A Review of Market Segmentation on Events and Festivals from 1996 to 2017
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\textbf{Abstract:} This paper reviews 20 event segmentation studies published from 1996-2017. The reviews revealed that demographic segmentation and clustering techniques to be the most popular approaches in market segmentation studies. This paper provides suggestions for future research on market segmentation studies.

\textbf{Keywords:} Event Segmentation, Clustering Techniques

1. INTRODUCTION

A well-known event or festival is said to contribute to the increase demand of tourist to a destination (Getz, 2008), and to the development of social and economic benefits among the locals (Chang, 2006; Getz, 2008). Getz (2008) defined event as a temporary experience and something that is unique due to the interactions between the arrangement, people and management systems. Conferences, meetings and trade shows are all considered events in the meeting industry. Festivals, a theme celebration, offers a cultural experiences (Getz, 1991; Hall, 1992). Famous festivals with themes include film, music, dance, the arts and crafts, cultural heritage, sporting events, religious, seasonal rites as well as agricultural (Kim, Borges, & Chon, 2006; Tkaczyński, 2013).

In Malaysia, there are over 70 festivals listed in the Ministry of Tourism Arts and Culture’s calendar each year. Sarawak for instance, received 4.51 million tourists - both foreign and domestic - attending the yearly Rainforest Music Festival, World Harvest festival and Borneo Jazz Festival in 2015. The number of visitors to these three events had constantly increased from 4.51 million visitors in 2015 to 4.67 million in 2016.

A well-developed strategic marketing plan that contemplates the relationship between destinations, visitors, and right target market contributes to a festival success (Thompson & Schofield, 2009). Having the right target group and crowd size will ensure the success of an event and assist event marketers in making marketing and managerial decision making (Lee, Lee, & Wicks, 2004). To achieve this, marketers segment a market into groups of potential buyers or customers with similar preferences and buying habits and satisfy their interest (Dolnicar, 2008; Etter & Shaffer, 1988; Kotler, 1980).

Marketers had been using various segmentation bases to segment a market. The four most commonly used are: demographic, geographic, psychographic and behavioural (Kotler & Armstrong, 2016; Tkaczyński & Rundle-Thiele, 2011). However, there seems to be no censuses among the marketers on which bases works best. Today, there are calls using newer segmentation bases as the previously used bases becoming irrelevant due to the rapid changes in the market and consumer behaviour. Few researchers discussed on some irrelevant of some segmentation bases. For example, the demographic segmentation on population ageing is facing a challenge in order to segment the tourist according to the latest tourism products as well as the new technologies (Nikitina & Vorontsova, 2015). Furthermore, even though the demographic segmentation have mainly been used as the basis of segmentation, but the predictive
power of age, gender and income is no longer irrelevant in market segmentation due to the
effect of purchasing behaviours as they are
only related to indirectly on purchasing a
product (Park & Yoon, 2009).

This paper reviews 20 events and festivals
market segmentation studies. The review aims
at identifying the bases and techniques used in
market segmentation research. It closes with
academic and managerial implications of the
study.

2. REVIEW PROCESS

This study started with a broad review of
tourism management, destination marketing,
and tourist’s behaviours as tourist market
segmentation studies often progressed from
these disciplines. A May to June 2017 search
of online databases – Google Scholar, JSTOR,
Scopus, Web of Science, Emerald,
ScienceDirect, SAGE Journals, Taylor and
Francis Online, and Wiley Online Library – with
keywords events market segmentation,
festivals market segmentation, and market
segmentation in events and festivals. The
results yielded 20 articles between 1996 until
2017 that explained the findings and research
process in market segmentation studies (see
Table 1). Table 1 shows 20 studies analysed in
this paper. It shares on the event name,
country, and types of event, sample size,
method, data analysis, and segmentation
bases.

Of the 20 studies, Australia and South Africa
are the two most frequently studied country
with four out of 20 studies or 20% followed by
the Unites States of America with three studies
(15%). Two researches were conducted in Italy
and only one research from South Korea,
Mongolia, Portugal, Chile, Turkey, Saudi
Arabia and United Kingdom respectively.
Eighteen out of the 20 market segmentation
studies were conducted on cultural festivals,
one was on sports event and one more
research is not available and not being
mentioned by the researcher.

The quantitative approach were the most
common approach with 19 out of 20 or 95%
studies employing the approach. In terms of
sample size, the size range from as low as 32
to 1702 respondents in these studies. On-site
self-administered questionnaire was the most
common approach with 15 out of 20 studies
adopting this approach. Two out of 20 or 10%
were using the interview administered on site
survey, another two approaches was found in
personal interview research and only one
research was adopting the online self-
administered questionnaire with 5%.

The review identified different statistical
approach used in the 20 studies to classify
each segment. A clustering based
segmentation design involves determining the
number, size and characteristics of the
segments based on the results of clustering of
respondents on a set of ‘relevant’ variables.
Factor analysis, chi-square test, cluster analysis,
t-test/s, ANOVA, descriptive analysis,
regression are among the popular data analysis
techniques used to segment the market. Other
techniques used include thematic analysis and
iterative analysis for qualitative data. Nineteen
out of twenty or 95% of the studies used the
combination of analysis technique.

In terms of segmentation base, demographic
segmentation is the most popular base with
nineteen out of twenty studies or 95%
adopting this approach. Thirteen or 65% of the
studies used the psychographic base while
geographic segmentation is the least popular
with only four out of twenty studies using the
segmentation. Nine studies combined two
segmentation bases while seven use the
combination of three segmentation bases in
their study.

3. CONCLUSION

The review shows important trend or
approaches adopted in market segmentation
studies. The demographic segmentation
continues to be the most popular base in
market segmentation studies. However, there
is an increasing trend of using the multiple
segmentation bases (Tkaczynski & Toh, 2014)as
globalisation, technological advancement and
changes in consumers’ lifestyle take place.
Using multiple segmentation bases such as
geo-demographic (Weinstein, 2011) and socio-
demographic would enhance the personality,
personal values, and consumer needs
(Galloway, 2002). Future research in market
should explore on new segmentation base
such as technographic, identifying new
dimensions that affect or changes existing
dimension such as classifying the consumers
on the usage of mobile to get connected to
the social technologies or industry specific
market segmentation such as wine-related lifestyle segmentation that is use in the winery industry to determine the lifestyle-related wine market segment (Bruwer et al., 2017) or segmentation for non-commercial purpose such as the development of social marketing segmentation (Dibb, 2017).

Clustering using clustering method such as k-means, Ward’s and bagged clustering are among the most common technique employed to identify a segment. The main problem associated with these clustering techniques is the stability of the cluster (Bloom, 2005). Future research could embrace on other mathematical and modelling approach such as fuzzy logic or neural network for segmentation.

The review also revealed that most of the market segmentation researches on cultural festivals were conducted in the Oceania, Southern Africa, Western Asia, Europe, and East Asia. There is a lack of study being conducted in the South East Asia particularly Malaysia’s cultural festival. This review shows that there is a need to conduct a market segmentation research for the marketers to promote their future event to the right target market.

This research is not without limitation. The existing review is based on the 20 articles listed in Table 1, hence, by no means is a comprehensive one. Future research could enrich the list by adding recent studies for the review.

REFERENCES


### Table 1  Market segmentation studies included in this study

<table>
<thead>
<tr>
<th>No.</th>
<th>Author(s)</th>
<th>Event name</th>
<th>Country</th>
<th>Types of festival</th>
<th>Sample size</th>
<th>Method</th>
<th>Data Analysis</th>
<th>Demographic</th>
<th>Geographical</th>
<th>Psychographic</th>
<th>Behavioral</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Formica and Uysal (1996)</td>
<td>Umbria Jazz Festival</td>
<td>Italy</td>
<td>Cultural</td>
<td>313</td>
<td>self-administered on-site survey</td>
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<td>Lee et al. (2004)</td>
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<td>Carneiro, Eusebio, and Pelicano (2011)</td>
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