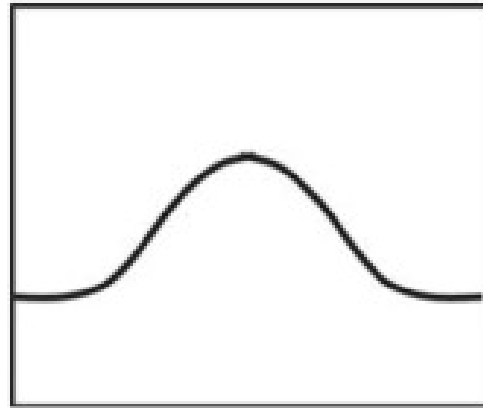
Segmentation is increasingly challenged by non-segmentable consumers. Hybridity defined.

- **Heterogeneity** in within-subject purchasing behavior
- **Market bifurcation**, with consumers both
 - trading up and paying premium prices for some products and services, especially those that have emotional value, and
 - trading down to cheap products and services for basics (commodities).

-> **Value as defined by the consumer**

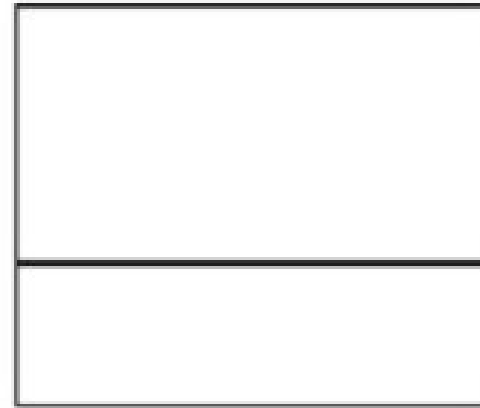
-> **Hybrid consumers do not fit into any particular market segment.**

There are multiple forms of hybrid behaviour.



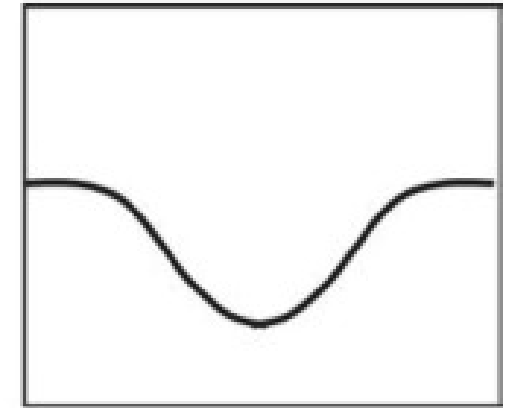
Traditional

A traditional middle-market consumer whose majority of purchases focus on middle-market offerings, "blending-in"



Omnivorous Hybrid

An omnivorous hybrid consumer buys from a wide range of price categories without a larger "purpose", looks for variety and good choices from a broad spectrum



Polarized Hybrid

A polarized hybrid consumer is a bargain hunter and "big spender" in one person, clear distinction between what is worth spending on and what is not. Mid-priced options in minority of total spending

NO POLARISATION

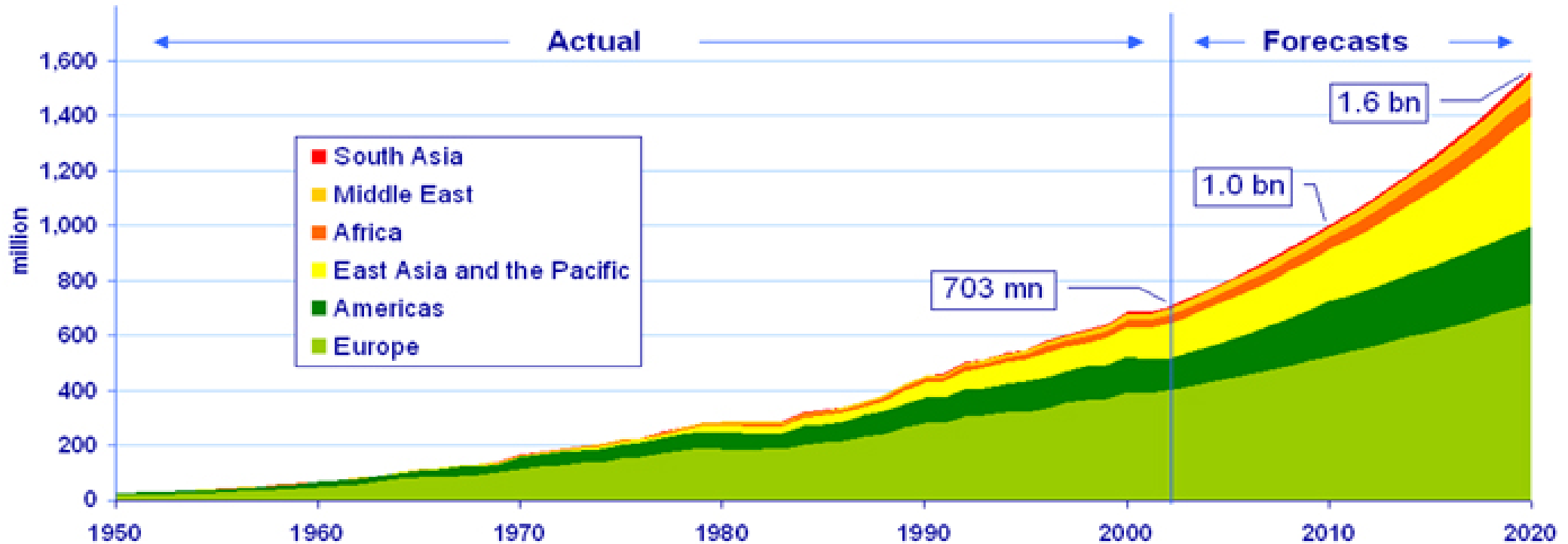


POLARISATION

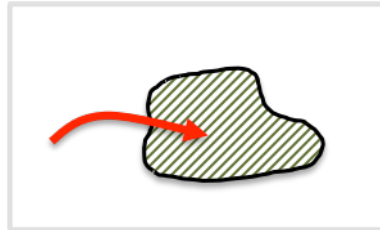
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Growth forecast of international tourist arrivals, 1950 – 2020, is impressive.



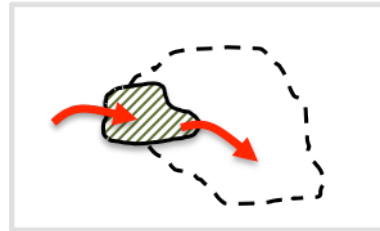
Tourists have different behavioural patterns once they arrive. So they cannot be dealt with indifferently.



stay-put



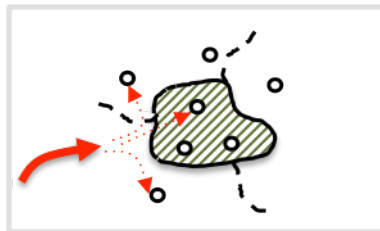
**arranged
touring**



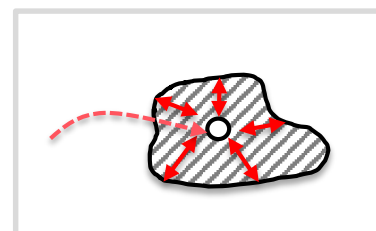
gateway



hub-and-spoke



freewheeling

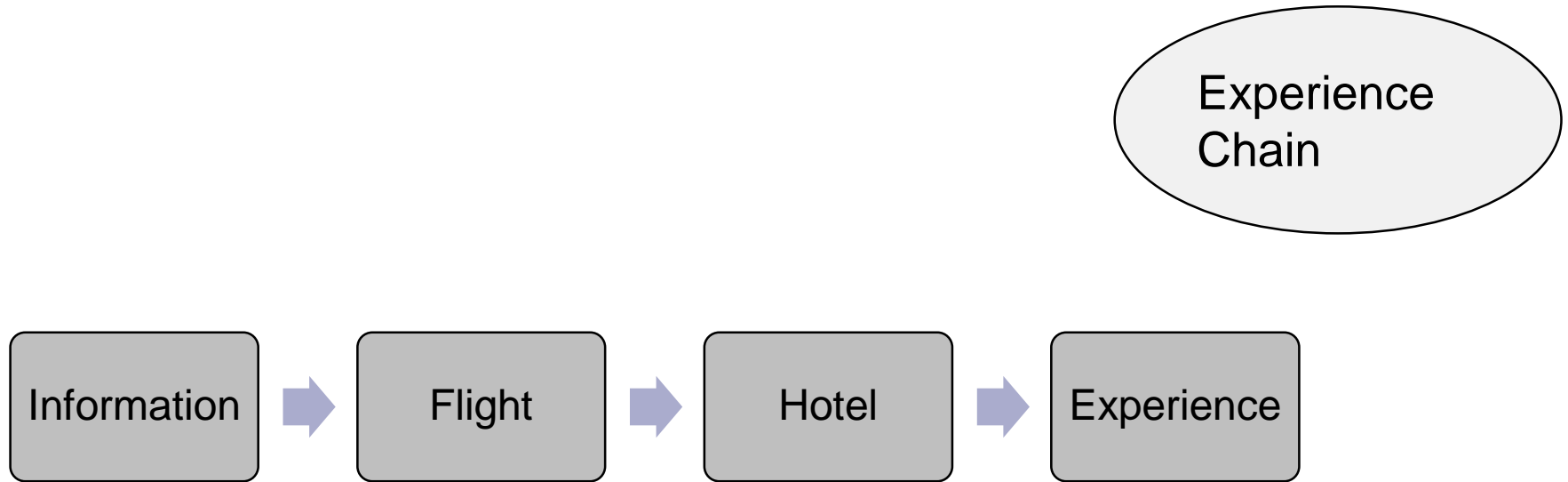


embedded

Global demand trends...

- Demographic change
-> Fragmentation and micro-segmentation of markets
- Service quality and service design
-> Means for differentiation and mass customization
- ICT as tool within the customer process
-> Tourists are bearer of information, invisible, unknown
- Short term decision making
-> ICT tools allowing for impulsive behaviour and instant gratifications
- Polarised spending
-> Splitting of markets

The transformation towards the 'On air' society expands options and pushes points of decision making even closer to consumption point of time.



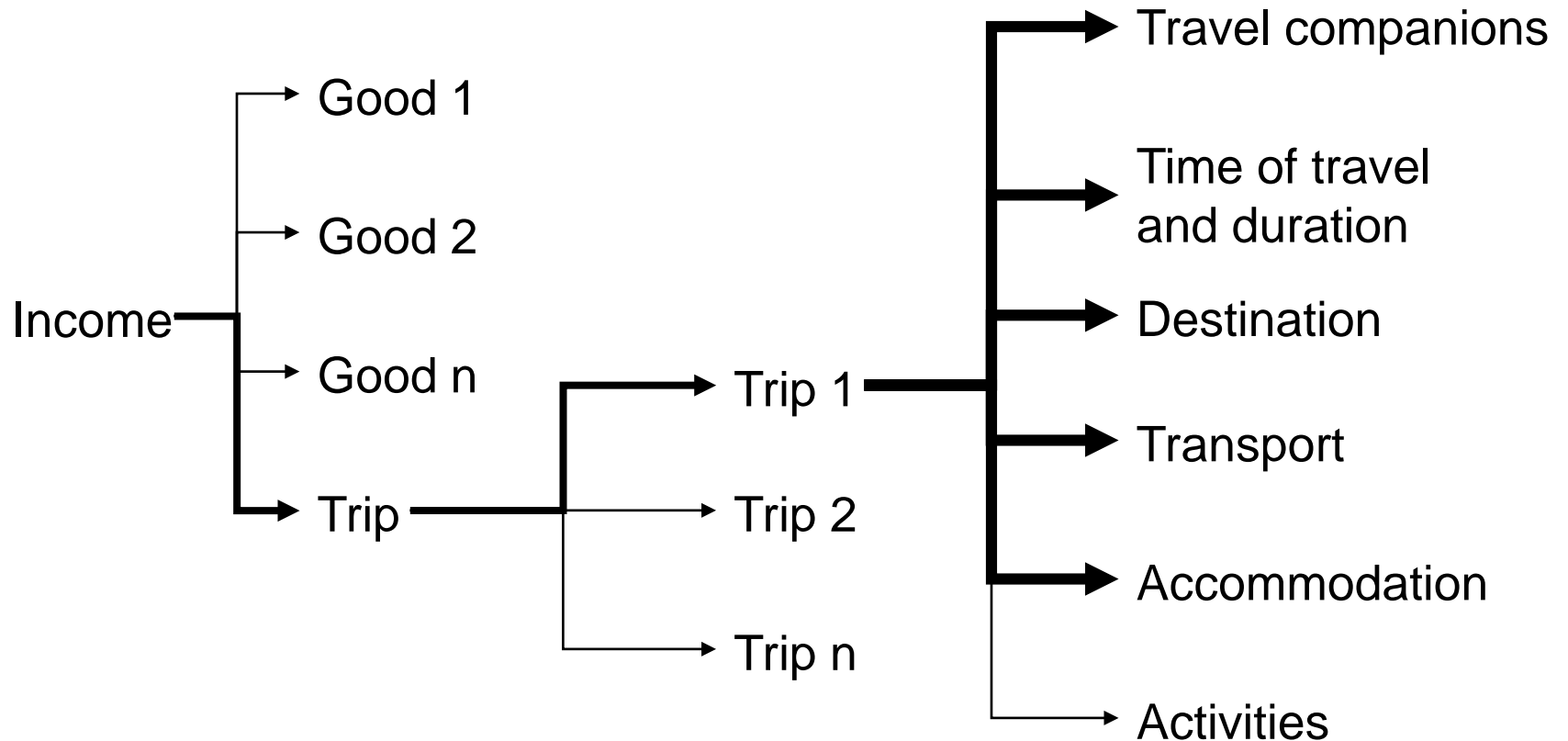
The way people make decisions further propels different behaviours.

- Dimensions (**subjects**)
 - **Persons** (values and attitudes, personality, know-how, general involvement, risk awareness and readiness, general travel motivation)
 - **Contexts** (ethnography, culture, socio-demographics, consumption context, information environment, specific involvement)
 - **Decision heuristics** (process)
- Multi-dimensionality (**objects**)
 - Destination
 - Accommodation
 - Time of travel and duration
 - Means of transport
 - Travel companions
 - Activities/ activity pattern

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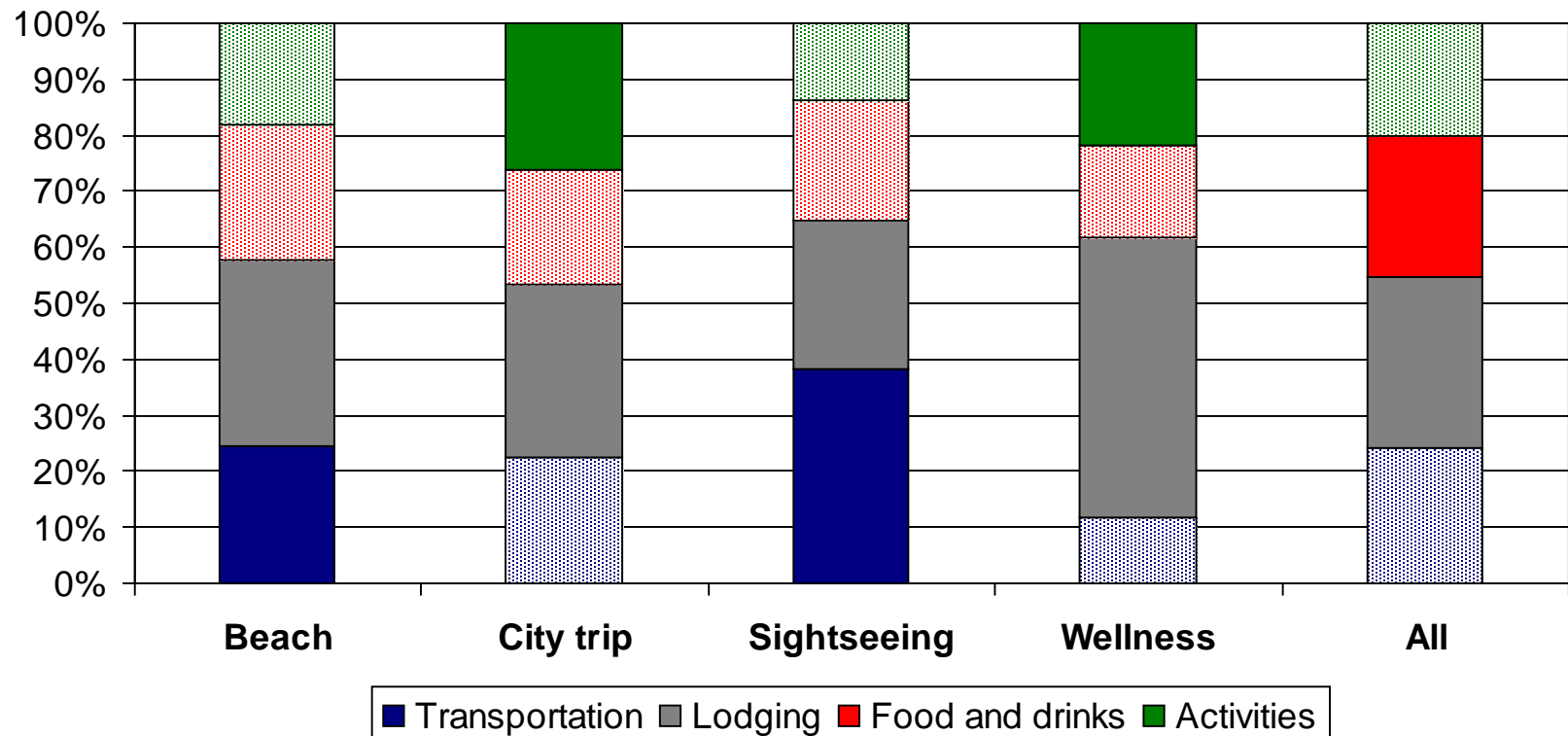
- **Contingent hierarchical structure**
 - non-conscious decisions (only implicit importance)
 - evoked decisions (conscious and considered important)
 - adjourned decisions (conscious but not considered)
- **Thought processing**
 - Affective/ **emotional**
 - Cognitive/ **rational**
 - Conative/ **intentional**

Travel consumption decisions are portfolio decisions. Travel decisions involve the alignment of a multiplicity of domains



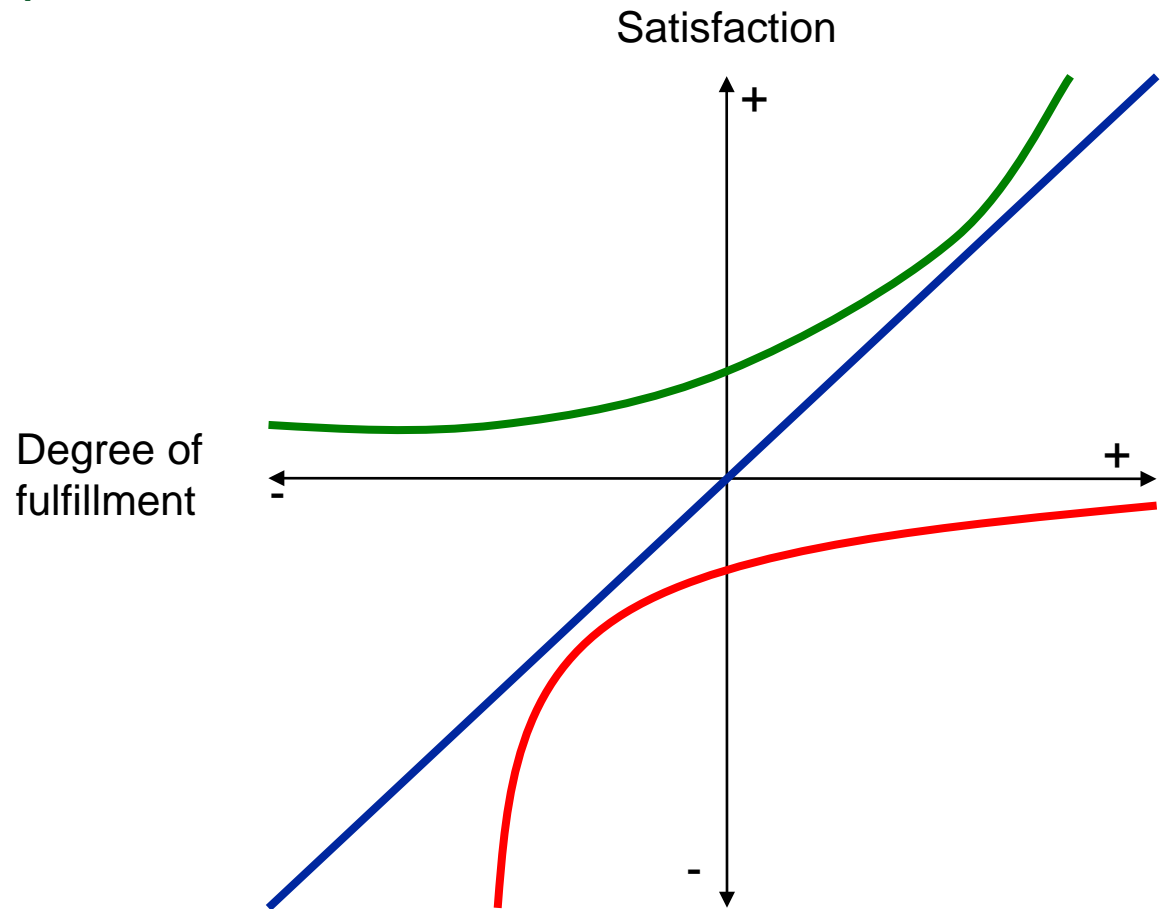
Market: A specific service contribution – especially in the case of tourism – must be considered in the context of the entire service network.

Distribution of expenditure per person



At the end of the day, perceived value and willingness to pay determines specific consumption choices, not “general” consumer behaviour anymore.

Basis factor (Dissatisfier) -> must
Service factor (Satisfier) -> should
Excitement factor (Attractor) -> can



Why would someone stay overnight in a shack in a South African township? Vicky's Bed and Breakfast is a typical self-discovery project.



*„I am not selling an overnight stay but a lifetime's experience!“
(Vicky's B&B in Kayhelitsa, RSA)*



Source: www.journey.digitalspace.net/vicky0.html

Can the emotions associated with a sunset overrule the very simple functionality of a place to stay?



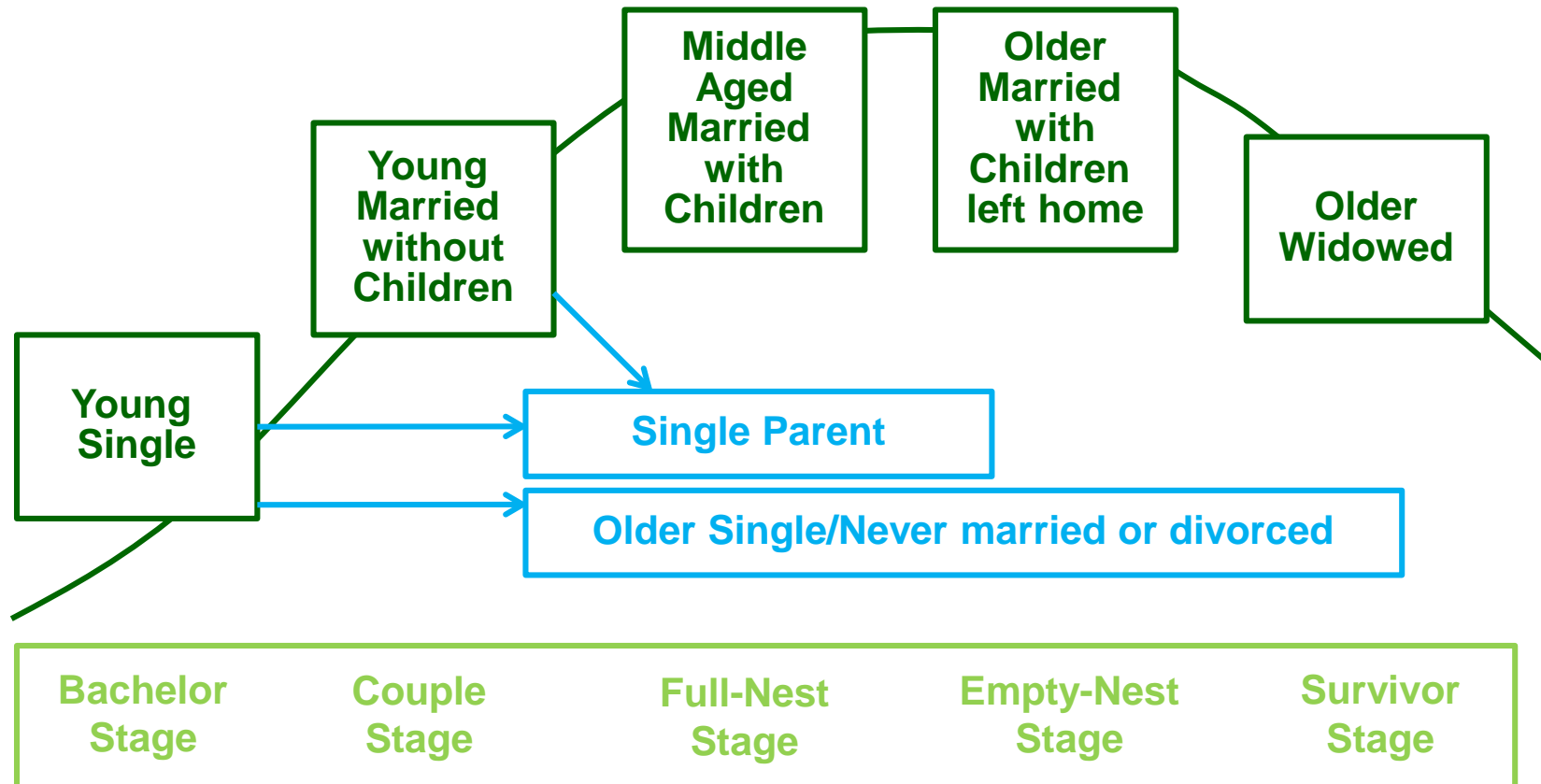
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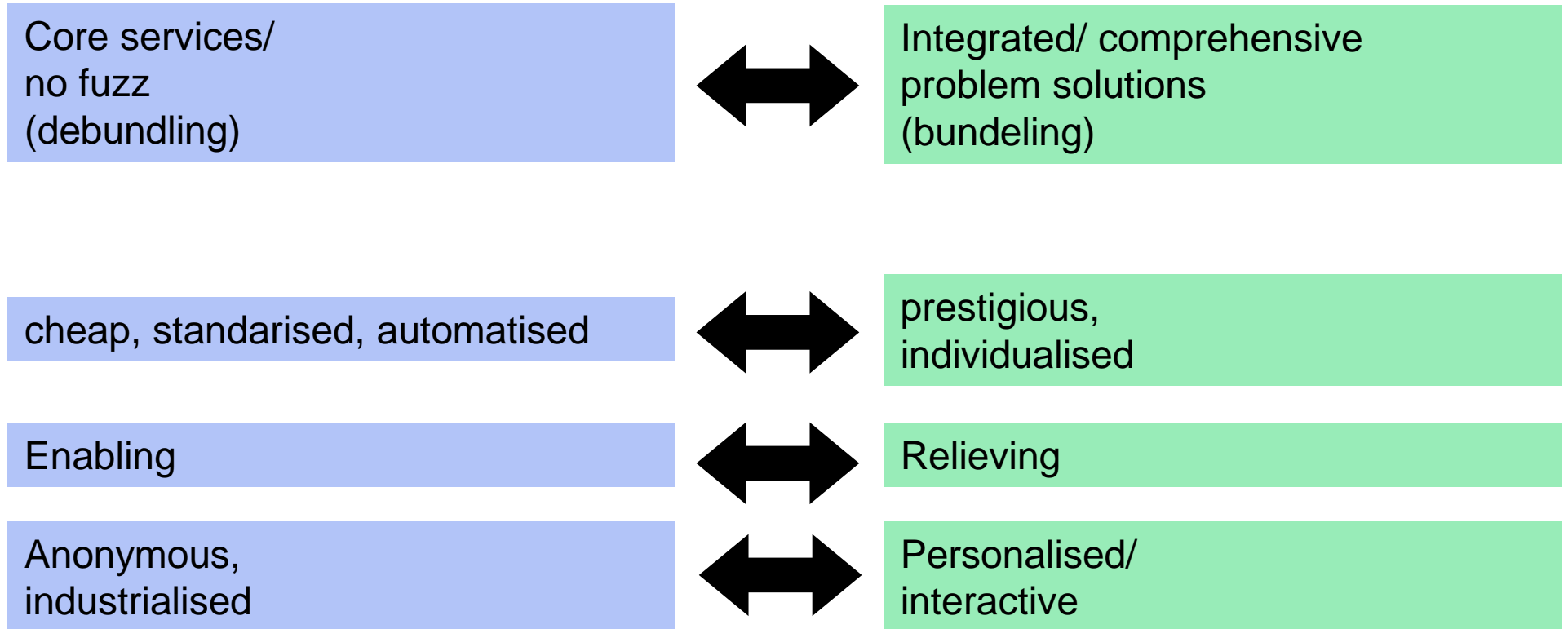
First of all, focus on psychographic segmentation. The degree of homogeneity in behaviour within a given time frame is simply higher.

- Personality
(psychographic; cf. *Laesser and Zehrer, 2012*)
-> rather stable
- Motivation
(psychographic; cf. *Bieger and Laesser, 2000*)
-> rather instable/ dynamic; context driven
- Information search
(behavioural; cf. *Bieger and Laesser, 2000; 2004*)
-> rather stable
- Travel behaviour re portfolio elements
(behavioural; cf. *Finsterwalder and Laesser, 2013*)
-> rather instable/ dynamic; context driven

A life-cycle concept hereby allows for an additional segmentation alternative. Depending from the position in a personal life cycle, different specific needs and motivations arise.



Second, think about how to design and price your services. Who gets access to what in what quality at what price?



Thanks for your attention

More at christianlaesser.net