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4.2 MARKETING PLANNING: ACTIVITY B

Read the case study below and answer the questions that follow.

'UNDERSTANDING MARKET SEGMENTATION KEY TO REPEAT VISITS BY TOURISTS'



According to a study by Cathy Hsu of the School of Tourism at Hong Kong University, the key to boosting the number of tourists re-visiting the region is for companies to understand market segmentation. In a survey of 1300 tourists passing through Hong Kong international airport, Professor Hsu identified six distinct groups of tourists who, she claimed, needed to be treated differently by marketing activities.

The six groups were:

- Leisure travellers 55 years or younger
- First time mature travellers 55 years +
- Repeat mature travellers
- Business travellers with incomes over \$100,000 per year
- Business travellers with incomes under \$100,000 per year
- Travellers visiting friends or family in Hong Kong

4.2 Marketing planning: Activity B

These groups needed a different marketing focus to encourage repeat visits. Young, single leisure travellers might be attracted by 'bring a friend' promotions. High income business travellers could be more influenced by promotions about the wide range of leisure and shopping facilities in the region. Mature repeat travellers made up just 4.5% of the total sample, suggesting that this was a market segment that needed to be more fully developed. The segment that needed little additional marketing focus was made up of those visiting family and friends as they would be more likely to visit Hong Kong again anyway.

QUESTIONS: 22 MARKS, 40 MINUTES

1. Explain why successful market segmentation needs to be supported by market research? Use the case study as an example in your answer. **[6 marks]**
2. Explain two of the ways that this research has segmented the total tourist market to Hong Kong. **[6 marks]**
3. Discuss the possible benefits and limitations to a Hong Kong travel company of targeting different market segments of the tourist market with different marketing activities. **[10 marks]**