



# Driving Growth Through Segmentation

An introduction to best prospect GLOBAL and DOMESTIC customer segments



**Fáilte Ireland**  
National Tourism Development Authority

# Introduction

Recent performance on both a domestic and overseas basis has been very encouraging. From a domestic perspective 2013 saw volume growth of two percent and value growth of seven percent vs 2012. With regard to overseas visitors 2013 delivered a twelve percent growth in value and a six percent growth in volume, with many key markets back or close to peak levels.

As we look towards the future it is important that we build upon (but do not rely on) recent momentum to drive further growth both domestically and internationally. 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.

From a strategic perspective one of our key objectives is to 'build sustainable international sales', driving accelerated growth from key overseas markets, where high value customers that stay longer and spend more are there to be won. We are also focussed on and committed to supporting and developing domestic sales. In many ways the vibrancy of the domestic travel market is linked to and supports Ireland's capacity to attract overseas visitors.

To address the objectives set out above a new approach to identifying and defining best prospect customers has been put in place. This has resulted in new global and domestic customer segmentation models.

This document provides an overview of key customer segments both from an overseas and domestic perspective. It sets out who these customers are and what they really want from a holiday. It is hoped that the content contained in this summary booklet (and more detailed content that can be found on the Fáilte Ireland website) will support trade partners to target and influence best prospect customers more effectively, and in doing so drive revenue growth and sector performance.

## Contents

# 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 new models 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 models look at why people take holidays and what they want to feel from that holiday, both during and after.

This new approach to segmentation provides new, unique insights about the key consumer segments; their motivations and the kinds of experiences they will buy.

Segmentation, when used properly, enables not only focus, it facilitates better strategic targeting of best prospect customers. The most competitive destinations and businesses are the ones that understand who their best customers are, what these customers want to buy and how best to communicate with them. The new segmentation models are a key asset through which Ireland can seek to compete and win overseas business while simultaneously developing and growing on a domestic basis.



# 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.

From a **global** perspective three segments have been prioritised. These have been identified as:

## Culturally Curious

Culturally Curious tend to be slightly older, are very independently minded and are interested in places of historic and cultural interest.

## Social Energisers

Social Energisers tend to be young, looking for new experiences and excitement.

## Great Escapers

Great Escapers are all about getting away from it all, renewing family bonds and spending time together in a beautiful place.



### 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.





### 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.



### 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.



### Culturally Curious

#### Who are they?

They choose their holiday destinations carefully and are independent 'active sightseers' looking to visit new places. They want to 'do a place' and are unlikely to return for some time once they have visited it. They travel as couples or on their own. If they have children, they are grown up or are left home. Most Culturally Curious are around 40 or over. They are generally made up of a higher proportion of single adults and couples, fewer family groups and are slightly biased towards females.

Typically Culturally Curious travellers are out to broaden their minds and expand their experience by exploring new landscapes, history and culture. They are curious about everything and are delighted to discover the world for themselves once again.

#### What they want from a holiday

They're interested in all that a place has to offer and they want it to be authentic. They won't choose to visit a place just to follow the herd. This is their own exploration and they really want to cover everything. The Culturally Curious love to discover history and always find ways of getting real insight. They are looking to encounter new

places and experiences that are out of the ordinary. They like to feel that they have not only broadened their mind but also immersed themselves in a place, giving their senses a holiday too – the sights, the sounds, the smells, the tastes. They enjoy connecting with nature and getting off the beaten track. They like people to show an interest and educate them – to feel they've connected. They really appreciate personal guides.

#### Holiday behaviour

Culturally Curious are most likely to stay in a hotel, self-catering accommodation or a B&B as long as there's a lot to see. They will usually choose somewhere with access to scenery and good walks. They are three times more likely to take long breaks than average but they also take more short breaks than average, both at home and overseas. They are unlikely to return for a while unless a destination is truly diverse, preferring to move on to new discoveries.

In terms of using the internet they are more likely to rely on 'search' rather than social media. They are also relatively heavy users of newspapers and radio.





### Social Energisers

#### Who are they?

Social Energisers are mostly made up of young couples/adult groups looking for excitement, new exciting experiences, fun, social holidays somewhere new and different.

A good example: a group of 28 year olds on a long weekend in Dublin. They're friends or colleagues, looking for a cool, exciting trip somewhere new and vibrant.

#### What they want from a holiday

They really like having a laugh and sharing the adventure with their friends, they love new experiences and exploring new places – the more out of the ordinary, the more exciting, the better. It's great if there's lots to do in a relatively small area, so they don't have to plan too far ahead. They're up for being spontaneous, as this often leads to even more fun and laughter and a really great break.

Social Energisers want to be at the heart of it all – wherever's social, wherever it's happening. But their definition of a good time is wider than just partying. They're also looking for interesting events, fun activities and gigs. Always ready to try new

things – exploring the city by day for its vibrancy and unique atmosphere, as well as enjoying the nightlife. Social Energisers will go for something unusual as long as it has the 'wow' factor they're looking for. They're hungry for experience so they're likely to be packing everything in.

#### Holiday behaviour

Social Energisers are most likely to stay in a hotel close to the action. Some stay in B&Bs, guesthouses and hostels as long as there's a lot going on around them that's new and different. This is the most likely group to go to European cities and even further afield in search of these kinds of experiences. They are also more likely to take a shorter break of two or three nights.

Social Energisers are heavy social networkers – access to the internet wherever they are is vital. Most own a smartphone and social media plays a big part in their lives.



### Great Escapers

#### Who are they?

They are often couples, approximately 30 years old, some with babies or quite young children. Most are in serious need of time out from busy lives and careers. They are specifically interested in rural holidays and travel very much as a couple or family. Great Escapers are on holiday for a break, to get physical with nature, and to reconnect with their partner. They are more likely to take part in slightly more strenuous, but not extreme, exploration and are more interested than other segments in getting connected to nature especially the more remote and exciting places.

#### What they want from a holiday

To connect with the landscape, to feel the earth beneath their feet, to soak up the beauty. A sense of history, of their place in the vastness of nature – they want to feel part of it. Against this kind of backdrop Great Escapers can spend real quality time bonding with those closest to them. They can rebalance themselves and take stock of their lives, concentrating on what's important to them. They

appreciate peace and quiet between activities, the point is the trip itself. It's 'down time', it's being off the beaten track, it's a great escape. But it's important that getting away from it all is easy enough – they want the 'wow' factor without too much effort. Most importantly, Great Escapers want to come home refreshed and revitalised, their batteries recharged.

#### Holiday behaviour

They are likely to take more short breaks than the average visitor. Ireland offers plenty of what they're looking for. Although relatively light users of social media they do rely heavily on the internet for gathering information.

# So what does it all mean? Converting segmentation into sales...



As mentioned earlier the most competitive destinations and businesses are the ones that understand who their best customers are, what these customers want to buy and how best to communicate with them. However, while knowing and understanding your customers through segmentation is insightful, the real challenge and opportunity is using this information to guide and inform sales and marketing efforts and product, service and experience development.

## So, where to from here?

The first key step is to identify the segments most relevant to your business? In doing this you should consider and answer the following questions...

- Do I know who my current customers are and where they are coming from?
- Is my business already attracting key domestic and global segments?
- What customer segments fit my business and product offering the most?
- What does my business offer that meets the specific wants of the key segments?
- What segments represent a real opportunity for future growth of my business?

Answering the above questions will enable you to determine what segments are most relevant to your business. It is not possible to target all segments so it is important to prioritise – remember segmentation is not about *ruling out* particular types of customers rather *determining which customers you want the most* – and this generally means targeting one or two segments.

With clarity about the customers you want to win the most, you can then begin to **fine tune your product** to make sure it is in line with key customer motivations. So for example if you view Culturally Curious as one of your priority segments you may need to consider how to put in place hands on experiences in which they can interact and learn from people, potentially through personal guides.

This in turn allows for the **packaging of experiences that will resonate** and appeal to your target segments. For most customers a great holiday arises as a consequence of the combination and convergence of a number of elements – resulting in great experiences. Defining experiences with key target segments in mind is a key means to deliver competitive advantage, attract the desired target customers and drive sales.

Having defined experiences that are in line with your target customers motivations it is now imperative you *communicate what you have to offer in a way that is motivating and relevant* to your target segments. Using the right language and importantly the right imagery is hugely important and when executed well can significantly enhance appeal and support sales and marketing efforts.

With real clarity in terms of the customers you are seeking to win and a deep understanding of what motivates them, you will have a very strong platform upon which to deliver a focussed marketing strategy, supporting maximum return on investment from your marketing and sales efforts – *converting segmentation into sales.*



# Sales Cheat Sheet

## The 5 steps to developing your sales plan

The planning and time you put into developing your sales plan is as important as the final written plan. Work through the 5 steps and you'll have a well thought out, focussed plan to drive sales. Each step is important – from looking at past sales performance to evaluating your business against the competition to allocating resources and measuring effectiveness.

### 1 The **past** - sales history

- a. Revenue
- b. Sales mix
- c. KPI's
- d. Business mix
- e. Cost of sales
- f. Seasonal nature of business
- g. New or existing business

### 2 The **present** - market analysis

- a. Customer groups
- b. Market size
- c. Changing trends

### 3 The **competition** - competitor analysis

- a. Competitive advantages
- b. SWOT

### 4 The **future** - sales and revenue goals

- a. Revenue goals
- b. New and repeat business

### 5 The **sales plan** - positioning and actions

- a. Acquiring new business
- b. Growing existing business



# For Further Information

For further information and details on segmentation research, toolkits, guides and other resources please visit [www.failteireland.ie](http://www.failteireland.ie)

## Key Contacts

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