



Driving Growth Through Segmentation

An introduction to best prospect DOMESTIC customer segments

Introduction

Recent domestic performance has been very encouraging. 2013 saw volume growth of two percent and value growth of seven percent when compared to 2012. As we look towards the future it is important that we build upon recent momentum to drive further growth. Now is the time to sharpen our focus on best prospects and step up our game in terms of targeting, reaching, influencing and winning high value customers.

With this in mind a new approach to identifying and defining best prospect customers has been put in place. This has resulted in new domestic customer segmentation model. This document provides an overview of key customer segments. It sets out who these customers are and what they really want from a holiday. It is hoped that the content contained in this booklet will support trade partners to target and influence best prospect customers more effectively, and in doing so drive revenue growth and sector performance.

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What is segmentation and why is it useful?

Segmentation is a process through which potential customers that display similar needs, motivations and characteristics are grouped together. It enables efficient and focussed marketing strategies to be implemented, supporting maximum return on investment from marketing and sales efforts. It also provides a basis to make decisions in relation to product, service and experience development. The emphasis of the new model is on customer motivations rather than demographics. Rather than assuming that everyone who is of a certain age and social class want the same thing from a holiday, the new model looks at why people take holidays and what they want to feel from that holiday, both during and after.



Priority Segments

On a **domestic** front three segments have been prioritised, these are defined as follows:

Connected Families

Connected Families are made up of families with young children. Their core motivation is to spend quality time together and grow as a family.

Footloose Socialisers

Footloose Socialisers tend to travel as groups of friends, for them holidays are about sharing experiences with people who are of the same mindset.

Indulgent Romantics

Indulgent Romantics are made up of couples that are seeking a romantic getaway through which they can reconnect while enjoying wonderful surroundings.



Connected Families

Who are they?

Connected Families make up 23 percent of the domestic market, the single largest segment. They are made up of relatively young families. They are made up of parents in their thirties and early forties and children generally under the age of ten. For Connected Families, family holidays are the best weeks of the year and a special opportunity to spend quality time together, creating memories to last a lifetime. They put their heart into planning and finding out everything a destination has to offer, the best places to stay, the hidden gems and all the activities available that can be shared by adults and children together. For them it is not about having a plan for every day rather knowing that there are lots of 'things to do together' nearby and making sure their accommodation and facilities really suit their needs.

What they want from a holiday

Connected Families enjoy a holiday that offers a variety of things to see and do in a place that feels special. Whether it's fun at a petting farm, picnicking, learning to surf, catching crabs on the beach or taking a walk on a local nature trail, as long as they're doing it together, they're happy. For the parents it's all about their children being

happy and enjoying themselves. They want to make the most of the opportunity to really 'be' with their children and love to see them do and enjoy the same simple things they did when they were children themselves. They are seeking to create special memories that they can treasure, sharing experiences that they can fondly look back on in the months and years to come.

Holiday behaviour

Connected Families tend to plan and book their holidays well in advance (3-6 months) and do most of their booking online. On average family breaks tend to last between four and seven days and they are most likely to stay in hotels or holiday homes. They tend to rely heavily on hotel / accommodations websites, review websites, social media and personal recommendations when deciding on where to holiday and their choice of accommodation. After their return, they try to hold on to those special holiday memories for as long as possible, by sharing stories and photos with friends and family on social networks.



Segment snapshot

Mindset & Motivations

- They are meticulous planners because they want to make sure their family holiday is perfect
- They thrive on researching and planning every detail of their holidays
- More than average motivated by spending time with family and children on their holidays

Demographics

- Highest share of females (58%)
- Average age of segment 42
- Higher share of home makers

Holidays / short breaks in Ireland

- On average take 1.3 domestic trips per year
- **Main differentiating motivations:** Spend time with family & friends and children, gentle/relaxing activities, beach, enjoy local specialities and go shopping
- **Main barriers:** Price of accommodation and activities
- Most likely to travel in August or July
- Most likely of all segments to book activities and restaurants beforehand



Top 10 revisiting factors

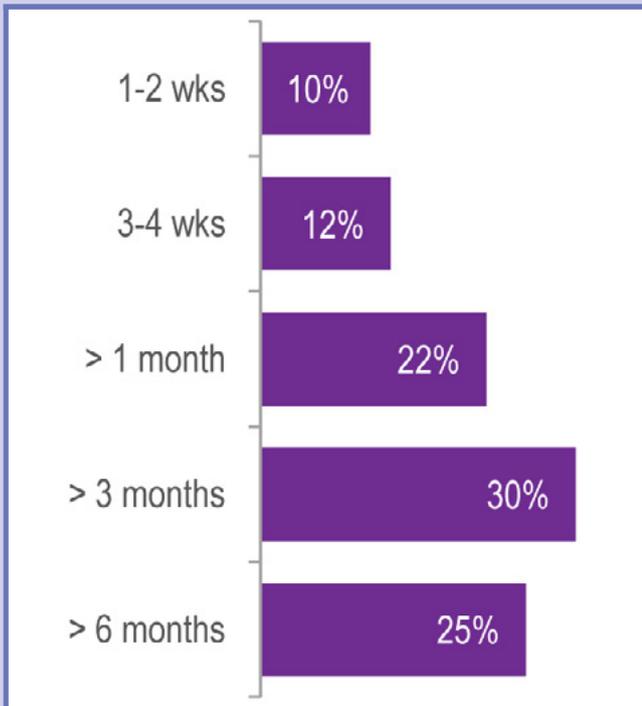
When asked Connected Families identified the following factors as the key reasons they would choose to re-visit a destination. These factors are listed in order of importance.

Brand Attribute

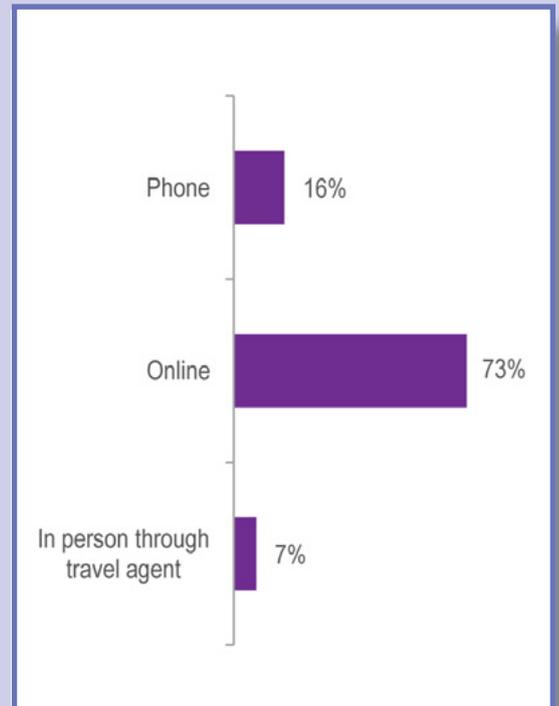
- 1 I feel comfortable there
- 2 Has spectacular landscapes
- 3 Has a 'wow' factor
- 4 Relaxing
- 5 Has great outdoor activities
- 6 Has a variety of activities available
- 7 Has great food options
- 8 Full of character
- 9 The locals make me feel welcome
- 10 Authentic

Planning and Booking Behaviour

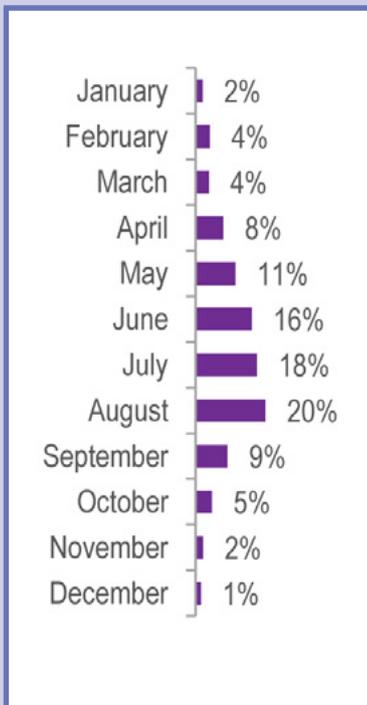
How far in advance did you begin planning their trip?



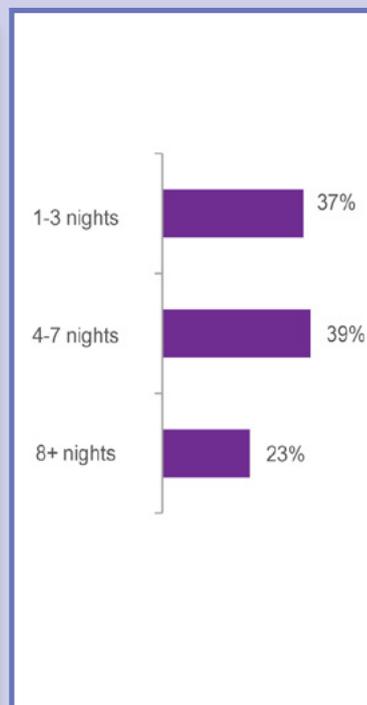
Booking Channel
(% of segment)



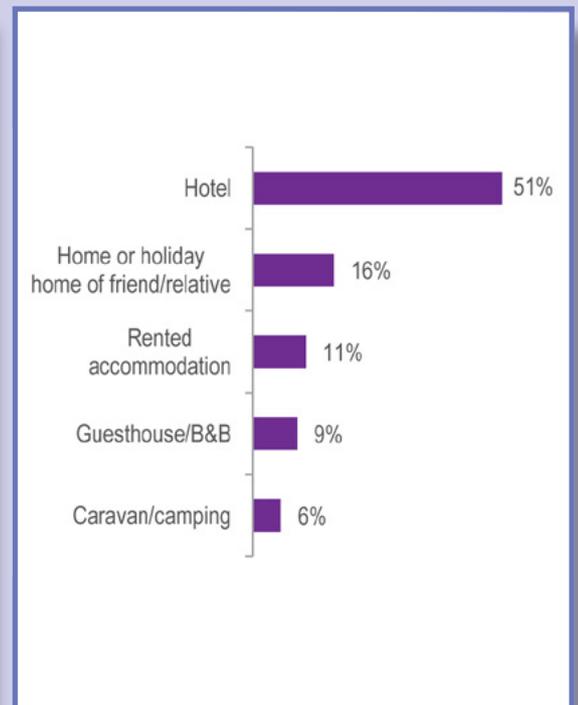
Month of Travel
(% of segment)



Trip Length
(% of segment)



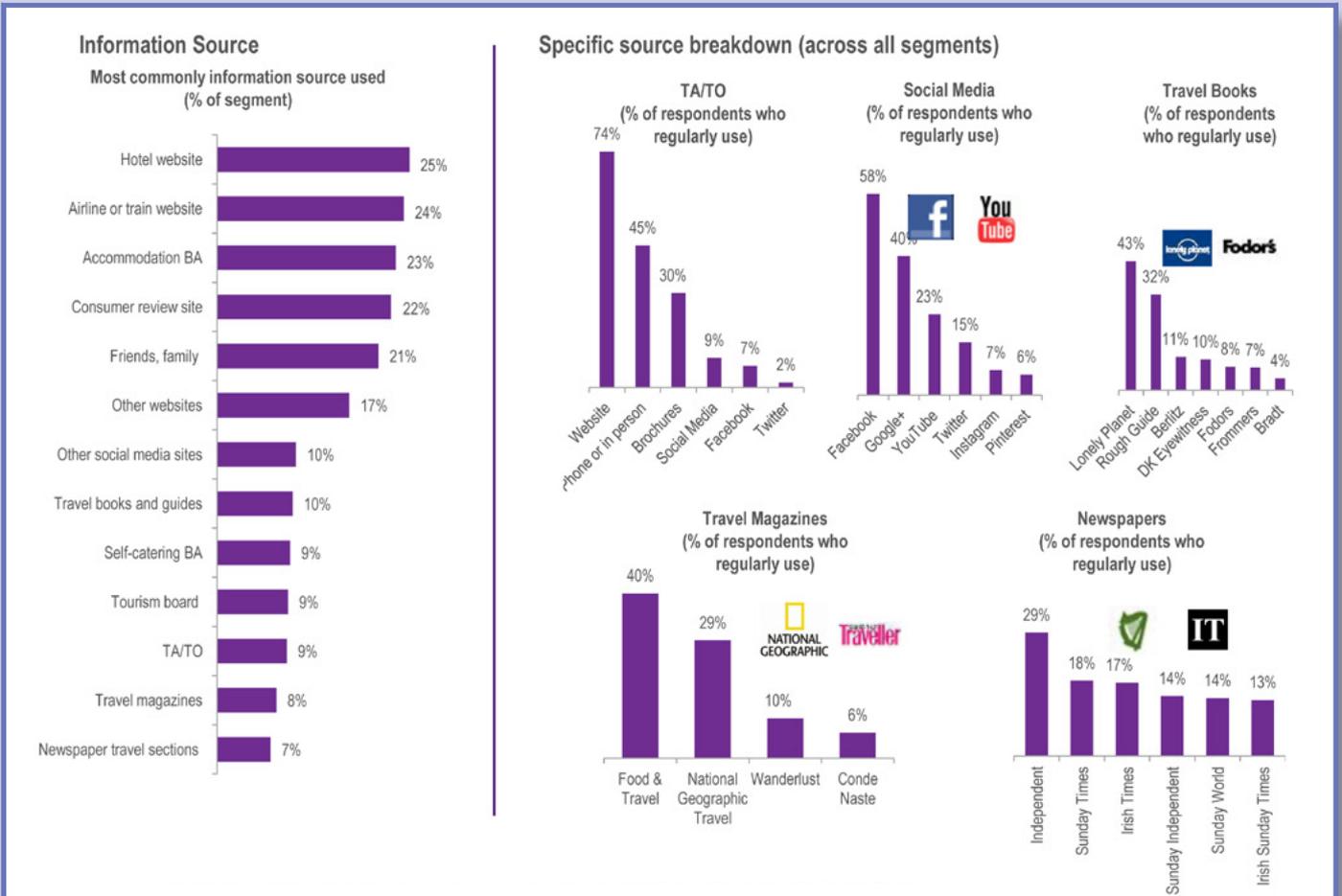
Accommodation
(Top 5, % of segment)





Information Sources

Connected Families use a wide variety of sources, with personal recommendations, review sites and booking agents all important.





Footloose Socialisers

Who are they?

Footloose Socialisers make up 15 percent of the domestic market. On average in their late forties and well educated, they are made up of groups of friends that enjoy getting away and spending quality time together. What matters most to them is being with like-minded people, whether they're old friends or new acquaintances.

They really love the opportunity to get a break from their routines and responsibilities. For Footloose Socialisers a weekend with friends is a reminder of their long lost youth and they love to break out, really relax and enjoy themselves.

Although value conscious, Footloose Socialisers regularly take short breaks with friends - going to rugby matches, hill walking, attending music and cultural festivals or just playing a few rounds of golf.

What they want from a holiday

Footloose Socialisers are seeking to share experiences with people they can relax and be themselves with – experiences that bring people together and enrich life. They want to do this in authentic and interesting surroundings. They reject the idea of a package holiday.

They believe that it's good to go off the beaten track every now and again, try out different places, meet the locals and really get under the skin of a place. They enjoy good food and drink and tend to be interested in the history and culture of the place they are visiting.

Holiday behaviour

Footloose Socialisers tend to book their breaks closer to actually taking them, with one in three trips booked less than a month in advance. They do most of their booking online. On average their breaks tend to be for between one to three days and they demonstrate a stronger tendency to stay in holiday homes/rentals than other segments, although they are also likely to stay in hotels. They tend to rely heavily on review websites and booking agent sites (OTAs) and personal recommendations when deciding on where to holiday and their choice of accommodation.

As active users of social media they share stories and pictures from their breaks online.



Segment snapshot

Mindset & Motivations

- Prioritise spending time with friends
- Highly independent and self sufficient – would never consider taking a package holiday
- Confident and happy to travel off the beaten track, but prefer to travel for a purpose such as visiting friends or a specific event.

Demographics

- Average age of segment 45
- Second lowest number of dependent children of all segments (23% vs 40% on average)

Holidays / short breaks in Ireland

- **Key differentiating motivations:**
Spend time with family & friends, travel without much planning effort, attend a specific event, soak up the atmosphere; least likely of all segments to be motivated by spend time with children, spend romantic time, beach
- **Key barriers:** value for money perceptions, weather
- 3/4 of their domestic trips are short breaks – the highest of all segments
- Most likely segment to go to Dublin
- Twice as likely as segment average to go with friends



Top 10 revisiting factors

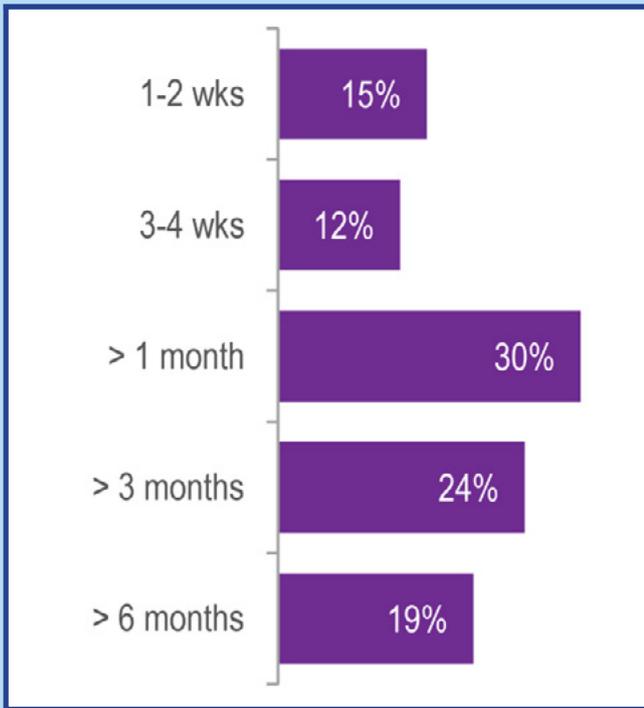
When asked Footloose Socialisers identified the following factors as the key reasons they would choose to re-visit a destination. These factors are listed in order of importance.

Brand Attribute

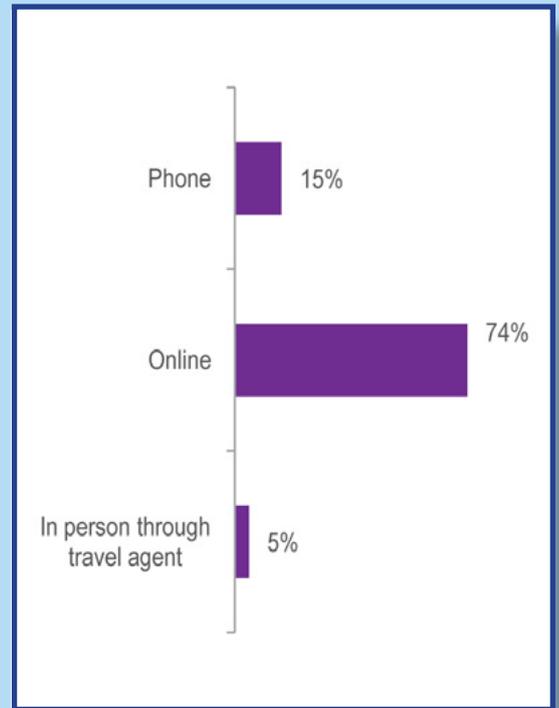
- 1 Easy to organise holidays
- 2 Has a variety of activities available
- 3 Is easy to get to
- 4 Is relaxing
- 5 Good value for money
- 6 Has spectacular landscapes
- 7 Where I feel comfortable there
- 8 Has great outdoor activities
- 9 Has unspoiled nature
- 10 Has great food options

Planning and Booking Behaviour

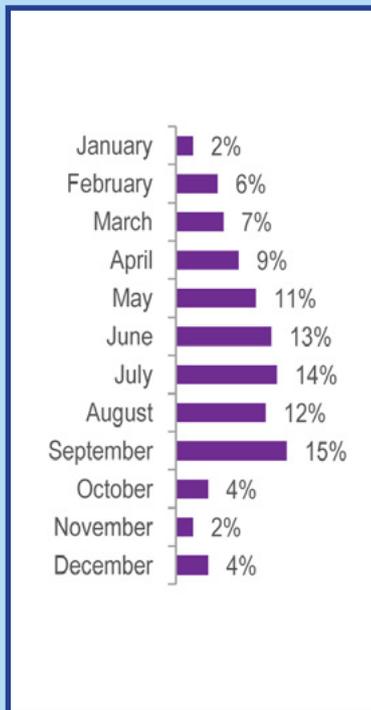
How far in advance did you begin planning their trip?



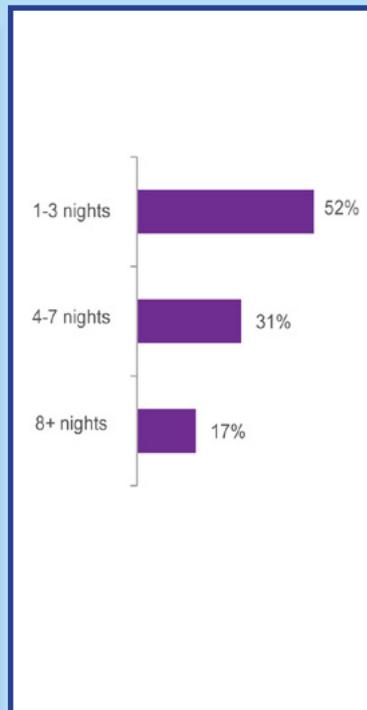
Booking Channel
(% of segment)



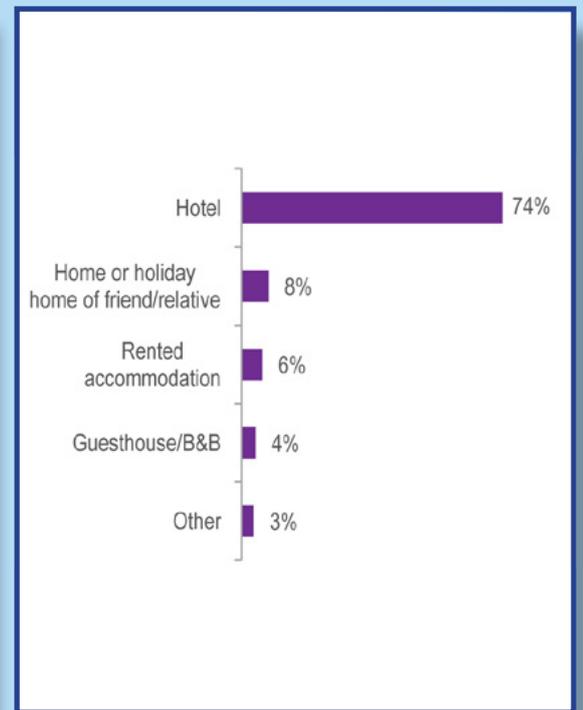
Month of Travel
(% of segment)



Trip Length
(% of segment)



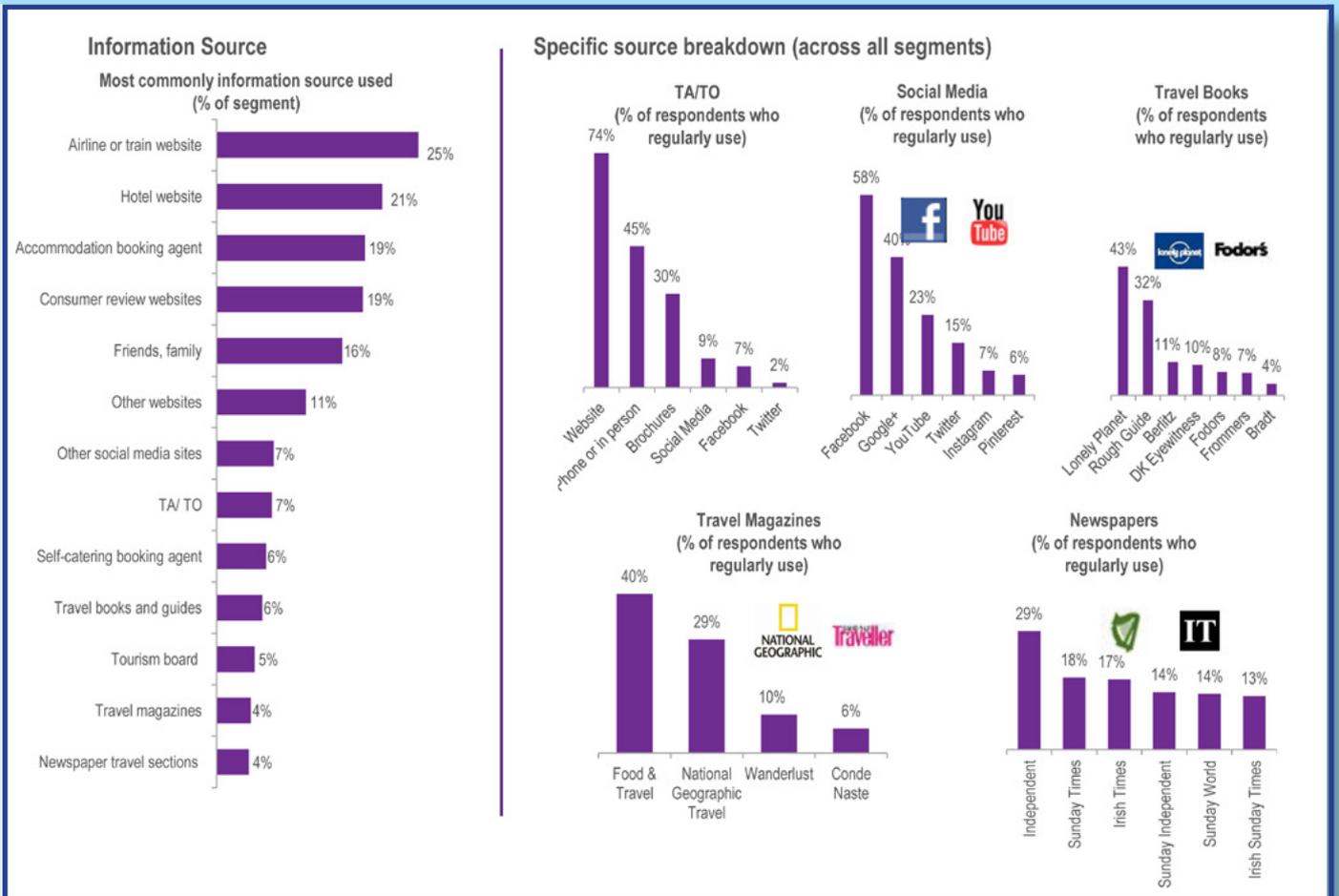
Accommodation
(Top 5, % of segment)





Information Sources

Footloose Socialisers use a wide variety of sources, with personal recommendations, review sites and booking agents all important.





Indulgent Romantics

Who are they?

Indulgent Romantics make up 14 percent of the domestic market. Although relatively broad in terms of age profile they are more likely than average to be aged between 45 and 64. They are interested in going to different places and enjoy the atmosphere of new cities, particularly if they offer opportunities for shopping, pampering, enjoying great food and the little indulgences in life. They enjoy quick and spontaneous weekend breaks to get away from the stresses and bustle of their daily lives.

Savvy trip planners they are always keen to find a good deal for a particularly nice hotel they've had their eye on. Interested and knowledgeable about quality travel, restaurants, food and wine, they tend to be in-the-know about what's hot and what's not.

What they want from a holiday

They are made up of couples whose ultimate goal is to find the perfect romantic hub for their holiday where they can soak up the luxury, reward themselves, be well looked after and reconnect with one another. Just being together and treating themselves a little really helps them to rebalance.

They prefer to spend money on accommodation rather than activities and expect a certain standard of comfort in their accommodation and hospitality.

Holiday behaviour

Indulgent Romantics are more likely than any other segment to book their accommodation well in advance; however they do also act spontaneously and may book at short notice if the right offer comes up. They do most of their booking online. On average their breaks tend to be for between one to three days and they demonstrate very high propensity to stay in hotels. They tend to rely heavily on hotel and booking agent sites (OTAs) when deciding on where to holiday and their choice of accommodation (using a relatively narrow range of information sources when compared to other segments). Although they actively research and review destinations and accommodation online they are not active users of social media.



Segment snapshot

Mindset & Motivations

- Holidays are a chance to travel with one's spouse or partner for a romantic break
- Indulgent Romantics like to treat themselves to luxuries where possible. They would prefer to spend money on accommodation rather than activities and expect a certain standard of comfort in their accommodation and hospitality

Demographics

- Majority of segment are aged 45-64
- Fewer than average dependent children

Holidays / short breaks in Ireland

- **Key differentiating motivations:** To get away, relax, pamper myself, spend romantic time with partner and travel without much planning effort
- Highest average number of domestic trips of all segments
- Highest proportion of spend on accommodation of all segments
- 73% of all their domestic trips are short breaks
- Most likely segment to stay at a hotel
- Most likely segment to book a spontaneous trip (booked 1-2 weeks beforehand)



Top 10 revisiting factors

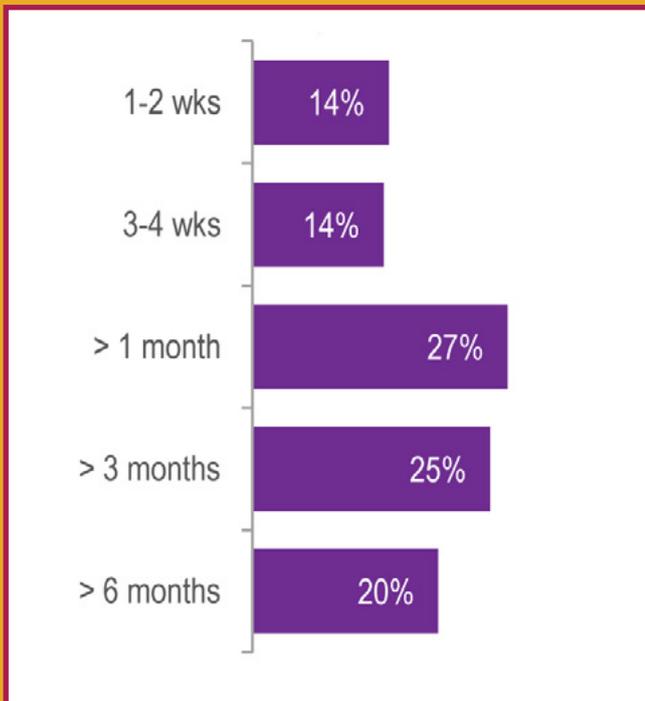
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Brand Attribute

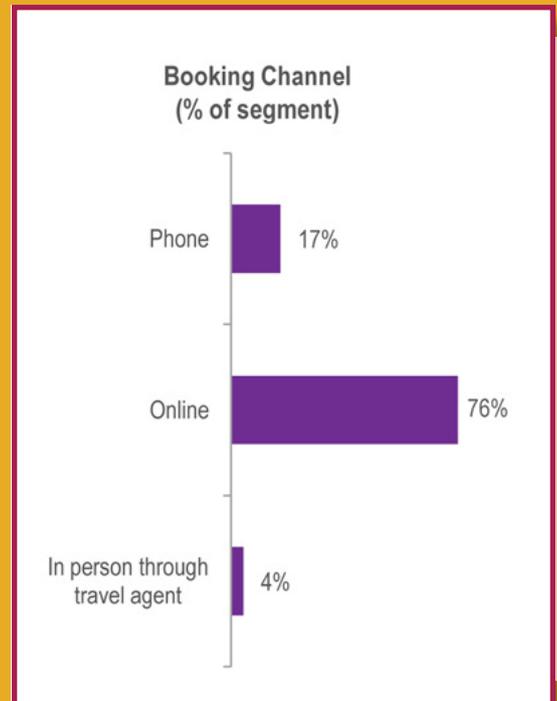
- 1 High-quality hotels
- 2 Has fascinating history
- 3 Is easy to get to
- 4 A romantic destination
- 5 Is full of Character
- 6 Is authentic
- 7 Has unspoiled nature
- 8 I feel comfortable there
- 9 A relaxing destination
- 10 Easy to organise holidays

Planning and Booking Behaviour

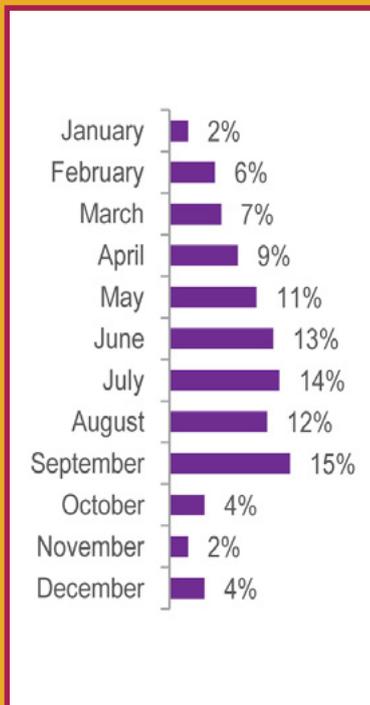
How far in advance did you begin planning their trip?



Booking Channel
(% of segment)



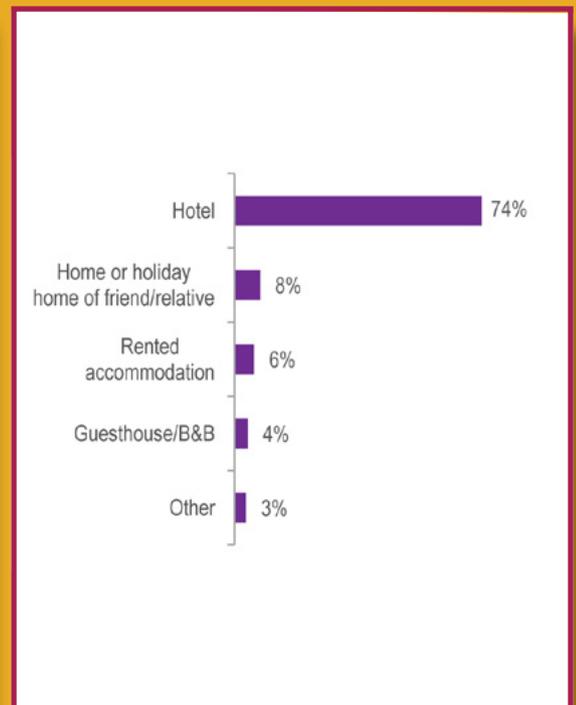
Month of Travel
(% of segment)



Trip Length
(% of segment)



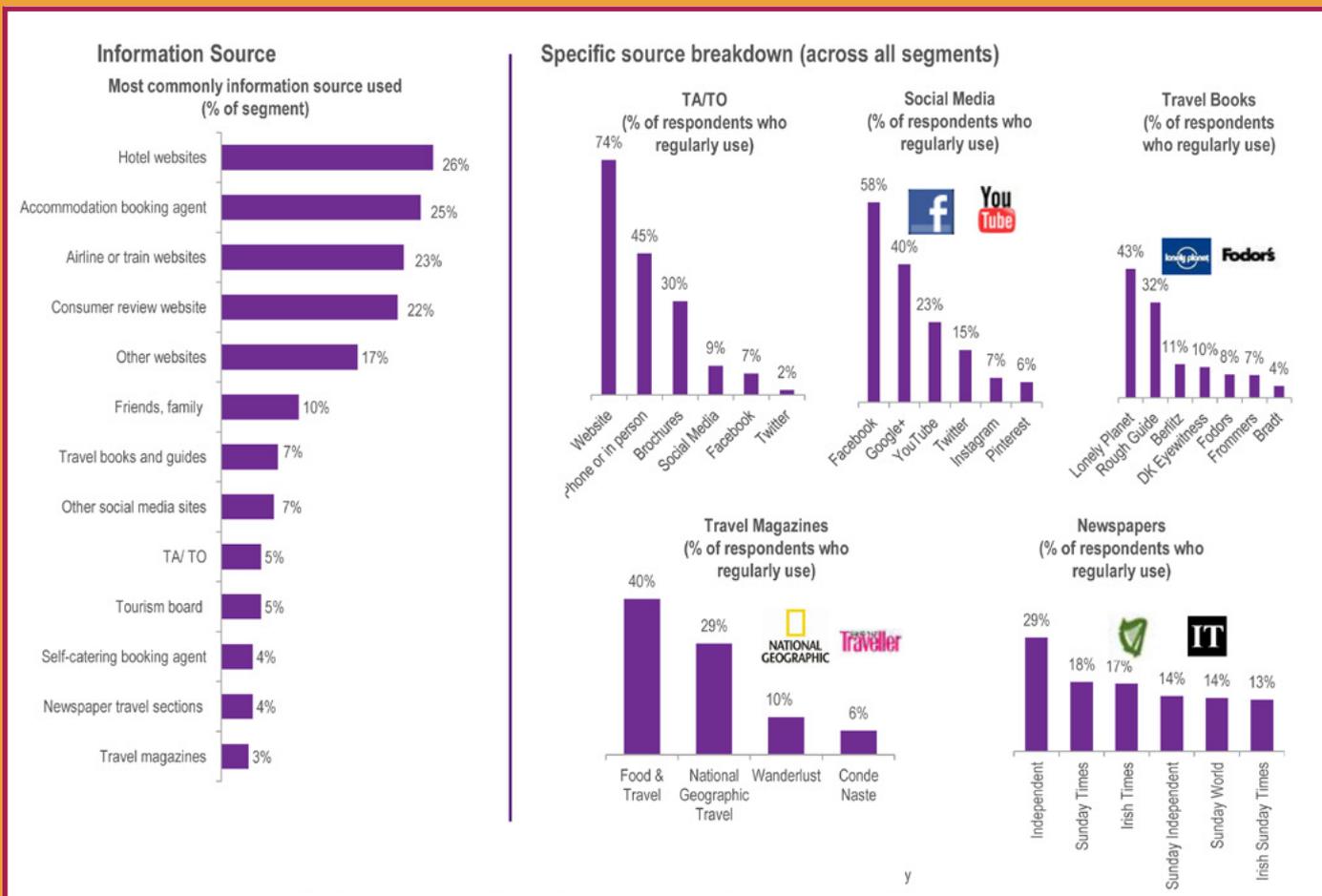
Accommodation
(Top 5, % of segment)





Information Sources

Indulgent Romantics use a wide variety of sources, with personal recommendations, review sites and booking agents all important.



Other Segments

The three priority segments make up a total of 52 percent of the domestic market. They were deemed priority segments as a consequence of their size, value and propensity to holiday in Ireland. In addition to these three segments a further four domestic segments were identified as follows:

Segment	% of market	Summary profile
	19%	<p>Creatures of Habit tend to return to the same holiday destinations year after year both in Ireland and overseas. They are not particularly interested in new experiences or places rather sticking to the tried and trusted in terms of accommodation, food and drink. Their main motivation to holiday is to relax and this largely means wanting to eat, drink and sunbathe.</p>
	12%	<p>Generally younger Stimulation Seekers are always on the hunt for the next cool thing to do or trendy place to go. They like the idea of getting off the beaten track but also like to stay in Ireland for some of their holidays. They are not particularly fussed about the kind of place they stay as they are more focused on the activities, entertainment etc that surrounds them.</p>

Other Segments (continued)

Segment	% of market	Summary profile
 <p>Making-Do Families</p>	9%	<p>Married with children and generally between the ages of 34 to 54 holidays aren't a particularly important part of Making-Do Families lives. Focussed on convenience and price they are looking for breaks that work for the family, particularly the kids. They tend not to be particular about their destination or the things to do and see there, as long as the kids are happy and having a good time they are happy.</p>
 <p>Global Experience Seekers</p>	8%	<p>Generally preferring more far flung destinations Global Experience Seekers love to travel, and consider every trip they take as an opportunity to learn about a different culture, history and different way of life. Never considering themselves as tourists, they like to go on cultural trips or longer holidays where they can thoroughly explore the destination by visiting a few different places – it's all about immersing themselves as much as they can in authentic travel experiences.</p>

Further Information and Contacts



For further information on the research findings behind any of the segments, please contact The Research Division, Fáilte Ireland 01 8847700

For general enquires on our home holidays campaign, please contact Fionnán Nestor 01 8847168